

3T ADDITIVE MANUFACTURING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

3T ADDITIVE MANUFACTURING LIMITED

COMPANY INFORMATION

Directors	I D Halliday (resigned 31 March 2020) J Oberhofer T Koehler D Lichtenstein (appointed 9 August 2019) C Pfeiffer (resigned 30 June 2019) N A Robinson (appointed 15 April 2019, resigned 7 January 2020) T Steels (appointed 17 March 2020)
Company secretary	L Ramble (appointed 1 April 2020) S Smith (resigned 31 March 2020)
Registered number	03333366
Registered office	Fulton Court Wofford Way Greenham Business Park Newbury Berkshire RG19 6HD
Independent auditors	James Cowper Kreston Chartered Accountants and Statutory Auditor 2 Communications Road Greenham Business Park Greenham Newbury Berkshire RG19 6AB
Solicitors	Irwin Mitchell Mercantile House 18 London Road Newbury Berkshire RG14 1JX

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3T ADDITIVE MANUFACTURING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Business review

During the year there was an 20% reduction in turn over down to £8,767k mainly due to a strategic decision of one major metal AM customer to reduce its activities in one business segment. 3T-AM achieved to compensate this impact only partially. New customers and projects were acquired. One major new project required a lot of additional resources and funds, due to its complex product specification and its advanced manufacturing process. This specific project and overcapacities led to a total operating loss of £1,443k compared to an operating profit of £1,425k in the previous year. The impact on this year is negative however the knowhow generated in this new type of projects will result in more business opportunities and higher margin for future years.

3T-AM is a leading company in the Additive Manufacturing market and has consequently been investing heavily in both capital and manpower resources to put itself in a leading position in the UK. Growth in the metal AM areas of the business is expected to achieve 20% annually for the next 5 years.

The Company acknowledges the importance its employees contribute to the financial performance, and therefore continues to invest in employee development. Throughout the year under review, the multiple market and operational challenges presented to its employees were met with continued dedication and commitment meeting customer & market expectations.

Principal risks and uncertainties

Risks and uncertainties affecting the Company's markets could have an impact on the Company's performance and cause actual results to differ from expected and historic performance. Risk management processes employed by 3T Additive Manufacturing cover identification, impact assessment, likely occurrence, and mitigation actions. Some level of risk, however, will always be present.

Financial risks

Liquidity:

This is the risk the Company could have insufficient resources to meet its financial liabilities as they fall due. 3T Additive Manufacturing addresses this risk by maintaining adequate banking facilities and continuously monitoring forecast and actual cash flows to ensure liquidity requirements will be met. It is considered unlikely the company will face any significant funding issues in the foreseeable future.

Foreign currency:

The Company's main foreign exchange exposure relates to the translation of results and net assets denominated in overseas currencies into sterling. This exposure is limited to currency liabilities.

Credit risk:

Credit risk exists in relation to customers, banks and insurers. These risks are mitigated by maintaining rigorous credit control procedures across a wide customer base. Credit risk attributable to trade and other receivables is maintained by dealing with recognised creditworthy third parties who have been through a credit verification process.

Commercial and other risks

Product demand:

Demand fluctuates from sector to sectors-based PESTLE analysis. The company however spreads its activities across a breadth of markets and geographical markets. This reduces its exposure to any one revenue stream and the company constantly reviews its costs to partially migrate any reduction in demand.

3T ADDITIVE MANUFACTURING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Loss of major suppliers of customers:

The company looks to add new service offerings to meet the demands of changing business sectors and geographies.

Product liability:

There is a risk that products supplied may fail in service, which can lead to a claim under product liability. To offset this risk, technically qualified personnel and control systems are in place to ensure products meet quality requirements. Further, the Company has established product liability insurance.

Financial key performance indicators

As with previous years, given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of the entity.

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

.....
T Koehler
Director

Date: 24 February 2021

3T ADDITIVE MANUFACTURING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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

Directors

The directors who served during the year were:

I D Halliday (resigned 31 March 2020)
J Oberhofer
T Koehler
D Lichtenstein (appointed 9 August 2019)
C Pfeiffer (resigned 30 June 2019)
N A Robinson (appointed 15 April 2019, resigned 7 January 2020)
T Steels (appointed 17 March 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments

For future developments see the strategic report.

