

Companies House
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Tinius Olsen Limited

Report and Financial Statements

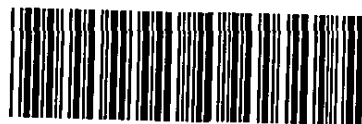
Year Ended

31 December 2012

Company number 998521

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Tinius Olsen Limited

Report and financial statements for the year ended 31 December 2012

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Directors

J C Ivory (Managing Director)
P M O Woolford
M J Wheeler
M Youngs
J P Loftus (American)
C R Tait III (American)

Secretary and registered office

P M O Woolford, 6 Perrywood Business Park, Honeycock Lane, Salfords, Surrey RH1 5DZ

Company number

998521

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Tinius Olsen Limited

Report of the directors for the year ended 31 December 2012

The directors present their report together with the audited financial statements for the year ended 31 December 2012

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year

The directors do not recommend the payment of a dividend (2011 - £Nil)

Principal activities, review of business and future developments

The principal activity of the group and company during the year was that of producers of load test equipment

In presenting this report the financial statements consolidate the results of Tinius Olsen Limited ("the Company") and its subsidiary undertaking. The group made a profit before taxation of £291,293 for the year ended 31 December 2012, this compares to a profit before taxation of £483,585 last year. The underlying performance of the Company remained strong with a profit before taxation of £505,651 (£696,613-2011). The company will be able to maintain positive cash balances for the foreseeable future and therefore the going concern basis of accounting has been adopted.

The directors consider that the key business risk remains competition and as such this continues to be monitored by a regular review of market share and margins. Economic uncertainty in the world is a consideration and as such will be monitored as to any effect this may have on the business.

Research and development activities

The group continues to run an extensive research and development programme which, in the opinion of the directors, is essential for the growth of the business.

Financial instruments

Working capital requirements are met principally out of retained profits. In addition, trade debtors and trade creditors arise directly from the company's operations. The company does not enter into any hedging arrangements.

Credit risk and currency risk arise from the company's activities. The company's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made where possible. The company's policy in respect of currency risk is to invoice primarily in sterling. These risks are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long term and short term debt finance and readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate. Debt is currently maintained at a fixed interest rate with the parent company, Tinius Olsen International Company. The directors monitor the liquidity and cash flow of the company carefully.

Tinius Olsen Limited

Report of the directors for the year ended 31 December 2012 (*continued*)

Directors

The directors of the company during the year were

J C Ivory (Managing Director)
P M O Woolford
M J Wheeler
M Youngs
J P Loftus (American)
C R Tait III (American)

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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

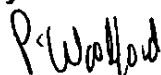
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

By order of the Board



P M O Woolford
Secretary

Date 8th March 2013

Tinius Olsen Limited

Independent auditor's report

TO THE MEMBERS OF TINIVS OLSEN LIMITED

We have audited the financial statements of Tinius Olsen Limited for the year ended 31 December 2012 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. 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 auditors

As explained more fully in the statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

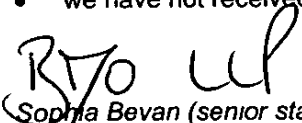
Tinius Olsen Limited

Independent auditor's report (*continued*)

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


Sophia Bevan (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date 11/3/2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Tinius Olsen Limited

Consolidated profit and loss account for the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	5,993,598	7,442,158
Cost of sales		2,234,499	3,596,012
Gross profit		3,759,099	3,846,146
Distribution costs		1,027,117	1,175,385
Administrative expenses		2,436,055	2,170,544
		295,927	500,217
Other operating income		56,356	50,725
Operating profit	5	352,283	550,942
Interest receivable and similar income		6,043	4,562
Interest payable and similar charges	6	(67,033)	(71,919)
Profit on ordinary activities before taxation		291,293	483,585
Taxation on profit on ordinary activities	7	(59,246)	(177,779)
Profit on ordinary activities after taxation		232,047	305,806
Minority interest		73,797	85,211
Profit for the financial year		305,844	391,017

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 10 to 22 form part of these financial statements

Tinius Olsen Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2012

	2012	2011
	£	£
Profit for the financial year	305,844	391,017
Currency translation differences	15,373	2,857
Total recognised gains for the year	321,217	393,874

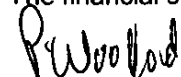
The notes on pages 10 to 22 form part of these financial statements

