

Registered number: 00045024

THE TINTOMETER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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THE TINTOMETER LIMITED

COMPANY INFORMATION

Directors	C P Voss M Reid R E Lambourne M C Voss P C Banning
Registered number	00045024
Registered office	Lovibond House Sun Rise Way Amesbury Salisbury Wiltshire SP4 7GR
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG
Bankers	HSBC Bank Plc 165 High Street Southampton Hampshire SO14 2NZ

THE TINTOMETER LIMITED

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THE TINTOMETER LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their Strategic Report for the year ended 31 December 2020.

Review of the business

The directors are pleased to report that despite the significant disruption to trading due to the Covid-19 pandemic, the Group results for 2020 were very satisfactory. Group sales, a key metric, were down in the year by 8%, but there were improvements in the other key metrics with Operating profit up £584K to £1,521K and the Group generated a cash inflow of £2.4M from operations in 2020, a very pleasing result in such a difficult year. Finally, net profit for the Group in the year was £1,188K, up £736K on 2019 levels.

The over-riding impact on group performance in 2020 was from the Covid-19 pandemic, and the different impacts on the Group's operations in the UK and India. Overall, the UK sales performance was only down 7% on 2019 levels, an outcome that did not seem likely when the UK government imposed a lockdown at the end of March 2020, and the consequent adverse trading environment in quarter 2. Trading started to recover in quarter 3 as the initial restrictions started to lift, with a further recovery in quarter 4 2020, especially in trading with customers based in Europe, where there was evidence of pre Brexit stockpiling. Throughout the entire year, the Company was able to keep all of the UK locations open, which enabled it to meet customer demands in this difficult year. This continued operation was only due to the support of the staff (both those who continued working in the plants and those who switched to working from home), support for which the directors are very grateful. In view of the severe downturn in trading in the second quarter of the year, the Company severely restricted its cash outflows (by limiting both discretionary overhead spending, for example on marketing activities and on non-essential capital expenditure) and the directors also took the difficult decision to make a number of staff redundant in the latter half of the year, and thus adjust the on-going headcount to the reduced levels of activity.

In addition to its own efforts, the Company also utilised the UK Government furlough support program whilst the pandemic lockdown measures were at their peak, receiving grants of £162K in employment support in the period. The Company's strong cash position meant that it did not need to utilise any of the UK government Covid-19 loan support programmes.

Covid-19 had a much more disruptive impact on the Indian subsidiary, with a greater decline in sales (down 23% on 2019 levels in local currency terms). This decline was mainly concentrated in quarter 2 2020, but there was really only a sustained recovery in quarter 4. Faced with such a drop in sales and despite severe cost reduction actions undertaken locally (including headcount reductions), the Indian operation reported an increased loss in the year.

Overall, the results of the actions undertaken by the Group, in both the UK and India, were that the Group operating profit thus ended the year at £1,521K, up £584K on the 2019 performance, a very good performance for this key performance metric in such a difficult trading environment.

The final key performance indicator for the Group is operating cash flow generated, where the Group performed strongly, with operating cash generated of £2.4M, up £1.7M on the inflow achieved in 2019. This was the result of good management control (in not only controlling expenses but also good control of working capital). Combined with the restrictions on capital expenditure, the significantly improved cash position allowed the UK to repay early all of its outstanding external loan balances.

Following the adverse trading performance in 2020, the Group's parent company, Tintometer GmbH, agreed to a re-financing package for the Indian subsidiary. This re-financing, which was finalised in Quarter 2 2021, involved swapping some of the inter-company trading balance with an India Rupee (INR) loan and switching the previous euro denominated loan to one of equal amount denominated in INR; these changes have significantly improved the ability of the Indian subsidiary to meet its short term trade liabilities and thus strengthened its trading position.


THE TINTOMETER LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

As noted last year, in closing the final salary pension scheme in 2018, the directors became aware that there was an historical flaw in the process used to process certain previous benefit changes, which resulted in a miscalculation in the pension liability. Following further legal consultation, the Company and the trustees of the fund are starting the legal claim process against the former legal advisers to the fund to address the identified shortfall.