Disclosure of information to auditors

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

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

3T ADDITIVE MANUFACTURING LIMITED

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

Post balance sheet events

On 14 August 2020 the Company disposed of its Polymer department and now only retains the Metals department. All assets and liabilities attributed to the Polymers department were disposed of at net book value on this date.

Auditors

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

.....
T Koehler

Director

Date: 24 February 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3T ADDITIVE MANUFACTURING LIMITED

Opinion

We have audited the financial statements of 3T Additive Manufacturing Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3T ADDITIVE MANUFACTURING LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3T ADDITIVE MANUFACTURING LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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 Auditors' 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.

Robert Holland BSc FCA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Communications Road

Greenham Business Park

Greenham

Newbury

Berkshire

25 February 2021

3T ADDITIVE MANUFACTURING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	3	8,767,080	10,848,652
Cost of sales		(6,685,926)	(6,536,777)
Gross profit		2,081,154	4,311,875
Administrative expenses		(3,586,943)	(3,363,108)
Exceptional administrative expenses	4	(269,038)	(167,804)
Other operating income	5	478,147	644,498
Operating (loss)/profit	6	(1,296,680)	1,425,461
Interest receivable and similar income	9	-	95
Interest payable and expenses	10	(74,645)	(100,543)
(Loss)/profit before tax		(1,371,325)	1,325,013
Tax on (loss)/profit	11	193,516	(301,198)
(Loss)/profit for the financial year		(1,177,809)	1,023,815

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

3T ADDITIVE MANUFACTURING LIMITED
REGISTERED NUMBER: 03333366

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	4,724,126	5,467,699
		<u>4,724,126</u>	<u>5,467,699</u>
Current assets			
Stocks	13	513,526	743,478
Debtors: amounts falling due within one year	14	2,006,018	2,268,952
Cash at bank and in hand	15	343,206	617,229
		<u>2,862,750</u>	<u>3,629,659</u>
Creditors: amounts falling due within one year	16	(3,921,618)	(4,043,665)
Net current liabilities		<u>(1,058,868)</u>	<u>(414,006)</u>
Total assets less current liabilities		<u>3,665,258</u>	<u>5,053,693</u>
Creditors: amounts falling due after more than one year	17	(1,002,436)	(1,261,324)
Provisions for liabilities			
Deferred tax	20	(276,722)	(225,807)
		<u>(276,722)</u>	<u>(225,807)</u>
Net assets		<u><u>2,386,100</u></u>	<u><u>3,566,562</u></u>
Capital and reserves			
Called up share capital	21	1,474,166	1,474,166
Share premium account		85,538	85,538
Other reserves		11,319	13,972
Profit and loss account		815,077	1,992,886
		<u><u>2,386,100</u></u>	<u><u>3,566,562</u></u>

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

.....
T Koehler
Director

Date: 24 February 2021

3T ADDITIVE MANUFACTURING LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Share based payment reserve £	Profit and loss account £	Total equity £
At 1 April 2019	1,474,166	85,538	13,972	1,992,886	3,566,562
Loss for the year	-	-	-	(1,177,809)	(1,177,809)
Share based payment charge	-	-	(2,653)	-	(2,653)
At 31 March 2020	1,474,166	85,538	11,319	815,077	2,386,100

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2018	1,479,996	85,538	-	1,175,486	2,741,020
Profit for the year	-	-	-	1,023,815	1,023,815
Purchase of own shares	-	-	-	(206,415)	(206,415)
Shares redeemed during the year	(5,830)	-	-	-	(5,830)
Share based payment charge	-	-	13,972	-	13,972
At 31 March 2019	1,474,166	85,538	13,972	1,992,886	3,566,562

The notes on pages 13 to 28 form part of these financial statements.