Tinius Olsen Limited

Consolidated balance sheet at 31 December 2012

Company number: 998521	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	12	2,363,563		2,392,766	
Investments	9	1,835		1,835	
			2,365,398		2,394,601
Current assets					
Stocks	10	1,124,145		905,019	
Debtors	13	1,290,044		1,652,699	
Cash at bank and in hand		1,323,596		1,309,935	
		3,737,785		3,867,653	
Creditors: amounts falling due within one year	14	1,305,737		1,619,308	
Net current assets			2,432,048		2,248,345
Total assets less current liabilities			4,797,446		4,642,946
Creditors: amounts falling due after more than one year	15		1,120,796		1,213,716
Net assets			3,676,650		3,429,230
Capital and reserves					
Called up share capital	16		18,000		18,000
Share premium account	17		558,000		558,000
Capital reserve	17		32,619		32,619
Profit and loss account	17		3,173,213		2,851,996
Shareholders' funds	18		3,781,832		3,460,615
Minority interest			(105,182)		(31,385)
			3,676,650		3,429,230

The financial statements were approved by the Board of Directors and authorised for issue on 8th March 2013



P M O Woolford
Director

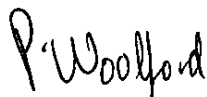
The notes on pages 10 to 22 form part of these financial statements

Tinius Olsen Limited

Company balance sheet at 31 December 2012

Company number. 998521	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	11	2,361,420		2,392,766	
Investments	9	111,810		111,810	
			2,473,230		2,504,576
Current assets					
Stocks	10	962,022		882,296	
Debtors	13	1,579,267		1,647,663	
Cash at bank and in hand		1,263,253		1,259,417	
		3,804,542		3,789,376	
Creditors: amounts falling due within one year	14	1,092,343		1,462,007	
Net current assets			2,712,199		2,327,369
Total assets less current liabilities			5,185,429		4,831,945
Creditors, amounts falling due after more than one year	15		1,120,796		1,213,716
Net liabilities			4,064,633		3,618,229
Capital and reserves					
Called up share capital	16		18,000		18,000
Share premium account	17		558,000		558,000
Capital reserve	17		32,619		32,619
Profit and loss account	17		3,456,014		3,009,609
Shareholders' funds	18		4,064,633		3,618,228

The financial statements were approved by the Board of Directors and authorised for issue on 8th March 2013



P M O Woolford
Director

The notes on pages 10 to 22 form part of these financial statements

Tinius Olsen Limited

Consolidated cash flow statement for the year ended 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	20		512,943		590,688
Returns on investments and servicing of finance					
Interest received		6043		4,562	
Interest paid		(67,033)		(71,919)	
Net cash outflow from returns on investments and servicing of finance			(60,990)		(67,357)
Taxation					
Tax paid			(132,680)		-
Capital expenditure					
Purchase of tangible fixed assets		(126,580)		(72,588)	
Less asset sales		-		16,503	
			(126,580)		(56,085)
Management of liquid resources			-		(377,450)
Financing					
Repayment of loan		(179,585)		(36,726)	
Capital element of finance lease		553		(16,135)	
			(179,032)		(52,861)
Increase in cash	21		13,661		36,935

The notes on pages 10 to 22 form part of these financial statements

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

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

The following principal accounting policies have been applied

Basis of consolidation

The consolidated financial statements incorporate the results of the company and its subsidiary undertaking, Tinius Olsen-India Private Limited, as at 31 December 2012 using the acquisition method of accounting. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date of acquisition. On acquisition, fair values are attributed to the assets and liabilities of the business acquired, any excess of consideration over these fair values being taken to Goodwill.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax or local taxes on sales and is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- over 50 years
Plant and machinery	- over 7 to 10 years
Motor vehicles	- over 3 to 4 years
Fixtures and fittings	- over 3 to 7 years

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Work in progress and finished goods include labour and attributable overheads appropriate to the stage of manufacture.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

The profit and loss account of the Group's subsidiary undertakings are translated into sterling at the average rates of exchange and the differences arising from this and the closing rate and from translation of the opening net investment at the closing rate are taken directly to reserves.