The outlook for sales in 2021 is still uncertain, as although trading so far has seen encouraging signs of a recovery towards 2019 levels, it is still unclear as to whether the vaccine and other public health measures will be successful in allowing a return to a more normal life. There is also some significant uncertainty concerning the future of trade with EU customers and suppliers, as a result of the new trading relationship in place since January 2021, with the associated increased bureaucracy. Overall, the directors consider that in view of the Group's trading strengths of good local market presence and supply of niche products worldwide, it is well placed to benefit from further organic sales growth, not least with planned expansion into new markets and from growth in sales in India. Operating profit and cash generation are expected to benefit from the anticipated growth in sales.

This report was approved by the board and signed on its behalf.


P C Banning (Apr 21, 2021 16:52 GMT+1)

P C Banning
Director

Date: 21/04/2021

THE TINTOMETER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £1,187,591 (2019: £451,957).

No dividends have been paid or proposed in the year (2019: £Nil).

Directors

The directors who served during the year were:

C P Voss
M Reid
R E Lambourne
M C Voss
P C Banning

Research and development activities

Expenditure incurred by the Group on research and development of new products is written off as incurred. All research and development expenditure is regarded as part of the Group's continuing operations and is required to maintain its position in the marketplace.

Financial risk management

The Group's activities expose it to a number of financial risks including credit risk, liquidity risk and cash flow risk.

The directors have policies in place to ensure such risks are managed.

Credit risk

The Group's principal financial assets are cash at bank and in hand, and trade and other debtors. The Group's credit risk is primarily attributable to its trade debtors. However, this is managed by monitoring the aggregate amount and duration of exposure to any one debtor depending on their history. The amounts included in the Balance Sheet are net of provisions for any doubtful debts. The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

The Group is funded by retained profits and by agreed bank facilities and, through its Indian subsidiary, benefits from extended credit terms with the Parent Group headed by Tintometer GmbH. The Group's policy is to ensure that any projected borrowing requirement is covered by committed facilities with its bankers. The Group has continued to operate within its bank facilities and the directors believe that its financing arrangements are adequate for its future operational needs.

Cash flow risk

The interest rate on the bank facilities is at market rate and the Group's policy is to keep the bank facilities within the defined limits such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The directors monitor the overall level of borrowing and interest costs to limit any adverse effects on the financial performance of the Group.

Matters covered in the strategic report

Where necessary, disclosures relating future developments have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

THE TINTOMETER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Disclosure of information to auditor


Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


P C Banning (Apr 21, 2021 16:52 GMT+1)

P C Banning
Director

Date: 21/04/2021

THE TINTOMETER LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors are the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TINTOMETER LIMITED

Opinion

We have audited the financial statements of The Tintometer Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TINTOMETER LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TINTOMETER LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Group and Parent Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group and Parent Company's industry and regulation.

We understand that the Group and Parent Company comply with the framework through:

- Outsourcing accounts preparation and tax compliance to external experts;
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary; and
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly and are considered at board meetings.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Group and Parent Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group and Parent Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Stock and debtor provisions, as these are estimates made by management; and
- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error affecting cut off around the year end.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in estimates;
- Substantive work on material areas affecting profits;
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts;
- Testing of transactions around the year end, agreeing that revenue was recognised appropriately; and
- Review responses from component auditor.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TINTOMETER LIMITED (CONTINUED)

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson
Nexia Smith & Williamson (Apr 21, 2021 16:56 GMT+1)

Alan Waters (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 21/04/2021

THE TINTOMETER LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	13,493,408	14,729,626
Cost of sales		(7,309,811)	(8,287,603)
Gross profit		6,183,597	6,442,023
Administrative expenses		(4,824,282)	(5,505,647)
Other operating income	5	161,530	-
Operating profit	6	1,520,845	936,376
Interest receivable and similar income	9	7,721	17,272
Interest payable and expenses	10	(50,482)	(90,637)
Other finance costs	11	(61,000)	(88,000)
Profit before taxation		1,417,084	775,011
Tax on profit	12	(229,493)	(323,054)
Profit for the financial year		1,187,591	451,957
Actuarial (losses)/gains on defined benefit pension scheme		(609,000)	36,000
Movement of deferred tax relating to pension deficit		115,710	(6,120)
Foreign exchange movement		20,364	11,438
Other comprehensive income for the year		(472,926)	41,318
Total comprehensive income for the year		714,665	493,275

The notes on pages 22 to 48 form part of these financial statements.

