

**Nu Instruments Limited**  
**Annual Report and Consolidated Financial Statements**  
**for the Year Ended 31 December 2015**

ReesRussell LLP  
Registered Auditors  
37 Market Square  
Witney  
Oxfordshire  
OX28 6RE

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**Nu Instruments Limited**  
**Audited Financial Statements**  
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**Nu Instruments Limited**  
**Audited Financial Statements**  
**Company Information**

**Directors**

P A Freedman  
A L McCall  
R K O'Nions  
A J Burrows

**Company secretary**

J S Deech

**Registered office**

Seacourt Tower  
West Way  
Oxford  
Oxfordshire  
OX2 0FB

**Soliditors**

Blake Morgan LLP  
Seacourt Tower  
West Way  
Oxford  
Oxfordshire  
OX2 0FB

**Bankers**

HSBC Bank plc  
Midland House  
Seacourt  
West Way  
Oxford  
Oxfordshire  
OX2 0PL

**Auditors**

ReesRussell LLP  
Registered Auditors  
37 Market Square  
Witney  
Oxfordshire  
OX28 6RE

**Nu Instruments Limited**  
**Audited Financial Statements**  
**Strategic Report for the Year Ended 31 December 2015**

The Directors present their strategic report for the year ended 31 December 2015.

**Principal activity**

The principal activity of the group is the design and manufacture of analytical instruments

**Fair review of the business**

Whilst the small fall in turnover was not unexpected, given the traditional two year cyclical nature of the market in which the group operates - linked, in the main, to funding cycles to which the majority of the group's publicly supported customers are subjected - the Directors are pleased to be able to report a 16% growth in the 2013 turnover figures which continued the notable revenue growth pattern the company has seen in recent years.

The group's new Japanese subsidiary (combined office and laboratory) completed it's first full year of operations in 2015 and has quickly established itself as a valuable investment, giving the group significant local presence, market access and influence.

Lastly, and as always, the Directors would like to acknowledge the significant role played by the group's employees. Without their dedication and hard work the group simply could not operate.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2015	2014
Turnover	£(m)	15.8	16.9
Turnover change	%	(7.0)	24.0
Gross profit	£(m)	5.0	5.5
Gross profit margin	%	32.0	33.0
Pre-tax profit	£(m)	1.7	2.2
Pre-tax profit	%	11.0	13.0

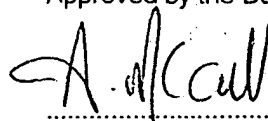
**Principal risks and uncertainties**

The group remains exposed to the general risks and uncertainties inherent in the World and UK economies. Its greatest exposure is naturally to those economies in which the majority of its customers operate.

A combination of the attributes of the fairly unique market sector in which it operates and the continued adherence during the year to a historically established key operating philosophy of careful on-going management and control of its cash resources meant that these general risks were largely mitigated - and should continue to be so in the future.

On 23<sup>rd</sup> June 2016 the United Kingdom voted to leave the European Union. While this event obviously increases the uncertainty regarding foreign trade in the future, the Directors consider this event positive for the group as most of it's trade takes place in US Dollars or Euros. The Directors do not consider this event to have a negative impact on the group going forward.

Approved by the Board on ..... and signed on its behalf by:

  
..... 12/07/2016  
A L McCall  
Director

# Nu Instruments Limited

## Audited Financial Statements

### Directors' Report for the Year Ended 31 December 2015

The Directors present their report and the consolidated financial statements for the year ended 31 December 2015.

#### Directors of the Group

The directors who held office during the year were as follows:

P A Freedman

A L McCall

R K O'Nions

A J Burrows

#### Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2015.

#### Financial Instruments

##### *Objectives and policies*

The Directors continue to adhere to a long established policy of careful and prudent cash management, a policy designed to enable the group to more effectively manage unforeseen production problems and other delays which may otherwise affect cash flow.

