

Nu Instruments Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2013

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

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Nu Instruments Limited

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Nu Instruments Limited
Company Information

Directors	P A Freedman A J Burrows A L McCall R K O'Nions
Company secretary	J S Deech
Registered office	Seacourt Tower West Way Oxford Oxfordshire OX2 0FB
Solicitors	Blake Lapthorn Linnell 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
Directors' Report for the Year Ended 31 December 2013

The directors present their report and the consolidated financial statements for the year ended 31 December 2013.

Directors of the company

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

P A Freedman

A J Burrows

A L McCall

R K O'Nions

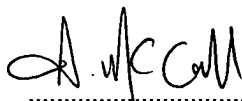
Principal activity

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

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 which they know the auditor is unaware of.

Approved by the Board on 22.09.2014 and signed on its behalf by:


.....
A L McCall
Director

Nu Instruments Limited

Strategic Report for the Year Ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

Business review

Fair review of the business

2013 marked the end of what the Directors had identified as a three year period of consolidation for the Company and its emerging group.

The focus during the three year period was both on enhancing its excellent customer service and product performance record and on putting into place all the necessary systems, infrastructure and employee based building blocks to ensure that the group is well positioned to achieve strong and sustainable growth.

The Directors are pleased to report that not only have the objectives of the period of consolidation been met, with the group now positioned to embark, from and including 2014, on a period of significant future growth, but also average turnover and pre-tax profits have improved. This was evidenced by the following key statistics:

	Turnover	Pre-tax profits
	£	£
Annualised averages for the:		
Three years ended 31/12/2013	13.9m	2.2m
Three years ended 31/12/2010	6.0m	1.2m

Building upon the progress made during the previous two years, 2013 continued to see further operating improvements in instrument production and testing practices and procedures.

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

	Unit	2013	2012
Turnover	£(m)	14	15
Turnover growth	%	(8)	10
Gross profit margin	%	26	34
Profit before tax	£(m)	1	3

The slightly lower turnover figure reflected the timing of a small number of contracted instrument deliveries; the lower gross margin and profit before tax figures were after our continuing significant investment in new people and overseas offices to support future growth.

During the year the group maintained its historic focus on the importance of Research and Development (associated direct costs in respect thereof exceeded some £1.1m - an 18% increase on 2012); it continued to improve existing product lines and invested heavily (to the tune of some £293k by the end of the year) in the construction of additional office and laboratory space. Despite some further significant capital expenditure, working capital was carefully managed and the year closed with cash reserves of £5.3m, some 22% up on the 2012 closing figure.

The Directors would like to acknowledge the role played by the group's employees. Without their dedication and hard work the group could not operate.

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 the which the majority of its customers operate.

A combination of the attributes attached to 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.

Nu Instruments Limited
Strategic Report for the Year Ended 31 December 2013

..... *continued*

Financial instruments

Objectives and policies

The Directors continue to adhere to a long established policy of careful and prudent cash management, a policy which is 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 in a volatile World economy the group is primarily exposed to the financial risks of changes in foreign currency exchange rates.

The group's principal financial instruments comprise bank balances, trade debtors and trade creditors and the main purpose of these instruments is to finance the group's 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 group's cash balances are held in such a way that achieves a competitive rate of interest. The group 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 governing 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.

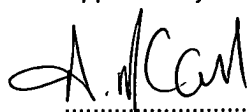
Future developments

Building upon the strong order book with which the group entered 2014 and the building blocks put in place during the last three years, the Directors are confident that 2014 will produce both a significant growth in turnover and a correspondingly greater increase in pre-tax profits.

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 group.

Approved by the Board on 22.09.14 and signed on its behalf by:


.....
A L McCall
Director

Nu Instruments Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 the company 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 company 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.

Independent Auditor's Report to the Members of Nu Instruments Limited

We have audited the financial statements of Nu Instruments Limited for the year ended 31 December 2013, set out on pages 8 to 23. 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.

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 group's and parent 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 and Consolidated Financial Statements 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 financial statements

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 2013 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 matter prescribed by the Companies Act 2006

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

**Independent Auditor's Report to the Members of
Nu Instruments Limited**

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 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.



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

37 Market Square
Witney
Oxfordshire
OX28 6RE

Date:.....