THE TINTOMETER LIMITED
REGISTERED NUMBER:00045024


CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	5,189,218	5,513,154
		<u>5,189,218</u>	<u>5,513,154</u>
Current assets			
Stocks	16	2,105,691	2,236,815
Debtors: amounts falling due within one year	17	2,246,054	2,753,034
Bank and cash balances		3,561,090	2,144,844
		<u>7,912,835</u>	<u>7,134,693</u>
Creditors: amounts falling due within one year	18	(2,046,432)	(2,502,625)
Net current assets		<u>5,866,403</u>	<u>4,632,068</u>
Total assets less current liabilities		<u>11,055,621</u>	<u>10,145,222</u>
Creditors: amounts falling due after more than one year	19	(516,099)	(707,365)
Provisions for liabilities			
Other provisions	22	(160,000)	(165,000)
		<u>(160,000)</u>	<u>(165,000)</u>
Net assets excluding pension liability		<u>10,379,522</u>	<u>9,272,857</u>
Pension liability	25	(2,920,000)	(2,528,000)
Net assets		<u><u>7,459,522</u></u>	<u><u>6,744,857</u></u>
Capital and reserves			
Called up share capital	23	11,000	11,000
Share premium account	24	1,528,100	1,528,100
Revaluation reserve	24	48,861	51,432
Capital redemption reserve	24	5,750	5,750
Foreign exchange reserve	24	38,041	17,677
Profit and loss account	24	5,827,770	5,130,898
Shareholders' funds		<u><u>7,459,522</u></u>	<u><u>6,744,857</u></u>

THE TINTOMETER LIMITED
REGISTERED NUMBER:00045024

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


P C Banning (Apr 21, 2021 16:52 GMT+1)

P C Banning
Director

Date: 21/04/2021

The notes on pages 22 to 48 form part of these financial statements.

THE TINTOMETER LIMITED
REGISTERED NUMBER:00045024

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020


	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	5,032,568	5,301,724
Investments	15	8,007	82,007
		<u>5,040,575</u>	<u>5,383,731</u>
Current assets			
Stocks	16	1,782,456	2,005,860
Debtors: amounts falling due within one year	17	2,339,540	2,782,803
Bank and cash balances		3,361,827	1,877,074
		<u>7,483,823</u>	<u>6,665,737</u>
Creditors: amounts falling due within one year	18	(1,587,556)	(1,608,748)
Net current assets		<u>5,896,267</u>	<u>5,056,989</u>
Total assets less current liabilities		<u>10,936,842</u>	<u>10,440,720</u>
Creditors: amounts falling due after more than one year	19	-	(707,365)
Provisions for liabilities			
Other provisions	22	(160,000)	(165,000)
		<u>(160,000)</u>	<u>(165,000)</u>
Net assets excluding pension liability		<u>10,776,842</u>	<u>9,568,355</u>
Pension liability	25	(2,920,000)	(2,528,000)
Net assets		<u><u>7,856,842</u></u>	<u><u>7,040,355</u></u>
Capital and reserves			
Called up share capital	23	11,000	11,000
Share premium account	24	1,528,100	1,528,100
Revaluation reserve	24	48,861	51,432
Capital redemption reserve	24	5,750	5,750
Merger reserve	24	(275,330)	(275,330)
Profit and loss account	24	6,538,461	5,719,403
Shareholders' funds		<u><u>7,856,842</u></u>	<u><u>7,040,355</u></u>

THE TINTOMETER LIMITED
REGISTERED NUMBER:00045024

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Parent Company for the year was £1,309,777 (2019: £397,070).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


P C Banning (Apr 22, 2021 16:52 GMT+1)

P C Banning
Director

Date: 21/04/2021

The notes on pages 22 to 48 form part of these financial statements.