A combination of this careful management and good profit generation means that the group has continued to operate without the need for borrowings.

##### *Price risk, credit risk, liquidity risk and cash flow risk*

Aside from the general risks inherent from operating in a volatile world economy the business is primarily exposed to the financial risks of changes in foreign currency exchange rates.

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. As noted above, the main purpose of these instruments is to finance business operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between continuity of funding from sales and the outflow of funds required to operate. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Credit and cash flow risks in respect of trade debtors are managed by adherence to policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. These risks are further mitigated by the nature of the group's customer base which is predominantly made up of public or Government bodies which have to secure very specific funding before entering into a contract to purchase an instrument. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and is mitigated by the fact that a number of contracts for the sale of instruments include an upfront payment on initial order which is used to finance the purchase of materials and services required to make the product.

#### Future developments

The Directors and group employees remain focussed on securing continued growth in both turnover and profitability during 2016, fuelled in part by additional sales and marketing resource being secured during the early part of 2016.

The Directors remain mindful of the need for this further growth, like that achieved to date, to be realised in a controlled and focussed manner drawing upon the group's established skills / resource base and never losing sight of the need to adhere to the key principles of product performance and innovation and excellent customer service and support.

**Nu Instruments Limited**  
**Audited Financial Statements**

**Directors' Report for the Year Ended 31 December 2015**

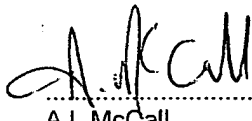
**Research and development**

The group intends to continue its policy of investment in research and development in order to both retain and improve upon its competitive position in the market. The benefits of this investment are significant in the context of evolving technologies and the impact these have on the instruments demanded by the customer base and produced by the company.

**Disclosure of information to the auditor**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on ..... and signed on its behalf by:



.....  
A L McCall  
Director

12/07/2016

## **Nu Instruments Limited**

### **Audited Financial Statements**

#### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Nu Instruments Limited**  
**Audited Financial Statements**  
**Independent Auditor's Report**

We have audited the financial statements of Nu Instruments Limited for the year ended 31 December 2015, set out on pages 8 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2015 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.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Nu Instruments Limited**  
**Audited Financial Statements**  
**Independent Auditor's Report**

**Matters on which we are required to report by exception**

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

  
Jonathan Russell (Senior Statutory Auditor)  
For and on behalf of ReesRussell LLP, Statutory Auditor

37 Market Square  
Witney  
Oxfordshire  
OX28 6RE

Date:



**Nu Instruments Limited**  
**Audited Financial Statements**

**Consolidated Profit and Loss Account for the Year Ended 31 December 2015**

	Note	2015 £	2014 £
Turnover	3	15,830,019	16,934,552
Cost of sales		<u>(10,847,722)</u>	<u>(11,436,909)</u>
Gross profit		4,982,297	5,497,643
Administrative expenses		<u>(3,247,217)</u>	<u>(3,343,467)</u>
Operating profit	5	1,735,080	2,154,176
Other interest receivable and similar income	6	4,433	5,372
Income from participating interests	6	8,028	7,740
Interest payable and similar charges	7	<u>(1,189)</u>	<u>(1,559)</u>
Profit on ordinary activities before taxation		1,746,352	2,165,729
Taxation	11	<u>62,440</u>	<u>(93,040)</u>
Profit for the financial year		<u>1,808,792</u>	<u>2,072,689</u>
<b>Profit attributable to:</b>			
Owners of the group		<u>1,808,792</u>	<u>2,072,689</u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

# Nu Instruments Limited

## Audited Financial Statements

### Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015


	Note	2015 £	2014 £
Profit for the financial year		<u>1,808,792</u>	<u>2,072,689</u>
Total comprehensive income for the financial year		<u>1,808,792</u>	<u>2,072,689</u>
Total comprehensive income attributable to:			
Owners of the group		<u>1,808,792</u>	<u>2,072,689</u>

The notes on pages 15 to 27 form an integral part of these financial statements.