3T ADDITIVE MANUFACTURING LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,177,809)	1,023,815
Adjustments for:		
Depreciation of tangible assets	1,394,184	1,287,362
Profit on disposal of tangible assets	(53,783)	(95,125)
Government grants	(330,973)	(391,825)
Interest paid	74,645	100,543
Interest received	-	(95)
Taxation charge	(193,516)	332,010
Decrease/(increase) in stocks	229,952	(109,592)
Decrease in debtors	632,893	280,183
(Decrease)/increase in creditors	(278,134)	419,836
Corporation tax (paid)	(147,174)	(310,067)
Net cash generated from operating activities	150,285	2,537,045
Cash flows from investing activities		
Purchase of tangible fixed assets	(680,961)	(1,661,237)
Sale of tangible fixed assets	84,133	201,131
Government grants received	330,973	391,825
Interest received	-	95
HP interest paid	(66,247)	(93,974)
Net cash from investing activities	(332,102)	(1,162,160)
Cash flows from financing activities		
Purchase of ordinary shares	-	(212,238)
Repayment of other loans	(42,486)	(99,167)
Repayment of/new finance leases	(608,546)	(1,083,279)
Interest paid	(8,398)	(6,569)
Net cash used in financing activities	(659,430)	(1,401,253)
Net (decrease) in cash and cash equivalents	(841,247)	(26,368)
Cash and cash equivalents at beginning of year	209,819	236,187
Cash and cash equivalents at the end of year	(631,428)	209,819
Cash at bank and in hand	343,206	617,229
Bank overdrafts	(974,634)	(407,410)
	(631,428)	209,819

3T ADDITIVE MANUFACTURING LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2020**

	At 1 April 2019	Cash flows	At 31 March
	£	£	2020
			£
Cash at bank and in hand	617,229	(274,023)	343,206
Bank overdrafts	(407,410)	(567,224)	(974,634)
Debt due after 1 year	(327,177)	14,511	(312,666)
Debt due within 1 year	(168,422)	27,975	(140,447)
Finance leases	(1,716,149)	608,546	(1,107,603)
	<u>(2,001,929)</u>	<u>(190,215)</u>	<u>(2,192,144)</u>

The notes on pages 13 to 28 form part of these financial statements.

3T ADDITIVE MANUFACTURING LIMITED

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

1. General information

3T Additive Manufacturing Limited (formerly 3T RPD Ltd) is a private company, limited by shares and incorporated and registered in England and Wales. The registered office and principal place of business is Fulton Court, Wofford Way, Greenham Business Park, Newbury, Berkshire, RG19 6HD.

The principal activity of the company was the design, production and sale of additive manufactured polymer and metal products.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Going concern

At the balance sheet date the Company had net assets of £2,386,100 (2019: £3,566,562) including net current liabilities of £1,058,868 (2019: £414,006), having made a loss for the year after tax of £1,177,809 (2019: profit after tax of £1,023,815).

The Directors have considered the appropriateness of the going concern basis of preparation bearing in mind the Company's:

- recent financial performance and current financial position, as impacted by the Covid-19 pandemic
- future trading prospects
- adequacy of existing and future financing facilities

The Company has net current liabilities and as such is reliant on its financing facilities and the support of the parent company. The Company has use of an invoice discounting facility and has also received funding from the parent company by way of short term loans.

The Directors are confident that these financing facilities are adequate to support the Company's future financing needs and as such are confident that the Company will be able to continue to trade for the foreseeable future.

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

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Improvements to property	-	10%
Plant & machinery	-	14%
Motor vehicles	-	20%
Fixtures & fittings	-	20%
Computer equipment	-	20%

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

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

2.5 Stocks

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

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

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Government grants

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

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

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

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.12 Finance costs

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

2.13 Pensions

Defined contribution pension plan

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

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

2.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.15 Provisions for liabilities

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

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

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

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

2. Accounting policies (continued)

2.16 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3T ADDITIVE MANUFACTURING LIMITED

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

3. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Polymer sales	3,643,390	3,379,495
Metal sales	5,122,793	7,412,335
Other income	897	56,822
	<u>8,767,080</u>	<u>10,848,652</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	5,123,690	4,771,522
Europe	320,521	366,244
Rest of the world	3,322,869	5,710,886
	<u>8,767,080</u>	<u>10,848,652</u>