THE TINTOMETER LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2020	11,000	1,528,100	5,750	51,432	17,677	5,130,898	6,744,857
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,187,591	1,187,591
Actuarial losses on pension scheme (net of tax)	-	-	-	-	-	(493,290)	(493,290)
Foreign exchange movement	-	-	-	-	20,364	-	20,364
Other comprehensive income for the year	-	-	-	-	20,364	(493,290)	(472,926)
Total comprehensive income for the year	-	-	-	-	20,364	694,301	714,665
Transfer from revaluation reserve	-	-	-	(2,571)	-	2,571	-
At 31 December 2020	11,000	1,528,100	5,750	48,861	38,041	5,827,770	7,459,522

THE TINTOMETER LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2019	11,000	1,528,100	5,750	54,003	100,245	4,552,484	6,251,582
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	451,957	451,957
Actuarial gains on pension scheme (net of tax)	-	-	-	-	-	29,880	29,880
Foreign exchange movement	-	-	-	-	11,438	-	11,438
Other comprehensive income for the year	-	-	-	-	11,438	29,880	41,318
Total comprehensive income for the year	-	-	-	-	11,438	481,837	493,275
Transfer from revaluation reserve	-	-	-	(2,571)	-	2,571	-
Transfer from foreign exchange reserve	-	-	-	-	(94,006)	94,006	-
At 31 December 2019	11,000	1,528,100	5,750	51,432	17,677	5,130,898	6,744,857

THE TINTOMETER LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2020	11,000	1,528,100	5,750	51,432	(275,330)	5,719,403	7,040,355
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,309,777	1,309,777
Actuarial losses on pension scheme (net of tax)	-	-	-	-	-	(493,290)	(493,290)
Other comprehensive income for the year	-	-	-	-	-	(493,290)	(493,290)
Total comprehensive income for the year	-	-	-	-	-	816,487	816,487
Transfer from revaluation reserve	-	-	-	(2,571)	-	2,571	-
At 31 December 2020	11,000	1,528,100	5,750	48,861	(275,330)	6,538,461	7,856,842

THE TINTOMETER LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2019	11,000	1,528,100	5,750	54,003	(275,330)	5,289,882	6,613,405
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	397,070	397,070
Actuarial gains on pension scheme (net of tax)	-	-	-	-	-	29,880	29,880
Other comprehensive income for the year	-	-	-	-	-	29,880	29,880
Total comprehensive income for the year	-	-	-	-	-	426,950	426,950
Transfer from revaluation reserve	-	-	-	(2,571)	-	2,571	-
At 31 December 2019	11,000	1,528,100	5,750	51,432	(275,330)	5,719,403	7,040,355

THE TINTOMETER LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	1,187,591	451,957
Adjustments for:		
Amortisation of intangible assets	-	430,913
Depreciation of tangible assets	344,936	336,975
Profit on disposal of tangible assets	(2,501)	(11,704)
Interest payable and other finance costs	50,482	178,637
Interest received	(7,721)	(17,272)
Taxation charge	229,493	323,054
Decrease/(increase) in stocks	131,124	(341,671)
Decrease/(increase) in debtors	605,124	(852,247)
Increase in creditors	209,476	295,764
(Decrease)/increase in provisions	(5,000)	105,000
Movement in net pension liability	(217,000)	(220,000)
Corporation tax paid	(99,850)	-
Foreign exchange	11,514	16,580
Net cash generated from operating activities	2,437,668	695,986
Cash flows from investing activities		
Purchase of tangible fixed assets	(36,283)	(423,477)
Sale of tangible fixed assets	6,270	14,562
Interest received	7,721	17,272
Net cash used in investing activities	(22,292)	(391,643)

THE TINTOMETER LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from financing activities		
Repayment of loans	(948,648)	(1,028,116)
Interest paid	(50,482)	(90,637)
Net cash used in financing activities	<u>(999,130)</u>	<u>(1,118,753)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,416,246</u>	<u>(814,410)</u>
Cash and cash equivalents at beginning of the year	2,144,844	2,959,254
Cash and cash equivalents at the end of the year	<u><u>3,561,090</u></u>	<u><u>2,144,844</u></u>
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	3,561,090	2,144,844
	<u><u>3,561,090</u></u>	<u><u>2,144,844</u></u>