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

1 Accounting policies (*continued*)

Research and development

Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance, and is amortised in line with sales from the related product. All research and other development costs are written off as incurred.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Taxation

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met. Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

1 Accounting policies (continued)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as short term deposits

2 Turnover

Turnover is wholly derived from the principal activity of the company. A geographical analysis by destination has not been provided as, in the opinion of the directors, disclosure of this information would be seriously prejudicial to the interests of the company

3 Employees

Group	2012 £	2011 £
Staff costs consist of		
Wages and salaries	2,363,526	2,257,868
Social security costs	258,333	273,054
Other pension costs	197,758	175,540
	<u>2,819,617</u>	<u>2,706,462</u>
	2012 Number	2011 Number
The average number of employees during the year was		
Office and management	12	12
Manufacturing	23	24
Sales and design	23	20
	<u>58</u>	<u>56</u>

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

4 Directors

	2012 £	2011 £
Directors' remuneration consists of		
Directors' emoluments	423,267	473,227
Company contributions to defined contribution pension scheme	61,320	58,958
	<u>484,587</u>	<u>532,185</u>

There were 4 directors in the company's defined contribution pension scheme during the year (2012)

Emoluments of the highest paid director was £152,085 (2011 - £168,913) Company pension contributions of £18,560 (2011 - £18,040) were made to a defined contribution scheme on his behalf

A pension of £15,000 (2011 - £15,000) was paid to a former director

5 Group operating profit

	2012 £	2011 £
This has been arrived at after charging		
Research & Development	212,659	188,546
Depreciation - owned assets	164,588	109,150
Hire of assets - operating leases	38,367	26,822
Auditors' remuneration - audit services	42,417	40,286
Auditors' remuneration - taxation compliance services	9,850	4,100
Foreign exchange differences	23,734	3,110
	<u></u>	<u></u>

6 Group interest payable and similar charges

	2012 £	2011 £
Lease interest	671	2,817
Loan interest	66,362	69,102
	<u>67,033</u>	<u>71,919</u>

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

7 Group taxation on ordinary activities

	2012 £	2011 £
<i>Current tax</i>		
UK Corporation tax	140,293	132,680
Over provision in respect of prior years	(85,105)	-
	<u>55,188</u>	<u>132,680</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	4,058	45,099
	<u>59,246</u>	<u>177,779</u>

The tax assessed for the year is lower than (2011 - higher) the standard rate of Corporation tax in the UK
The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>291,293</u>	<u>483,585</u>
Surplus on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 26%)	71,367	125,732
Effects of		
Expenses not deductible for tax purposes	50,022	9,512
Excess of depreciation over capital allowances	(2,353)	10,728
Difference in tax rates	(14,658)	2,470
Other timing differences	-	3,071
Losses carried forward	35,915	(18,833)
Over provision in respect of previous years	(85,105)	-
	<u>55,188</u>	<u>132,680</u>

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

8 Profit of parent company

As permitted by Section 480 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year after taxation was £446,445 (2011 - £518,835)

9 Fixed asset investments

Company	Subsidiary undertaking £	Other investments £	Total £
<i>Cost</i>			
At 1 January 2012	109,975	1,835	111,810
Additions	-	-	-
	<u>109,975</u>	<u>1,835</u>	<u>111,810</u>
At 31 December 2012	<u>109,975</u>	<u>1,835</u>	<u>111,810</u>

Other investments are listed investments. At 31 December 2012 the market value of these investments was £1,484 (2011 - £1,167)

Group	Other investments £
<i>Cost</i>	
At 1 January 2012	1,835
	<u>1,835</u>
At 31 December 2012	<u>1,835</u>

The following was the subsidiary undertaking at the end of the year

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Tinius Olsen-India Private Limited	Republic of India	60%	Producers of load test equipment

The company has undertaken to provide such financial support required, to the subsidiary in order for it to meet its financial liabilities in its continued business activities until 31st March 2013

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

10 Stocks

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Finished goods and goods for resale	369,337	222,116	358,198	222,116
Raw materials and consumables	61,482	46,165	61,482	46,165
Work in progress	693,326	636,738	542,342	614,015
	<u>1,124,145</u>	<u>905,019</u>	<u>962,022</u>	<u>882,296</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

11 Tangible assets – Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 January 2012	2,769,658	679,366	70,471	940,931	4,460,426
Additions	-	-	72,316	56,088	128,404
Disposals	-	(247,755)	(25,607)	(553,687)	(827,049)
	<u>2,769,658</u>	<u>431,611</u>	<u>117,180</u>	<u>443,332</u>	<u>3,761,781</u>
<i>Depreciation</i>					
At 1 January 2012	503,758	653,949	38,329	871,624	2,067,660
Charge for the year	66,907	25,365	25,925	46,336	164,533
Disposals	-	(268,022)	(27,606)	(538,347)	(833,975)
	<u>570,665</u>	<u>411,292</u>	<u>36,648</u>	<u>379,613</u>	<u>1,398,218</u>
<i>Net book value</i>					
At 31 December 2012	<u>2,198,993</u>	<u>20,319</u>	<u>80,532</u>	<u>63,719</u>	<u>2,363,563</u>
At 31 December 2011	2,265,900	25,417	32,142	69,307	2,392,766