22.09.2014

Nu Instruments Limited
Consolidated Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	13,643,200	14,720,504
Cost of sales		<u>(10,118,516)</u>	<u>(9,720,165)</u>
Gross profit		3,524,684	5,000,339
Administrative expenses		<u>(2,445,727)</u>	<u>(2,233,214)</u>
Group operating profit	3	1,078,957	2,767,125
Income from participating interests		4,032	-
Other interest receivable and similar income	7	8,391	9,978
Interest payable and similar charges	8	<u>(1,427)</u>	<u>(238)</u>
Profit on ordinary activities before taxation		1,089,953	2,776,865
Tax on profit on ordinary activities	9	<u>90,322</u>	<u>(344,333)</u>
Profit for the financial year attributable to members of the parent company	19	<u><u>1,180,275</u></u>	<u><u>2,432,532</u></u>

Turnover and operating profit derive wholly from continuing operations.

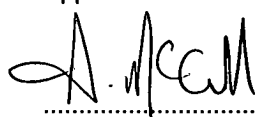
The group has no recognised gains or losses for the year other than the results above.

(65).

Nu Instruments Limited
Consolidated Balance Sheet at 31 December 2013

			2013		2012
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	10		2,638,950		2,299,851
Investments	11		<u>36</u>		<u>36</u>
			2,638,986		2,299,887
Current assets					
Stocks	12	2,387,282		3,033,975	
Debtors	13	7,571,145		7,807,028	
Cash at bank and in hand		<u>5,299,382</u>		<u>4,346,714</u>	
		15,257,809		15,187,717	
Creditors: Amounts falling due within one year	14	<u>(3,901,178)</u>		<u>(4,356,244)</u>	
Net current assets			<u>11,356,631</u>		<u>10,831,473</u>
Total assets less current liabilities			13,995,617		13,131,360
Creditors: Amounts falling due after more than one year	15		(5,356)		(11,230)
Provisions for liabilities	16		<u>(97,159)</u>		<u>(48,452)</u>
Net assets			<u>13,893,102</u>		<u>13,071,678</u>
Capital and reserves					
Called up share capital	17	900,000		900,000	
Profit and loss account	19	<u>12,993,102</u>		<u>12,171,678</u>	
Shareholders' funds	20		<u>13,893,102</u>		<u>13,071,678</u>

Approved and authorised for issue by the Board on 20.1.14 and signed on its behalf by:

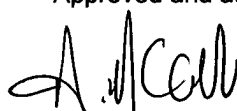


 A L McCall
 Director

Nu Instruments Limited
(Registration number: 03046042)
Balance Sheet at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	10	2,624,199	2,283,672
Investments	11	<u>36</u>	<u>36</u>
		<u>2,624,235</u>	<u>2,283,708</u>
Current assets			
Stocks	12	2,386,886	3,033,579
Debtors	13	7,638,953	7,910,902
Cash at bank and in hand		<u>4,832,947</u>	<u>4,296,509</u>
		14,858,786	15,240,990
Creditors: Amounts falling due within one year	14	<u>(3,452,207)</u>	<u>(4,397,200)</u>
Net current assets		<u>11,406,579</u>	<u>10,843,790</u>
Total assets less current liabilities		14,030,814	13,127,498
Creditors: Amounts falling due after more than one year	15	(5,356)	(11,230)
Provisions for liabilities	16	<u>(97,159)</u>	<u>(52,296)</u>
Net assets		<u>13,928,299</u>	<u>13,063,972</u>
Capital and reserves			
Called up share capital	17	900,000	900,000
Profit and loss account	19	<u>13,028,299</u>	<u>12,163,972</u>
Shareholders' funds	20	<u>13,928,299</u>	<u>13,063,972</u>

Approved and authorised for issue by the Board on 20/1/14 and signed on its behalf by:



 A L McCall
 Director

Nu Instruments Limited
Consolidated Cash Flow Statement for the Year Ended 31 December 2013

Reconciliation of operating profit to net cash flow from operating activities

	2013 £	2012 £
Operating profit	1,078,957	2,767,125
Depreciation, amortisation and impairment charges	88,699	78,607
Loss on disposal of fixed assets	846	-
Decrease/(increase) in stocks	646,693	(1,027,973)
Decrease/(increase) in debtors	383,745	(1,334,151)
(Decrease)/increase in creditors	(72,620)	343,233
Net cash inflow from operating activities	<u>2,126,320</u>	<u>826,841</u>