THE TINTOMETER LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	2,144,844	1,416,246	3,561,090
Debt due after 1 year	(707,365)	707,365	-
Debt due within 1 year	(241,283)	241,283	-
	<u>1,196,196</u>	<u>2,364,894</u>	<u>3,561,090</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Tintometer Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 00045024). The address of the registered office is Lovibond House, Sun Rise Way, Amesbury, Salisbury, Wiltshire, SP4 7GR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- the exemption from preparing a statement of cash flows; and

- reduced disclosures for financial instruments (as equivalent disclosures have been given in the consolidated financial statements presented alongside the Parent Company's own financial statements).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in profit or loss from the date on which control is obtained. They are deconsolidated from the date control ceases.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 Going concern

The directors have made an assessment in preparing these financial statement as to whether the Group and Parent Company are a going concern. Having considered the cashflow projections the directors have concluded that they have reasonable expectation that the Group and Parent Company will have adequate cash resources to meet their financial obligations as they fall due for at least one year from signing the accounts and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group and Parent Company.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit or loss over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% to 10% straight-line
Long-term leasehold property	- Over period of lease
Plant and machinery	- 10% to 30% straight-line
Motor vehicles	- 20% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in profit or loss.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains/losses on defined benefit pension scheme'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'other finance costs'.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and assumptions are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Group are outlined below.

Dilapidations

The Group has leased property and one of the clauses in these leases obliges the Group to return the property in the same condition as when the lease was taken out. As there is no certainty over the final costs to bring the property back to this condition, the Group prepares estimates at each reporting date. The carrying value of such provisions at 31 December 2020 was £160,000 (2019: £165,000).

Warranty provision

Past experience has shown that, although customers can return within the agreed warranty period any products that are or become faulty supplied by the Group, such returns are not significant. Accordingly, the Group makes no warranty provision at year-end, and any such costs are expensed in the year the units are returned by the customer. The Group closely monitors this situation.

Stock provision

Certain factors could affect the realisable value of the Company's stocks including customer demand and market conditions. The Company considers usage, anticipated sales price, effect of new product introductions, product obsolescence and other factors when evaluating the value. At 31 December 2020, the carrying value of stock after provisions totals £2,105,691 (2019: £2,236,815).

Pensions

The pension scheme liability has been valued by an actuary in accordance with FRS 102. Key estimations applied in the valuation of the pension scheme include inflation, discount rate and mortality rates. Management consider the estimates applied by the actuary to be reasonable.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	4,440,959	4,693,885
Rest of Europe	4,265,351	5,026,196
Rest of the world	4,787,098	5,009,545
	<u>13,493,408</u>	<u>14,729,626</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Other operating income

	2020	2019
	£	£
Government grants receivable	161,530	-

6. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Depreciation of fixed assets	344,936	336,975
Profit on disposal of fixed asset	(2,501)	(11,704)
Amortisation of intangible asset	-	430,913
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	28,150	27,800
Exchange differences	119,653	51,543
Research & development charged as an expense	296,225	660,961
Other operating lease rentals	124,511	133,202

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	3,639,329	3,823,976	3,357,371	3,512,670
Social security costs	320,122	327,171	320,122	327,171
Cost of defined contribution scheme	402,796	365,523	386,029	346,321
	<u>4,362,247</u>	<u>4,516,670</u>	<u>4,063,522</u>	<u>4,186,162</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Production and service	73	78	62	68
Sales and distribution	20	24	13	13
Administration	33	30	25	24
	<u>126</u>	<u>132</u>	<u>100</u>	<u>105</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	267,191	282,720
Company contributions to defined contribution pension schemes	17,219	17,510
	<u>284,410</u>	<u>300,230</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £152,952 (2019: £156,286).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,630 (2019: £12,689).