The net book value of Motor Vehicles above includes an amount of £20,966 (2011 - £21,937) in respect of assets held under finance leases. The related depreciation charge on these assets was £5,598 (2011 - £13,162)

Tinius Olsen Limited

Notes forming part of the financial statements
for the year ended 31 December 2012 (*continued*)

12 Tangible fixed assets - Company

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 January 2012	2,769,658	679,366	70,471	940,931	4,460,426
Additions	-	-	72,316	52,874	125,190
Disposals	-	(247,755)	(25,607)	(553,687)	(827,049)
	<u>2769,658</u>	<u>431,611</u>	<u>117,180</u>	<u>440,118</u>	<u>3,758,567</u>
<i>Depreciation</i>					
At 1 January 2012	503,758	653,949	38,329	871,624	2,067,660
Provided for the year	66,907	25,365	25,925	45,265	163,462
Disposals	-	(268,022)	(27,606)	(538,347)	(833,975)
	<u>570,665</u>	<u>411,292</u>	<u>36,648</u>	<u>378,542</u>	<u>1,397,147</u>
<i>Net book value</i>					
At 31 December 2012	<u>2,198,993</u>	<u>20,319</u>	<u>80,532</u>	<u>61,576</u>	<u>2,361,420</u>
At 31 December 2011	<u>2,265,900</u>	<u>25,417</u>	<u>32,142</u>	<u>69,307</u>	<u>2,392,766</u>

The net book value of tangible assets includes an amount of £20,966 (2011 - £21,937) in respect of assets held under finance leases. The related depreciation charge for year was £5,598 (2011 - £13,162).

13 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade debtors	740,969	1,017,590	582,610	1,017,590
Other debtors	68,977	38,264	68,987	27,272
Prepayments and accrued income	63,777	68,701	54,144	68,701
Amounts owed by group undertakings	<u>416,321</u>	<u>528,144</u>	<u>873,526</u>	<u>534,100</u>
	<u>1,290,044</u>	<u>1,652,699</u>	<u>1,579,267</u>	<u>1,647,663</u>

All amounts fall due for payment within one year

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

14 Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Payments received on account	102,782	71,879	102,782	71,879
Trade creditors	444,095	517,008	439,958	486,698
Amounts owed to group undertakings	208,462	293,421	99,330	168,089
Other taxation and social security	136,905	127,664	74,272	126,005
Accruals and deferred income	411,918	606,608	374,426	606,608
Obligations under finance lease	1,575	2,728	1,575	2,728
	<u>1,305,737</u>	<u>1,619,308</u>	<u>1,092,343</u>	<u>1,462,007</u>

15 Creditors: amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts owed to group undertakings	1,119,090	1,213,716	1,119,090	1,213,716
Obligations under finance lease	1,706	-	1,706	-
	<u>1,120,796</u>	<u>1,213,716</u>	<u>1,120,796</u>	<u>1,213,716</u>

Group and company	Amounts due to parent undertaking 2012 £	Amounts due to parent undertaking 2011 £	Finance leases 2012 £	Finance Leases 2011 £
Maturity of debt				
In one year or less, or on demand	<u>208,462</u>	<u>293,421</u>	<u>1,575</u>	<u>2,728</u>
In more than one year but not more than two years	97,596	94,627	1,575	-
In more than two years but not more than five years	228,322	260,373	131	-
In more than five years	<u>793,172</u>	<u>858,716</u>	<u>-</u>	<u>-</u>
	<u>1,119,090</u>	<u>1,213,716</u>	<u>1,706</u>	<u>-</u>

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

15 Creditors: amounts falling due after more than one year (continued)

Amounts due to parent undertaking comprise loan stock of £126,000 (2011 - £168,000), and one loan of £1,087,717 (2011 - £1,137,533)

The loan stock of £126,000 is unsecured, attracts interest at 3% per annum, and is payable by equal annual instalments. The redemption date is 2016.

The long term loan of £1,087,717 attracts interest at 5.5% and is payable by equal monthly instalments commencing 1 January 2007. The redemption date is 2027.