**Nu Instruments Limited**  
**Audited Financial Statements**  
(Registration number: 03046042)  
**Consolidated Balance Sheet as at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	12	2,984,880	2,823,988
Investments	13	36	36
		<u>2,984,916</u>	<u>2,824,024</u>
<b>Current assets</b>			
Stocks	14	3,681,605	3,033,054
Debtors	15	7,987,984	10,845,680
Cash at bank and in hand	16	4,341,714	2,174,680
		<u>16,011,303</u>	<u>16,053,414</u>
Creditors: Amounts falling due within one year	17	(2,219,242)	(3,348,430)
<b>Net current assets</b>		<u>13,792,061</u>	<u>12,704,984</u>
<b>Total assets less current liabilities</b>		<u>16,776,977</u>	<u>15,529,008</u>
Provisions for liabilities	18	(78,949)	(101,493)
<b>Net assets</b>		<u>16,698,028</u>	<u>15,427,515</u>
<b>Capital and reserves</b>			
Called up share capital	20	900,000	900,000
Profit and loss account		<u>15,798,028</u>	<u>14,527,515</u>
Equity attributable to owners of the group		<u>16,698,028</u>	<u>15,427,515</u>
<b>Total equity</b>		<u>16,698,028</u>	<u>15,427,515</u>


Approved and authorised by the Board on ..... and signed on its behalf by:

 12/07/2016  
A L McCall  
Director

**Nu Instruments Limited**  
**Audited Financial Statements**  
(Registration number: 03046042)  
**Balance Sheet as at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	12	2,888,026	2,809,982
Investments	13	59,873	59,873
		<u>2,947,899</u>	<u>2,869,855</u>
<b>Current assets</b>			
Stocks	14	3,486,870	3,033,054
Debtors	15	8,788,208	10,850,910
Cash at bank and in hand	16	4,105,523	2,092,691
		<u>16,380,601</u>	<u>15,976,655</u>
Creditors: Amounts falling due within one year	17	(2,235,516)	(3,300,545)
<b>Net current assets</b>		<u>14,145,085</u>	<u>12,676,110</u>
<b>Total assets less current liabilities</b>		<u>17,092,984</u>	<u>15,545,965</u>
Provisions for liabilities	18	(78,949)	(101,493)
<b>Net assets</b>		<u>17,014,035</u>	<u>15,444,472</u>
<b>Capital and reserves</b>			
Called up share capital		900,000	900,000
Profit and loss account		<u>16,114,035</u>	<u>14,544,472</u>
<b>Total equity</b>		<u>17,014,035</u>	<u>15,444,472</u>

Approved and authorised by the Board on ..... and signed on its behalf by:

 ..... 12/07/2016  
A L McCall  
Director

# Nu Instruments Limited

## Audited Financial Statements

### Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Profit and loss account £	Total £
At 1 January 2015	900,000	14,527,515	15,427,515
Profit and total comprehensive income in the year	-	1,808,792	1,808,792
Dividends	-	(538,279)	(538,279)
At 31 December 2015	<u>900,000</u>	<u>15,798,028</u>	<u>16,698,028</u>

The notes on pages 15 to 27 form an integral part of these financial statements.