4. Exceptional items

	2020 £	2019 £
Redundancy costs	182,802	60,000
Provision for costs of withdrawing from contract	86,236	107,804
	<u>269,038</u>	<u>167,804</u>

5. Other operating income

	2020 £	2019 £
R&D Grant income	147,174	252,673
Government grants receivable	330,973	391,825
	<u>478,147</u>	<u>644,498</u>

3T ADDITIVE MANUFACTURING LIMITED

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

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	1,394,184	1,287,362
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,700	9,390
Exchange differences	(16,812)	10,752
Defined contribution pension cost	<u>165,104</u>	<u>125,579</u>

7. Employees

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

	2020 £	2019 £
Wages and salaries	3,408,378	3,801,431
Social security costs	375,705	448,560
Cost of defined contribution scheme	165,104	125,579
	<u>3,949,187</u>	<u>4,375,570</u>

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

	2020 No.	2019 No.
Manufacturing and Technical	62	66
Selling and Administration	30	35
	<u>92</u>	<u>101</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	135,929	119,413
Company contributions to defined contribution pension schemes	8,800	10,612
	<u>144,729</u>	<u>130,025</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

3T ADDITIVE MANUFACTURING LIMITED

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

9. Interest receivable

	2020 £	2019 £
Other interest receivable	-	95

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	-	360
Other loan interest payable	8,398	6,209
Finance leases and hire purchase contracts	66,247	93,974
	<u>74,645</u>	<u>100,543</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	291,159
Adjustments in respect of previous periods	(244,431)	-
Total current tax	<u>(244,431)</u>	<u>291,159</u>
Deferred tax		
Origination and reversal of timing differences	50,915	10,039
Total deferred tax	<u>50,915</u>	<u>10,039</u>
Taxation on (loss)/profit on ordinary activities	<u>(193,516)</u>	<u>301,198</u>

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

11. Taxation (continued)**Factors affecting tax charge for the year**

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

	2020	2019
	£	£
(Loss)/profit on ordinary activities before tax	<u>(1,371,325)</u>	<u>1,325,013</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(260,552)	251,752
Effects of:		
Expenses not deductible for tax purposes	33,590	21,757
Capital allowances for year in excess of depreciation	3,629	6,639
Losses carried back	222,786	-
R&D expenditure credits	-	(20,735)
Adjustments to tax charge in respect of previous periods	(244,431)	42,965
Adjust opening and closing deferred tax to average rate of 19.00%	29,239	(1,180)
Deferred taxation not recognised	22,223	-
Total tax charge for the year	<u>(193,516)</u>	<u>301,198</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

3T ADDITIVE MANUFACTURING LIMITED

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

12. Tangible fixed assets

	Improvements to property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2019	925,045	9,771,485	1,995	41,404	414,510	11,154,439
Additions	-	181,788	-	15,282	483,891	680,961
Disposals	-	(431,602)	-	-	-	(431,602)
			1,995			
At 31 March 2020	925,045	9,521,671		56,686	898,401	11,403,798
Depreciation						
At 1 April 2019	608,013	4,788,941	998	25,813	262,975	5,686,740
Charge for the year on owned assets	50,168	1,260,947	405	7,359	75,305	1,394,184
Disposals	-	(401,252)	-	-	-	(401,252)
			1,403			
At 31 March 2020	658,181	5,648,636		33,172	338,280	6,679,672
Net book value						
At 31 March 2020	266,864	3,873,035	592	23,514	560,121	4,724,126
			997			
At 31 March 2019	317,032	4,982,544		15,591	151,535	5,467,699

3T ADDITIVE MANUFACTURING LIMITED

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

13. Stocks

	2020 £	2019 £
Raw materials and consumables	<u>513,526</u>	<u>743,478</u>

14. Debtors

	2020 £	2019 £
Trade debtors	1,253,503	1,300,485
Other debtors	369,959	91,696
Prepayments and accrued income	382,556	876,771
	<u>2,006,018</u>	<u>2,268,952</u>