Cash flow statement

	2013 £	2012 £
Net cash inflow from operating activities	<u>2,126,320</u>	<u>826,841</u>
Returns on investments and servicing of finance		
Interest received	8,391	9,979
HP and finance lease interest	(1,427)	(238)
Dividends received	4,032	-
	<u>10,996</u>	<u>9,741</u>
Tax paid	<u>(389,853)</u>	<u>(479,009)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(428,645)	(233,678)
Purchase of investments	-	(63,391)
	<u>(428,645)</u>	<u>(297,069)</u>
Equity dividends paid	<u>(358,851)</u>	<u>(179,426)</u>
Net cash inflow/(outflow) before management of liquid resources and financing	<u>959,967</u>	<u>(118,922)</u>
Financing		
Issue of shares	-	63,391
Repayment of capital element of finance leases and HP contracts	(7,299)	(2,046)
	<u>(7,299)</u>	<u>61,345</u>
Increase/(decrease) in cash	<u>952,668</u>	<u>(57,577)</u>

Nu Instruments Limited

Consolidated Cash Flow Statement for the Year Ended 31 December 2013

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Reconciliation of net cash flow to movement in net debt

	Note	2013 £	2012 £
Increase/(decrease) in cash		952,668	(57,577)
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>7,299</u>	<u>2,046</u>
Change in net debt resulting from cash flows	23	959,967	(55,531)
New finance leases		<u>-</u>	<u>(22,000)</u>
Movement in net debt	23	959,967	(77,531)
Net funds at 1 January	23	<u>4,326,758</u>	<u>4,404,291</u>
Net funds at 31 December	23	<u><u>5,286,725</u></u>	<u><u>4,326,760</u></u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2013.

Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition. Subsidiaries included in these group accounts are Nu Instruments Asia Limited, a company incorporated in Hong Kong, and Nu Instruments Beijing, a company incorporated in China. Nu Instruments Beijing is a wholly owned subsidiary of Nu Instruments Asia Limited, and Nu Instruments Asia Limited is wholly owned by Nu Instruments Limited. Both subsidiaries trade in scientific instruments.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £1,223,178 (2012 - £2,424,826).

Turnover

Turnover represents the total value of invoices raised in the year, net of value added tax, together with the value of any work done where a right to consideration arises.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

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

Fixed asset investments

Fixed asset investments are stated at historical cost less any provision for any diminution in value.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project which is carried forward when its future recoverability can be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Stock and long term contracts

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based upon selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Long term contracts are assessed on a contract by contract basis and are valued at cost less foreseeable losses less any applicable payments on account. A reasonable proportion of turnover and related costs have been recognised in the profit and loss account where the outcome of a contract can be assessed with reasonable certainty.

Nu Instruments Limited

Notes to the Financial Statements for the Year Ended 31 December 2013

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Company and group

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the hire purchase term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The group operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Turnover

An analysis of turnover by geographical location is given below:

	2013 £	2012 £
Sales - UK	1,534,137	634,810
Sales - Europe	2,880,153	1,186,840
Sales - Rest of world	9,228,910	12,898,854
	<u>13,643,200</u>	<u>14,720,504</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

3 Operating profit

Operating profit is stated after charging:

	2013 £	2012 £
Foreign currency (gains)/losses	(96,336)	76,263
Loss on sale of tangible fixed assets	846	-
Depreciation of owned assets	85,481	78,060
Depreciation of assets held under finance lease contracts	3,218	547
Auditor's remuneration	<u>10,752</u>	<u>12,341</u>

4 Auditor's remuneration

	2013 £	2012 £
Audit of the financial statements	<u>10,752</u>	<u>12,341</u>

£9,350 (2012 - £11,250) of the fee for auditing the financial statements relates to the company.