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>7,721</u>	<u>17,272</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	<u>50,482</u>	<u>90,637</u>

11. Other finance costs

	2020 £	2019 £
Net interest on net defined benefit liability	(324,000)	(422,000)
Expected return on pension scheme assets	263,000	334,000
	<u>(61,000)</u>	<u>(88,000)</u>

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	229,880	138,067
Adjustments in respect of previous periods	(17,953)	-
Total current tax	<u>211,927</u>	<u>138,067</u>
Deferred tax		
Origination and reversal of timing differences	39,208	184,987
Effect of tax rate change on opening balance	(21,642)	-
Total deferred tax	<u>17,566</u>	<u>184,987</u>
Taxation on profit on ordinary activities	<u>229,493</u>	<u>323,054</u>

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,417,084	775,011
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	269,246	147,252
Effects of:		
Other tax adjustments	-	(10,523)
Adjustments to tax charge in respect of prior periods	(17,953)	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(73,168)	(54,021)
Expenses not deductible for tax purposes	34,014	114,074
Deferred tax movements	38,996	126,272
Remeasurement of deferred tax for changes in tax rates	(21,642)	-
Total tax charge for the year	229,493	323,054

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Intangible assets

Group

	Trademarks £	Goodwill £	Total £
Cost			
At 1 January 2020	28,219	3,435,481	3,463,700
At 31 December 2020	<u>28,219</u>	<u>3,435,481</u>	<u>3,463,700</u>
Amortisation			
At 1 January 2020	28,219	3,435,481	3,463,700
At 31 December 2020	<u>28,219</u>	<u>3,435,481</u>	<u>3,463,700</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Intangible assets (continued)

Company

	Trademarks £	Goodwill £	Total £
Cost			
At 1 January 2020	28,219	2,467,341	2,495,560
At 31 December 2020	28,219	2,467,341	2,495,560
Amortisation			
At 1 January 2020	28,219	2,467,341	2,495,560
At 31 December 2020	28,219	2,467,341	2,495,560
Net book value			
At 31 December 2020	-	-	-
At 31 December 2019	-	-	-

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 January 2020	5,145,273	445,305	1,714,826	199,134	7,504,538
Additions	-	-	36,283	-	36,283
Disposals	-	-	(12,057)	(35,990)	(48,047)
Exchange adjustments	-	(5,157)	(11,310)	(1,418)	(17,885)
At 31 December 2020	5,145,273	440,148	1,727,742	161,726	7,474,889
Depreciation					
At 1 January 2020	571,739	200,180	1,126,930	92,535	1,991,384
Charge for the year	140,957	42,876	134,032	27,071	344,936
Disposals	-	-	(11,287)	(32,991)	(44,278)
Exchange adjustments	-	(787)	(4,897)	(687)	(6,371)
At 31 December 2020	712,696	242,269	1,244,778	85,928	2,285,671
Net book value					
At 31 December 2020	4,432,577	197,879	482,964	75,798	5,189,218
At 31 December 2019	4,573,534	245,125	587,896	106,599	5,513,154

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 January 2020	5,145,272	287,304	1,579,726	173,103	7,185,405
Additions	-	-	33,375	-	33,375
Disposals	-	-	(2,570)	(35,990)	(38,560)
At 31 December 2020	5,145,272	287,304	1,610,531	137,113	7,180,220
Depreciation					
At 1 January 2020	571,739	122,456	1,109,586	79,900	1,883,681
Charge for the year	140,956	25,824	108,308	24,444	299,532
Disposals	-	-	(2,570)	(32,991)	(35,561)
At 31 December 2020	712,695	148,280	1,215,324	71,353	2,147,652
Net book value					
At 31 December 2020	4,432,577	139,024	395,207	65,760	5,032,568
At 31 December 2019	4,573,533	164,848	470,140	93,203	5,301,724

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2020	885,235
At 31 December 2020	<u>885,235</u>
Impairment	
At 1 January 2020	803,228
Charge for the period	74,000
At 31 December 2020	<u>877,228</u>
Net book value	
At 31 December 2020	<u><u>8,007</u></u>
At 31 December 2019	<u><u>82,007</u></u>

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
App-chem Limited	Dormant	Ordinary	100%
Lovibond Tintometer Limited	Dormant	Ordinary	100%
Lovibond Limited	Dormant	Ordinary	100%
Tintometer India Private Limited	Trading of water treatment analysis reagents	Ordinary	100%
Droptestkits.com	Dormant	Ordinary	100%
DTK Water Limited	Pays and receives rent	Ordinary	100%

The registered office of subsidiaries other than Tintometer India Private Limited is Lovibond House, Sun Rise Way, Amesbury, Wiltshire, United Kingdom, SP4 7GR.