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	343,206	617,229
Less: bank overdrafts	(974,634)	(407,410)
	<u>(631,428)</u>	<u>209,819</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	974,634	407,410
Other loans	140,447	168,422
Trade creditors	1,302,631	1,773,247
Corporation tax	-	21,646
Other taxation and social security	187,275	252,026
Obligations under finance lease and hire purchase contracts	417,833	782,002
Other creditors	42,460	70,271
Accruals and deferred income	856,338	568,641
	<u>3,921,618</u>	<u>4,043,665</u>

3T ADDITIVE MANUFACTURING LIMITED

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

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

	2020 £	2019 £
Other loans	312,666	327,177
Net obligations under finance leases and hire purchase contracts	689,770	934,147
	<u>1,002,436</u>	<u>1,261,324</u>

The following liabilities were secured:

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	<u>1,107,603</u>	<u>1,716,149</u>

Details of security provided:

Finance leases secured on the company's plant and machinery category of fixed assets.

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	417,831	782,002
Between 1-3 years	689,770	934,147
	<u>1,107,601</u>	<u>1,716,149</u>

3T ADDITIVE MANUFACTURING LIMITED

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

19. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	343,206	617,229
Financial assets that are debt instruments measured at amortised cost	1,253,503	1,392,181
	<u>1,596,709</u>	<u>2,009,410</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,541,310)</u>	<u>(3,291,479)</u>
Financial assets measured at fair value through profit or loss comprise cash balances.		
Financial assets measured at amortised cost comprise trade and other debtors.		
Financial liabilities measured at amortised cost comprise trade and other creditors.		

20. Deferred taxation

	2020 £
At beginning of year	(225,807)
Charged to profit or loss	(50,915)
At end of year	<u>(276,722)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(298,275)	(225,807)
Tax losses carried forward	21,553	-
	<u>(276,722)</u>	<u>(225,807)</u>

3T ADDITIVE MANUFACTURING LIMITED

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

21. Share capital

	2020 £	2019 £
Authorised		
600,000 (2019 - 600,000) Ordinary shares of £1 each	600,000	600,000
1,135,920 (2019 - 1,135,920) Non-Voting Ordinary shares of £1 each	1,135,920	1,135,920
	<u>1,735,920</u>	<u>1,735,920</u>
Allotted, called up and fully paid		
338,246 (2019 - 338,246) Ordinary shares of £1 each	338,246	338,246
1,135,920 (2019 - 1,135,920) Non-Voting Ordinary shares of £1 each	1,135,920	1,135,920
	<u>1,474,166</u>	<u>1,474,166</u>

22. Capital commitments

At 31 March 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>41,000</u>	<u>104,183</u>

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £165,104 (2019: £125,579). Contributions totalling £22,013 (2019: £23,689) were payable to the fund at the balance sheet date.

3T ADDITIVE MANUFACTURING LIMITED

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

24. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Land and buildings		
Not later than 1 year	207,454	97,222
Later than 1 year and not later than 5 years	712,201	-
	<u>919,655</u>	<u>97,222</u>
	2020 £	2019 £
Other leased assets		
Not later than 1 year	220,530	4,459
Later than 1 year and not later than 5 years	536,056	6,585
	<u>756,586</u>	<u>11,044</u>

25. Related party transactions

During the year, the company made sales of £72,613 (2019: £31,153) and purchases of £2,079,674 (2019: £3,140,764) from companies in which Dr HJ Langer has a controlling interest. At the year end 3T Additive Manufacturing owed those companies £810,108 (2019: £1,103,097) and was owed £4,311 (2019: £Nil) from those companies. These amounts are included in trade creditors and trade debtors, respectively.

During the year, the company paid total key management personnel compensation of £257,024 (2019: £229,999).

26. Post balance sheet events

On 14 August 2020 the Company disposed of its Polymer department and now only retains the Metals department. All assets and liabilities attributed to the Polymers department were disposed of at net book value on this date.

27. Controlling party

The company is controlled by AM Global Holding GmbH, the direct parent company.

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