# Nu Instruments Limited

## Audited Financial Statements

### Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,808,792	2,072,689
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	120,144	102,069
Loss on disposal of tangible assets	4	1,695	571
Finance income	6	(12,461)	(13,112)
Finance costs	7	1,189	1,559
Income tax expense	11	(62,440)	93,040
		<u>1,856,919</u>	<u>2,256,816</u>
Working capital adjustments			
Increase in stocks	14	(648,551)	(645,772)
Decrease/(increase) in trade debtors	15	3,139,249	(3,422,395)
Decrease in trade creditors	17	(1,048,914)	(631,624)
Cash generated from operations		3,298,703	(2,442,975)
Income taxes (paid)/received	11	(316,575)	139,975
Net cash flow from operating activities		<u>2,982,128</u>	<u>(2,303,000)</u>
<b>Cash flows from investing activities</b>			
Interest received		4,433	5,372
Acquisition of tangible fixed assets		(282,731)	(313,521)
Proceeds from sale of tangible fixed assets		-	25,843
Dividend income		8,028	7,740
Net cash flows from investing activities		<u>(270,270)</u>	<u>(274,566)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	(1,189)	(1,559)
Payments to finance lease creditors		(5,356)	(7,301)
Dividends paid	22	(538,279)	(538,276)
Net cash flows from financing activities		<u>(544,824)</u>	<u>(547,136)</u>
Net increase/(decrease) in cash and cash equivalents		2,167,034	(3,124,702)
Cash and cash equivalents at 1 January		<u>2,174,680</u>	<u>5,299,382</u>
Cash and cash equivalents at 31 December	16	<u>4,341,714</u>	<u>2,174,680</u>

The notes on pages 15 to 27 form an integral part of these financial statements.

**Nu Instruments Limited**  
**Audited Financial Statements**

**Statement of Cash Flows for the Year Ended 31 December 2015**

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Profit for the year		2,107,842	2,054,449
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		100,277	92,844
Loss on disposal of tangible assets		1,695	571
Finance income		(12,151)	(12,917)
Finance costs		1,189	1,559
Income tax expense		<u>(74,096)</u>	<u>84,920</u>
		2,124,756	2,221,426
Working capital adjustments			
Increase in stocks	14	(453,816)	(646,168)
Decrease/(increase) in trade debtors	15	2,344,254	(3,372,891)
Decrease in trade creditors	17	<u>(979,059)</u>	<u>(230,334)</u>
Cash generated from operations		3,036,135	(2,027,967)
Income taxes (paid)/received		<u>(310,614)</u>	<u>141,565</u>
Net cash flow from operating activities		<u>2,725,521</u>	<u>(1,886,402)</u>
<b>Cash flows from investing activities</b>			
Interest received		4,123	5,177
Acquisition of subsidiaries	13	-	(59,837)
Acquisitions of tangible fixed assets		(180,016)	(305,041)
Proceeds from sale of tangible fixed assets		-	25,843
Dividend income		<u>8,028</u>	<u>7,740</u>
Net cash flows from investing activities		<u>(167,865)</u>	<u>(326,118)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(1,189)	(1,559)
Payments to finance lease creditors		(5,356)	(7,301)
Dividends paid		<u>(538,279)</u>	<u>(518,876)</u>
Net cash flows from financing activities		<u>(544,824)</u>	<u>(527,736)</u>
Net increase/(decrease) in cash and cash equivalents		2,012,832	(2,740,256)
Cash and cash equivalents at 1 January		<u>2,092,691</u>	<u>4,832,947</u>
Cash and cash equivalents at 31 December	16	<u>4,105,523</u>	<u>2,092,691</u>

The notes on pages 15 to 27 form an integral part of these financial statements.



**Nu Instruments Limited**  
**Audited Financial Statements**

**Notes to the Financial Statements for the Year Ended 31 December 2015**

**1 General information**

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

Seacourt Tower  
West Way  
Oxford  
Oxfordshire  
OX2 0FB

The principal place of business is:

Unit 74  
Clywedog Road South  
Wrexham Industrial Estate  
Wrexham North Wales  
LL13 9XS

Authorised for issue date

**2 Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**Basis of preparation**

These financial statements have been prepared using the historical cost convention except where, as disclosed in the accounting policies, certain items are shown at fair value.

**Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2015.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

**Nu Instruments Limited**  
**Audited Financial Statements**

**Notes to the Financial Statements for the Year Ended 31 December 2015**

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

**Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the group and specific criteria have been met for each of the group's activities.