5 Particulars of employees

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

	2013 No.	2012 No.
Administration and support	16	12
Production	51	48
Research and development	26	25
Other departments	<u>16</u>	<u>10</u>
	<u>109</u>	<u>95</u>

The aggregate payroll costs were as follows:

	2013 £	2012 £
Wages and salaries	3,391,512	2,779,395
Social security costs	338,478	283,955
Staff pensions	<u>157,046</u>	<u>147,655</u>
	<u>3,887,036</u>	<u>3,211,005</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2013 £	2012 £
Remuneration	359,257	278,596
Employer contributions paid to money purchase schemes	<u>46,709</u>	<u>41,503</u>

7 Other interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	<u>8,391</u>	<u>9,978</u>

8 Interest payable and similar charges

	2013 £	2012 £
Finance charges	<u>1,427</u>	<u>238</u>

9 Taxation

Tax on profit on ordinary activities

	2013 £	2012 £
Current tax		
Corporation tax charge	-	381,020
Adjustments in respect of previous years	<u>(141,666)</u>	<u>(10,288)</u>
UK Corporation tax	(141,666)	370,732
Current tax on income	<u>2,636</u>	<u>1,274</u>
	(139,030)	372,006
Deferred tax		
Origination and reversal of timing differences	<u>48,708</u>	<u>(27,673)</u>
Total tax on profit on ordinary activities	<u>(90,322)</u>	<u>344,333</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

10 Tangible fixed assets

Group

	Freehold property £	Property improvements £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2013	1,565,502	230,178	540,311	306,390	2,642,381
Additions	-	338,902	24,577	65,166	428,645
Disposals	-	-	(1,986)	(652)	(2,638)
At 31 December 2013	<u>1,565,502</u>	<u>569,080</u>	<u>562,902</u>	<u>370,904</u>	<u>3,068,388</u>
Depreciation					
At 1 January 2013	-	12,832	251,174	78,524	342,530
Charge for the year	-	6,099	42,095	40,505	88,699
Eliminated on disposals	-	-	(1,592)	(199)	(1,791)
At 31 December 2013	<u>-</u>	<u>18,931</u>	<u>291,677</u>	<u>118,830</u>	<u>429,438</u>
Net book value					
At 31 December 2013	<u>1,565,502</u>	<u>550,149</u>	<u>271,225</u>	<u>252,074</u>	<u>2,638,950</u>
At 31 December 2012	<u>1,565,502</u>	<u>217,346</u>	<u>289,137</u>	<u>227,866</u>	<u>2,299,851</u>

Company

	Freehold property £	Property improvements £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2013	1,565,502	230,178	540,311	288,807	2,624,798
Additions	-	338,902	24,577	61,180	424,659
Disposals	-	-	(1,986)	(652)	(2,638)
At 31 December 2013	<u>1,565,502</u>	<u>569,080</u>	<u>562,902</u>	<u>349,335</u>	<u>3,046,819</u>
Depreciation					
At 1 January 2013	-	12,832	251,174	77,120	341,126
Charge for the year	-	6,099	42,095	35,091	83,285
Eliminated on disposals	-	-	(1,592)	(199)	(1,791)
At 31 December 2013	<u>-</u>	<u>18,931</u>	<u>291,677</u>	<u>112,012</u>	<u>422,620</u>
Net book value					
At 31 December 2013	<u>1,565,502</u>	<u>550,149</u>	<u>271,225</u>	<u>237,323</u>	<u>2,624,199</u>
At 31 December 2012	<u>1,565,502</u>	<u>217,346</u>	<u>289,137</u>	<u>211,687</u>	<u>2,283,672</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

Leased assets

Included within the net book value of tangible fixed assets is £18,235 (2012 - £21,453) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,218 (2012 - £547).

11 Investments held as fixed assets

Group and Company

	2013 £	2012 £
Other investments	<u>36</u>	<u>36</u>

The fixed asset investment represents a 12% shareholding in Design Design Technology Limited. Design Design Technology Limited holds 11.4% of Nu Instruments Limited's shares.

12 Stocks

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Stocks	2,182,679	2,355,874	2,182,283	2,355,478
Long term contract balances - Net cost less foreseeable losses	<u>204,603</u>	<u>678,101</u>	<u>204,603</u>	<u>678,101</u>
	<u>2,387,282</u>	<u>3,033,975</u>	<u>2,386,886</u>	<u>3,033,579</u>

13 Debtors

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	233,460	1,212,635	225,761	1,212,635
Amounts owed by connected companies	92,512	132,860	186,593	257,287
Amounts recoverable on long term contracts	6,684,515	5,963,604	6,684,515	5,963,604
Other debtors	479,602	433,665	476,618	428,372
Prepayments and accrued income	<u>81,056</u>	<u>64,264</u>	<u>65,466</u>	<u>49,004</u>
	<u>7,571,145</u>	<u>7,807,028</u>	<u>7,638,953</u>	<u>7,910,902</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