The short and long term loans are secured against, with a right of set off against, any and all present, future and after acquired funds, monies, balances, stocks, bonds, notes, deposit accounts, and other personal property of any nature whatsoever in which the company has any interest.

16 Share capital

	2012 Number	2011 Number	2012 £	2011 £
<i>Allotted, issued and fully paid</i>				
Ordinary shares of £1 each	18,000	18,000	18,000	18,000

17 Reserves

	Share premium account £	Capital reserve £	Profit and loss account £
Group			
At 1 January 2012	558,000	32,619	2,851,996
Profit for year	-	-	305,844
Currency translation difference	-	-	15,373
	<u>558,000</u>	<u>32,619</u>	<u>3,173,213</u>
At 31 December 2012	558,000	32,619	3,173,213
Company			
At 1 January 2012	558,000	32,619	3,009,609
Profit for year	-	-	446,405
	<u>558,000</u>	<u>32,619</u>	<u>3,456,014</u>
At 31 December 2012	558,000	32,619	3,456,014

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Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

18 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Group		
Profit for the financial year	335,709	391,017
Currency translation differences	(8,472)	2,857
Opening shareholders' funds	3,460,615	3,066,741
Closing shareholders' funds	3,787,852	3,460,615
Company		
Profit for the financial year	446,405	518,835
Opening shareholders' funds	3,618,228	3,099,393
Closing shareholders' funds	4,064,633	3,618,228

19 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Other 2012 £	Other 2011 £
Operating leases which expire		
Within one year	-	6,236
In two to five years	29,413	24,576
	29,413	30,812

20 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	352,283	550,942
Depreciation charges	164,533	109,150
Profit on sale of fixed assets	(3,750)	(12,444)
Increase in debtors	362,655	(255,549)
Decrease in stocks	(219,126)	232,827
(Decrease)/increase in creditors	(143,652)	(34,238)
Net cash inflow from operating activities	512,943	590,688

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Notes forming part of the financial statements for the year ended 31 December 2012 (continued)

21 Reconciliation of net cash inflow to movement in net debt

	2012 £	2011 £
Increase in cash in the year	13,661	36,935
Cash inflow from changes in debt	179,032	52,861
Changes in liquid resources		377,450
Movement in net (debt)/funds in the year	192,693	467,246
Opening net debt	(199,930)	(667,176)
Closing net funds	(7,237)	(199,930)

22 Analysis of net debt

	At 1 January 2012 £	Cash flow £	Other Non cash Items £	At 31 December 2012 £
Cash in hand and at bank	157,485	13,661	1,152,450	1,323,596
Debt due within one year	(293,421)	179,585	(94,626)	(208,462)
Debt due after one year	(1,213,716)		94,626	(1,119,090)
Finance leases	(2,728)	(553)	-	(3281)
	(1,509,865)	179,032	-	(1,330,833)
Liquid resource	1,152,450	-	(1,152,450)	-
Total	(199,930)	192,693	-	(7,237)

23 Pensions

The company currently contributes to a group personal pension plan, which is a defined contribution scheme. The assets of the plan are held separately from those of the company in an independently administered fund. The pension cost charge also includes contributions payable by the company to this fund. Included within accruals are outstanding contributions amounting to £Nil (2011 - £ Nil)

Tinius Olsen Limited

Notes forming part of the financial statements for the year ended 31 December 2012 (*continued*)

24 Related party transactions

Related party transactions and balances

During the year ended 31 December 2012, the company made sales of £1,456,397 (2011 - £2,337,561) to Tinius Olsen Testing Machine Company, a fellow group undertaking, at arms length. Trade debtors include £351,062 (2011 - £376,648) and other debtors £11,093 (2011 - £41,212) due from Tinius Olsen Testing Machine Company.

The company also made purchases of £225,727 (2011 - £376,991) from its parent company during the year. Trade creditors include £4,822 (2011 - £76,272) due to the parent company.

The company received other recharges and commissions amounting to £212,469 which includes accrued commission due of £47,398 (2011 - £43,033) from its parent company during the year. £11,093 (2011 - £41,212) was outstanding at the year end, in addition to the accrued amount of £47,398.

During the year the company's indebtedness to its parent and ultimate parent undertakings are set out in note 15. The related interest charges are also disclosed in note 6.

25 Ultimate parent company and parent undertaking of larger group

At 31 December 2012 the company's ultimate parent company was Tinius Olsen International Company, a company incorporated in the United States of America, which is the parent of both the smallest and largest groups of which the company is included in consolidated accounts.