**Tax**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**Property, plant and equipment**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Property improvements	2% straight line
Plant and machinery	15% reducing balance
Fixtures and fittings	15% reducing balance

**Nu Instruments Limited**  
**Audited Financial Statements**

**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured as the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

**Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

**Inventories**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Consolidated Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Consolidated Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Nu Instruments Limited**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**3 Revenue**

The analysis of the group's turnover for the year by market is as follows:

	2015 £	2014 £
UK	2,046,436	536,280
Europe	1,638,159	2,856,513
Rest of world	12,145,424	13,541,759
	<u>15,830,019</u>	<u>16,934,552</u>

**4 Other gains and losses**

The analysis of the group's other gains and losses for the year is as follows:

	2015 £	2014 £
Loss on disposal of property, plant and equipment	<u>1,695</u>	<u>571</u>

**5 Operating profit**

Arrived at after charging:

	2015 £	2014 £
Depreciation expense	120,144	102,069
Research and development cost	18,320	103,159
Loss on disposal of property, plant and equipment	<u>1,695</u>	<u>571</u>

**6 Other interest receivable and similar income**

	2015 £	2014 £
Interest income on bank deposits	4,433	5,372
Dividend income	8,028	7,740
	<u>12,461</u>	<u>13,112</u>

**7 Interest payable and similar charges**

	2015 £	2014 £
Bank and finance lease interest	<u>1,189</u>	<u>1,559</u>

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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**8 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £	2014 £
Wages and salaries	4,298,648	3,981,563
Social security costs	466,005	439,215
Other short-term employee benefits	90,822	59,519
Pension costs, defined contribution scheme	288,910	257,111
Other employee expense	77,638	74,904
	<u>5,222,023</u>	<u>4,812,312</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Production	60	56
Administration and support	19	19
Research and development	29	29
Other departments	22	21
	<u>130</u>	<u>125</u>

**9 Directors' remuneration**

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	432,364	450,352
Contributions paid to money purchase schemes	52,815	54,407
	<u>485,179</u>	<u>504,759</u>

**10 Auditors' remuneration**

	2015 £	2014 £
Audit of these financial statements	<u>17,292</u>	<u>15,419</u>

£9,642 (2014 - £9,769) of the fee for auditing the financial statements relates to the company.

**Nu Instruments Limited**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**11 Taxation**

Tax (credited) / charged to the profit and loss account

	2015 £	2014 £
<b>Current taxation</b>		
UK corporation tax	25,413	80,614
UK corporation tax adjustment in respect of prior periods	<u>(76,965)</u>	<u>(28)</u>
	(51,552)	80,586
Foreign tax	<u>11,656</u>	<u>8,120</u>
Total current income tax	(39,896)	88,706
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(22,544)</u>	<u>4,334</u>
Tax (credit) / expense in the income statement	<u>(62,440)</u>	<u>93,040</u>

**Nu Instruments Limited**  
**Audited Financial Statements**

**Notes to the Financial Statements for the Year Ended 31 December 2015.**

**12 Tangible assets**

**Group**

	Land and buildings £	Fixtures and Fittings £	Plant and Equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	2,341,454	444,891	539,136	3,325,481
Additions	83,951	92,143	106,637	282,731
Disposals	-	-	(3,094)	(3,094)
At 31 December 2015	<u>2,425,405</u>	<u>537,034</u>	<u>642,679</u>	<u>3,605,118</u>
<b>Depreciation</b>				
At 1 January 2015	33,469	166,915	301,109	501,493
Charge for the year	23,589	53,834	42,721	120,144
Eliminated on disposal	-	-	(1,399)	(1,399)
At 31 December 2015	<u>57,058</u>	<u>220,749</u>	<u>342,431</u>	<u>620,238</u>
<b>Carrying amount</b>				
At 31 December 2015	<u>2,368,347</u>	<u>316,285</u>	<u>300,248</u>	<u>2,984,880</u>
At 31 December 2014	<u>2,307,985</u>	<u>277,976</u>	<u>238,027</u>	<u>2,823,988</u>