14 Creditors: Amounts falling due within one year

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade creditors	1,129,158	1,284,339	1,127,366	1,279,391
Obligations under finance lease and hire purchase contracts	7,300	8,726	7,300	8,726
Payments received on account	912,939	915,493	912,939	915,493
Corporation tax	-	381,021	-	381,021
Other taxes and social security	106,146	94,312	103,620	94,311
Accruals and deferred income	1,745,635	1,672,353	1,300,982	1,718,258
	<u>3,901,178</u>	<u>4,356,244</u>	<u>3,452,207</u>	<u>4,397,200</u>

15 Creditors: Amounts falling due after more than one year

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Obligations under finance lease contracts	<u>5,356</u>	<u>11,230</u>	<u>5,356</u>	<u>11,230</u>

Obligations under finance leases and HP contracts

Amounts repayable:

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
In one year or less on demand	7,300	8,726	7,300	8,726
Between one and two years	<u>5,356</u>	<u>11,230</u>	<u>5,356</u>	<u>11,230</u>
	<u>12,656</u>	<u>19,956</u>	<u>12,656</u>	<u>19,956</u>

16 Provisions

Group

	Deferred tax £	Total £
At 1 January 2013	48,452	48,452
Charged to the profit and loss account	<u>48,707</u>	<u>48,707</u>
At 31 December 2013	<u>97,159</u>	<u>97,159</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

Analysis of deferred tax

	2013 £	2012 £
Difference between depreciation and capital allowances	<u>97,159</u>	<u>52,296</u>

Company

	Deferred tax £	Total £
At 1 January 2013	52,296	52,296
Charged to the profit and loss account	<u>44,863</u>	<u>44,863</u>
At 31 December 2013	<u>97,159</u>	<u>97,159</u>

Analysis of deferred tax

	2013 £	2012 £
Difference between depreciation and capital allowances	<u>97,159</u>	<u>52,296</u>

17 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Ordinary of £1 each	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>

18 Dividends

	2013 £	2012 £
Dividends paid		
Current year interim dividend paid	<u>358,851</u>	<u>179,426</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

19 Reserves

Group

	Profit and loss account £	Total £
At 1 January 2013	12,171,678	12,171,678
Profit for the year	1,180,275	1,180,275
Dividends	(358,851)	(358,851)
At 31 December 2013	<u>12,993,102</u>	<u>12,993,102</u>

Company

	Profit and loss account £	Total £
At 1 January 2013	12,163,972	12,163,972
Profit for the year	1,223,178	1,223,178
Dividends	(358,851)	(358,851)
At 31 December 2013	<u>13,028,299</u>	<u>13,028,299</u>

20 Reconciliation of movement in shareholders' funds

Group

	2013 £	2012 £
Profit attributable to the members of the group	1,180,275	2,432,532
Dividends	(358,851)	(179,426)
New share capital subscribed	-	63,391
Net addition to shareholders' funds	821,424	2,316,497
Shareholders' funds at 1 January	<u>13,071,678</u>	<u>10,755,181</u>
Shareholders' funds at 31 December	<u>13,893,102</u>	<u>13,071,678</u>

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

Company

	2013 £	2012 £
Profit attributable to the members of the company	1,223,178	2,424,826
Dividends	<u>(358,851)</u>	<u>(179,426)</u>
Net addition to shareholders' funds	864,327	2,245,400
Shareholders' funds at 1 January	<u>13,063,972</u>	<u>10,818,572</u>
Shareholders' funds at 31 December	<u><u>13,928,299</u></u>	<u><u>13,063,972</u></u>

21 Pension 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 £157,046 (2012 - £147,655).

22 Contingent liabilities

Guarantees and indemnities against orders secured by monies held by the group's bankers at the year end amounted to £368,485 (2012 - £507,406).