The registered office of Tintometer Private India Limited is B-91 APIE - Balanagar, Sanathnagar (PO), Hyderabad 500018, Telangana, India.

DTK Water Limited is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

16. Stocks

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Raw materials and consumables	221,173	333,502	169,002	352,015
Work in progress (goods to be sold)	18,901	19,162	18,901	19,162
Finished goods and goods for resale	1,865,617	1,884,151	1,594,553	1,634,683
	<u>2,105,691</u>	<u>2,236,815</u>	<u>1,782,456</u>	<u>2,005,860</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

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17. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	1,435,493	1,953,406	1,336,886	1,810,075
Amounts owed by group undertakings	202,731	312,890	476,540	548,781
Other debtors	116,528	133,244	69,027	83,757
Prepayments and accrued income	207,257	165,745	174,988	156,235
Tax recoverable	1,946	3,794	-	-
Deferred taxation (note 21)	282,099	183,955	282,099	183,955
	<u>2,246,054</u>	<u>2,753,034</u>	<u>2,339,540</u>	<u>2,782,803</u>

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	-	241,283	-	241,283
Trade creditors	465,993	375,007	461,775	366,822
Amounts owed to group undertakings	619,192	1,056,423	316,284	304,934
Corporation tax	229,780	138,067	229,780	138,067
Other taxation and social security	114,815	93,405	114,815	93,405
Other creditors	323,026	333,986	175,600	202,356
Accruals and deferred income	293,626	264,454	289,302	261,881
	<u>2,046,432</u>	<u>2,502,625</u>	<u>1,587,556</u>	<u>1,608,748</u>

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19. Creditors: Amounts falling due after more than one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Bank loans	-	707,365	-	707,365
Amounts owed to group undertakings	516,099	-	-	-
	516,099	<i>707,365</i>	-	<i>707,365</i>

The balance above owed to group undertakings was due for repayment over 10 years. As disclosed in the Strategic Report this has been subsequently re-financed post year end.

20. Loans

Included within creditors are loan amounts falling due as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Amounts falling due within one year				
Bank loans	-	241,283	-	241,283
Amounts falling due 1-2 years				
Bank loans	-	252,326	-	252,326
Amounts falling due 2-5 years				
Bank loans	-	455,039	-	455,039
	-	<i>948,648</i>	-	<i>948,648</i>

The loans to the Company were secured as part of the overall arrangement in place between its parent company in Germany and their bankers. Interest was charged at 4.5%. During the year the loans were fully repaid.

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21. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(183,955)	(375,062)
Charged to profit or loss	17,566	184,987
(Credited)/charged to other comprehensive income	(115,710)	6,120
At end of year	(282,099)	(183,955)

Company

	2020 £	2019 £
At beginning of year	(183,955)	(281,056)
Charged to profit or loss	17,566	90,981
(Credited)/charged to other comprehensive income	(115,710)	6,120
At end of year	(282,099)	(183,955)

The deferred tax asset is made up as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Accelerated capital allowances	278,265	250,783	278,265	250,783
Tax losses carried forward	(5,564)	(4,978)	(5,564)	(4,978)
Pension surplus	(554,800)	(429,760)	(554,800)	(429,760)
	(282,099)	<i>(183,955)</i>	(282,099)	<i>(183,955)</i>

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22. Provisions

Group

	Dilapidation provision £
At 1 January 2020	165,000
Credited to profit or loss	(5,000)
At 31 December 2020	160,000

Company

	Dilapidation provision £	Total £
At 1 January 2020	165,000	165,000
Credited to profit or loss	(5,000)	(5,000)
At 31 December 2020	160,000	160,000

The provision for property dilapidations represents the expected obligation to return the properties held under leases to a specified condition.

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
22,000 Ordinary shares of £0.50 each	11,000	11,000

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FOR THE YEAR ENDED 31 DECEMBER 2020

24. Reserves

Share premium account

The share premium reserve represents cumulative value of excess paid for share capital, beyond its nominal value.

Revaluation reserve

The revaluation reserve represents the cumulative value of revaluation movements from cost.