**Company**

	Land and buildings £	Fixtures and Fittings £	Plant and Equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	2,341,454	414,843	539,135	3,295,432
Additions	2,082	71,297	106,637	180,016
Disposals	-	-	(3,094)	(3,094)
At 31 December 2015	<u>2,343,536</u>	<u>486,140</u>	<u>642,678</u>	<u>3,472,354</u>
<b>Depreciation</b>				
At 1 January 2015	33,469	150,872	301,109	485,450
Charge for the year	15,219	42,337	42,721	100,277
Eliminated on disposal	-	-	(1,399)	(1,399)
At 31 December 2015	<u>48,688</u>	<u>193,209</u>	<u>342,431</u>	<u>584,328</u>
<b>Carrying amount</b>				
At 31 December 2015	<u>2,294,848</u>	<u>292,931</u>	<u>300,247</u>	<u>2,888,026</u>
At 31 December 2014	<u>2,307,985</u>	<u>263,971</u>	<u>238,026</u>	<u>2,809,982</u>

Included within the net book value of land and buildings above is £1,581,738 (2014 - £1,581,738) in respect of freehold land and buildings and £786,607 (2014 - £726,247) in respect of property improvements.



**Nu Instruments Limited**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**13 Investments**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Other investments	36	36	36	36
Investments in subsidiaries	-	-	59,837	59,837
	<u>36</u>	<u>36</u>	<u>59,873</u>	<u>59,873</u>
Other investments				£
Cost and carrying amount				
At 31 December 2014 and 31 December 2015				<u>36</u>

Other investments represents a 12% shareholding in Design Design Technology Limited. Design Design Technology Limited holds 11.4% of Nu Instruments Limited's shares.

**14 Stocks**

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Long term contracts - work in progress	133,001	195,256	133,001	195,256
Stocks	<u>3,548,604</u>	<u>2,837,798</u>	<u>3,353,869</u>	<u>2,837,798</u>
	<u>3,681,605</u>	<u>3,033,054</u>	<u>3,486,870</u>	<u>3,033,054</u>

**Nu Instruments Limited**  
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**Notes to the Financial Statements for the Year Ended 31 December 2015**

**15 Debtors**

	Note	2015 £	Group 2014 £	2015 £	Company 2014 £
Trade debtors		1,105,267	3,873,123	1,086,329	3,810,454
Amounts owed by related parties	24	21,463	56,009	904,592	297,849
Other debtors		312,542	660,919	290,061	529,852
Prepayments		98,799	117,860	57,313	74,986
Amounts recoverable on long term contracts		6,168,361	6,137,769	6,168,361	6,137,769
Corporation tax asset		281,552	-	281,552	-
Total current trade and other debtors		<u>7,987,984</u>	<u>10,845,680</u>	<u>8,788,208</u>	<u>10,850,910</u>

**16 Cash and cash equivalents**

	2015 £	Group 2014 £	2015 £	Company 2014 £
Cash on hand	3,915	2,461	3,915	2,461
Cash at bank	<u>4,337,799</u>	<u>2,172,219</u>	<u>4,101,608</u>	<u>2,090,230</u>
	<u>4,341,714</u>	<u>2,174,680</u>	<u>4,105,523</u>	<u>2,092,691</u>

**17 Creditors**

	Note	2015 £	Group 2014 £	2015 £	Company 2014 £
<b>Due within one year</b>					
Obligations under finance lease contracts	21	-	5,356	-	5,356
Trade creditors		899,689	1,406,131	889,274	1,393,141
Accrued expenses due to related parties		-	-	102,089	193,516
Social security and other taxes		141,477	127,984	123,332	119,661
Other creditors		96,962	99,022	96,962	99,022
Accrued expenses		1,007,606	1,127,483	956,251	907,601
Corporation tax		5,901	80,820	-	80,614
Payments received on account		67,607	501,634	67,608	501,634
		<u>2,219,242</u>	<u>3,348,430</u>	<u>2,235,516</u>	<u>3,300,545</u>