23 Analysis of net debt

	At 1 January 2013 £	Cash flow £	At 31 December 2013 £
Cash at bank and in hand	4,346,714	952,668	5,299,382
Finance lease contracts	(19,956)	7,299	(12,656)
Net funds	<u><u>4,326,758</u></u>	<u><u>959,967</u></u>	<u><u>5,286,725</u></u>

24 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Nu Instruments Trustees Limited

By virtue of common control, Nu Instruments Limited is related to Nu Instruments Trustees Limited, a company incorporated in England. Nu Instruments Trustees Limited owns 3.6% (2012 - 3.92%) of the share capital of Nu Instruments Limited.

During the year dividends totalling £12,933 (2012 - £7,032) were paid to Nu Instruments Trustees Limited and funds totalling £27,415 (2012 - £25,000) were transferred from Nu Instruments Trustees Limited. At the balance sheet date the amount due from Nu Instruments Trustees Limited was £92,511 (2012 - £132,859).

Nu Instruments Limited
Notes to the Financial Statements for the Year Ended 31 December 2013

Design Design Technology Limited

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

During the year dividends totalling £40,909 (2012 - £20,455) were paid to Design Design Technology Limited and purchases from Design design Technology amounted to £49,677 (2012 - £34,237). Dividends of £4,032 (2012 - £nil) were received from Design Design Technology Limited. . At the balance sheet date the amount due to Design Design Technology Limited was £6,829 (2012 - £22,730).

Mr Roy Cohen

By virtue of his shareholding in the company Mr Roy Cohen is a related party.

During the year purchases from Mr Cohen for consultancy and commission amounted to £108,390 (2012 - £148,502). At the balance sheet date the amount due to Mr Roy Cohen was £9,375 (2012 - £6,350).

25 Control

For the whole year, the Group was controlled by A L McCall, a director and shareholder of the Company.

Nu Instruments Limited
Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2013

	2013	2012
	£	£
Turnover		
Instrument sales	13,014,764	14,304,988
Incidental sales	621,197	400,422
Other income	7,239	15,094
	<u>13,643,200</u>	<u>14,720,504</u>
Cost of sales		
Instrument costs	6,890,796	7,291,776
Incidentals costs	258,966	186,982
Wages and salaries	2,371,298	1,926,844
Employer's NIC	240,576	193,561
Staff pensions	91,214	86,849
Private health insurance	35,987	29,946
Temporary labour	-	4,207
Subcontract costs	229,679	-
	<u>(10,118,516)</u>	<u>(9,720,165)</u>
Gross profit	3,524,684	5,000,339
Administrative expenses (analysed overleaf)		
Employment costs	1,294,025	1,110,757
Establishment costs	250,816	216,733
General administrative expenses	878,981	722,028
Finance charges	(67,640)	105,089
Depreciation costs	89,545	78,607
	<u>(2,445,727)</u>	<u>(2,233,214)</u>
Group operating profit	1,078,957	2,767,125
Income from participating interests	4,032	-
Other interest receivable and similar income		
Bank interest receivable	8,391	9,978
Interest payable and similar charges	(1,427)	(238)
Profit on ordinary activities before taxation	<u>1,089,953</u>	<u>2,776,865</u>

Nu Instruments Limited

Detailed Consolidated Profit and Loss Account for the Year Ended 31 December 2013

	2013 £	2012 £
Employment costs		
Wages and salaries	660,957	573,955
Employer's NIC	97,902	90,394
Directors remuneration	359,257	278,596
Staff pensions	19,123	19,303
Directors' pensions	46,709	41,503
Private health insurance	19,775	20,626
Temporary staff costs	9,531	8,299
Staff training and recruitment	80,771	78,081
	<u>1,294,025</u>	<u>1,110,757</u>
Establishment costs		
Rent and rates	81,831	67,473
Light and heat	104,129	67,735
Insurance	36,870	29,882
Repairs and maintenance	27,986	51,643
	<u>250,816</u>	<u>216,733</u>
General administrative expenses		
Telephone and fax	21,464	13,863
Computer software and maintenance costs	35,931	31,012
Printing, postage and stationery	25,046	30,510
Trade subscriptions	8,499	7,108
Sponsorship	1,418	2,720
Sundry expenses	49,514	36,999
Accountancy fees	24,112	52,657
Auditor's remuneration	10,752	12,341
Consultancy fees	301,584	74,697
Legal and professional fees	61,646	86,549
Motor and travel expenses	159,650	107,388
Marketing	121,022	114,949
Bad and doubtful debts	(35,737)	137,345
Research and development	94,080	13,890
	<u>878,981</u>	<u>722,028</u>
Finance charges		
Bank charges	28,696	28,826
Foreign currency (gains)/losses	(96,336)	76,263
	<u>(67,640)</u>	<u>105,089</u>
	<u>2013</u>	<u>2012</u>
	£	£
Depreciation costs		
Depreciation of freehold property	6,099	4,258
Depreciation of plant and machinery	42,095	45,385
Depreciation of fixtures and fittings	40,505	28,964
Loss on disposal of tangible fixed assets	846	-
	<u>89,545</u>	<u>78,607</u>