Capital redemption reserve

The capital redemption reserve represents cumulative value of shares that have been repurchased by the Company.

Foreign exchange reserve

The foreign exchange represents the cumulative movements in foreign exchange.

Profit and loss account

The profit & loss account represents cumulative profit & losses.

THE TINTOMETER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

25. Pension commitments

The Group operates a Defined Benefit Pension Scheme.

The Group operates a Defined Benefit Pension scheme in the UK for qualifying employees of the Parent Company which closed on 31 July 2018. A full actuarial report was carried out as at 1 August 2019 and updated for FRS102 as at December 2020. All valuations were carried out by a qualified independent actuary.

Reconciliation of present value of plan liabilities:

	2020 £	2019 £
At the beginning of the year	13,501,000	12,803,000
Interest cost	324,000	422,000
Actuarial losses	1,165,000	933,000
Benefits paid	(498,000)	(657,000)
At the end of the year	14,492,000	13,501,000

Reconciliation of present value of plan assets:

	2020 £	2019 £
At the beginning of the year	10,973,000	10,107,000
Expected return on assets	263,000	334,000
Actuarial gains	556,000	969,000
Contributions by employer	278,000	220,000
Benefits paid	(498,000)	(657,000)
At the end of the year	11,572,000	10,973,000

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Composition of plan assets:

	2020 %	2019 %
Fixed interest	61	57
Equities	32	38
Property	5	5
Current assets	2	-
Total plan assets	<u>100</u>	<u>100</u>
	2020 £	2019 £
Present value of plan liabilities	(14,492,000)	(13,501,000)
Fair value of plan assets	11,572,000	10,973,000
Net pension scheme liability	<u>(2,920,000)</u>	<u>(2,528,000)</u>

The amounts recognised in profit or loss are as follows:

	2020 £	2019 £
Interest on obligation	324,000	422,000
Interest income on plan assets	(263,000)	(334,000)
Total	<u>61,000</u>	<u>88,000</u>

The Group expects to contribute £298k (2019: £278k) to its Defined Benefit Pension scheme in 2021.

THE TINTOMETER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

25. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020	2019
	%	%
Discount rate at 31 December	1.7	2.4
Expected return on scheme assets at 31 December	2.4	3.3
Future pension increases	3.2	3.2
Revaluation in deferment	2.2	2.2
Mortality rates		
- for a male aged 65 now	21.6 years	21.5 years
- for a female aged 65 now	23.5 years	23.4 years

Amounts for the current and previous periods are as follows:

Defined benefit pension schemes

	2020	2019
	£	£
Defined benefit obligation	(14,492,000)	(13,501,000)
Scheme assets	11,572,000	10,973,000
Deficit	(2,920,000)	(2,528,000)
Experience adjustments on scheme liabilities	1,165,000	933,000
Experience adjustments on scheme assets	556,000	969,000

Defined Contribution Scheme

During the year the Group paid contributions of £386,029 (2019: £346,321) in respect of its defined contribution pension scheme. At the balance sheet date there were no contributions outstanding and no prepaid contributions (2019: £Nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

26. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Not later than 1 year	158,741	161,542	51,601	64,258
Later than 1 year and not later than 5 years	323,957	181,398	65,253	101,397
	482,698	342,940	116,854	165,655

27. Other financial commitments

The Company uses foreign forward exchange contracts to mitigate its foreign exchange risk. At the year end the Company was committed to buy €394,401 (2019: €407,542) at a rate of £1 = €0.8992 (2019: £1 = €0.8842). No adjustment has been made in respect of these contracts on the grounds of materiality.

28. Related party transactions

In line with the requirements of FRS 102 the Company is not required to disclose transactions with group companies on the grounds that these companies are wholly owned within the Group.

Key management personnel compensation including employee benefits totalled £562,184 for 7 individuals (2019: £573,267 for 7 individuals).

29. Controlling party

Tintometer GmbH is the Company's immediate and ultimate parent company, which is incorporated in Germany and is deemed to be under the control of C P Voss who is therefore the ultimate controlling party. Group financial statements for Tintometer GmbH are available from Tintometer GmbH, Schleefstrasse 8, 44287 Dortmund.