# Nu Instruments Limited

## Audited Financial Statements

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 18 Deferred tax and other provisions

##### Group

##### Deferred tax £

At 1 January 2015	101,493
Decrease in existing provisions	(22,544)
At 31 December 2015	78,949

##### Company

##### Deferred tax £

At 1 January 2015	101,493
Decrease in existing provisions	(22,544)
At 31 December 2015	78,949

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £288,910 (2014 - £257,111).

# Nu Instruments Limited

## Audited Financial Statements

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 20 Share capital

##### Allotted, called up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary of £1 each	900,000	900,000	900,000	900,000

#### 21 Loans and borrowings

	2015 £	Group 2014 £	2015 £	Company 2014 £
Current loans and borrowings	-	5,356	-	5,356
Finance lease liabilities	-	-	-	-

#### 22 Dividends

	2015 £	2014 £
Interim dividend of £0.60 (2014 - £0.60) per ordinary share	538,279	538,276

#### 23 Financial guarantee contracts

##### Group

Guarantees and indemnities against orders secured by monies held by the group's bankers at the year end amounted to £1,911,647 (2014 - £839,602).

#### 24 Post balance sheet events

As at 17 February 2016, the company has established an EMI share option scheme. The option exercise price has been established at £2 per share.

**Nu Instruments Limited**  
**Audited Financial Statements**

**Notes to the Financial Statements for the Year Ended 31 December 2015**

**25 Related party transactions**

**Group**

**Summary of transactions with other related parties**

Nu Instruments Limited is related to Design Design Technology Limited, a company incorporated in England, through each company owning a % of the other company's shares.

During the year dividends totalling £61,364 (2014 - £61,364) were paid to Design Design Technology Limited and purchases from Design Design Technology Limited amounted to £25,806 (2014 - £31,699). Dividends of £8,028 (2014 - £7,740) were received from Design Design Technology Limited. At the balance sheet date the amount due to Design Design Technology Limited was £1,951 (2014 - £nil).

Nu Instruments Limited is related to Mr Roy Cohen by virtue of his shareholding in the company.

During the year purchases from Mr Roy Cohen for consultancy and commission amounted to £110,353 (2014 - £205,797). Dividends totalling £2,691 (2014 - £2,691) were paid to Mr Roy Cohen during the year. At the balance sheet date the amount due to Mr Roy Cohen was £2,432 (2014 - £10,823).

Nu Instruments Limited is related to Nu Instruments Trustees Limited by virtue of common control.

Nu Instruments Trustees Limited owns 3.20% (2014 - 3.40%) of the share capital of Nu Instruments Limited. During the year dividends totalling £18,324 (2014 - £19,400) were paid to Nu Instruments Trustees Limited and funds totalling £17,000 (2014 - £14,947) were transferred from Nu Instruments Trustees Limited to Nu Instruments Limited. Expenses totalling £778 (2014 - £913) were paid on behalf of Nu Instruments Trustees Limited. At the balance sheet date the amount due from Nu Instruments Trustees Limited was £21,463 (2014 - £56,009).

**Income and receivables from related parties**

	<b>Other related parties</b>
	<b>£</b>
<b>2015</b>	
Dividends received	8,028
Expenses paid on behalf of related parties	778
	<u>8,806</u>
Amounts receivable from related parties	<u>21,463</u>

**Expenditure with and payables to related parties**

	<b>Other related parties</b>
	<b>£</b>
<b>2015</b>	
Consultancy, commissions, products purchased and services rendered	136,159
Dividends paid	82,379
	<u>218,538</u>
Amounts payable to related parties	<u>4,383</u>