This page does not form part of the statutory financial statements

Nu Instruments Limited
Detailed Company Profit and Loss Account for the Year Ended 31 December 2013

	2013	2012
	£	£
Turnover		
Instrument sales	13,014,764	14,304,988
Incidental sales	575,481	400,422
Other income	7,239	15,094
	<u>13,597,484</u>	<u>14,720,504</u>
Cost of sales		
Instrument costs	6,847,740	7,399,823
Incidentals costs	258,966	186,982
Wages and salaries	2,371,298	1,926,844
Employer's NIC	240,576	193,561
Staff pensions	91,214	86,849
Private health insurance	35,987	29,946
Temporary labour	-	4,207
Subcontract costs	<u>229,679</u>	<u>-</u>
	<u>(10,075,460)</u>	<u>(9,828,212)</u>
Gross profit	3,522,024	4,892,292
Administrative expenses (analysed overleaf)		
Employment costs	(1,171,817)	(1,088,070)
Establishment costs	(210,310)	(185,176)
General administrative expenses	(1,014,747)	(678,371)
Finance charges	74,475	(101,461)
Depreciation costs	<u>(84,131)</u>	<u>(77,203)</u>
	<u>(2,406,530)</u>	<u>(2,130,281)</u>
Operating profit	<u>1,115,494</u>	<u>2,762,011</u>
Profit on ordinary activities before investment income and interest	1,115,494	2,762,011
Income from participating interests	4,032	-
Other interest receivable and similar income		
Bank interest receivable	8,276	9,956
Interest payable and similar charges		
Finance lease interest	<u>(1,427)</u>	<u>(238)</u>
Profit on ordinary activities before taxation	<u><u>1,126,375</u></u>	<u><u>2,771,729</u></u>

Nu Instruments Limited

Detailed Company Profit and Loss Account for the Year Ended 31 December 2013

	2013 £	2012 £
Employment costs		
Wages and salaries	539,849	551,268
Employer's NIC	97,902	90,394
Directors remuneration	359,257	278,596
Staff pensions	19,123	19,303
Directors' pensions	46,709	41,503
Private health insurance	19,775	20,626
Temporary staff costs	9,531	8,299
Staff training and recruitment	79,671	78,081
	<u>1,171,817</u>	<u>1,088,070</u>
Establishment costs		
Rent and rates	41,325	35,916
Light and heat	104,129	67,735
Insurance	36,870	29,882
Repairs and maintenance	27,986	51,643
	<u>210,310</u>	<u>185,176</u>
General administrative expenses		
Telephone and fax	11,999	12,180
Computer software and maintenance costs	35,931	31,012
Printing, postage and stationery	25,046	30,510
Trade subscriptions	8,499	7,108
Sponsorship	1,418	2,720
Sundry expenses	30,732	33,313
Accountancy fees	24,112	52,657
Auditor's remuneration	9,350	11,250
Consultancy fees	536,204	74,697
Legal and professional fees	12,289	58,022
Motor and travel expenses	156,602	107,015
Marketing	104,222	106,652
Bad and doubtful debts	(35,737)	137,345
Research and development	94,080	13,890
	<u>1,014,747</u>	<u>678,371</u>
Finance charges		
Bank charges	27,657	28,533
Foreign currency (gains)/losses	(102,132)	72,928
	<u>(74,475)</u>	<u>101,461</u>
Depreciation costs		
Depreciation of freehold property	6,099	4,258
Depreciation of plant and machinery	42,095	45,385
Depreciation of fixtures and fittings	35,091	27,560
Loss on disposal of tangible fixed assets	846	-
	<u>84,131</u>	<u>77,203</u>