

3T RPD LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

COMPANY INFORMATION

Directors

I D Halliday
Johann Oberhofer
Claes Pfeiffer
Thomas Koehler

Company secretary

Miss K L Ramble

Registered number

03333366

Registered office

PO Box RG19 6HD
Fulton Court
Wofford Way, Greenham Business Park
Newbury
Berkshire
RG19 6HD

Independent auditors

James Cowper Kreston
Chartered Accountants and Statutory Auditor
Mill House
Overbridge Square
Hambridge Lane
Newbury
Berkshire
RG14 5UX

Solicitors

Irwin Mitchell
Mercantile House
18 London Road
Newbury
Berkshire
RG14 1JX

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Business review

During the year there was a 27% increase in year on year turnover, and an increase in gross margin of 34% for the same period, leading to an operating profit of £1,719k in the year, compared to an operating loss of £87k in the previous year.

It should be noted that the company is a leader in the nascent 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 area of the business is expected to exceed 25% year on year for the next 10 years or more.

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 RPD 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 RPD 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:

A significant or prolonged downturn due to recession might decrease demand for the Company's products and adversely affect revenue. The Company spreads its activities across a breadth of markets and geographical markets to reduce its exposure to any one revenue stream and constantly reviews its costs to partially mitigate any reduction in demand.

Loss of major suppliers of customers:

As with any business the loss of one or more major suppliers or customers can be a material risk. The company looks to add new service offerings to meet the demands of changing business sectors and geographies.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

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.

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I D Halliday

Director

Date: 29 June 2018

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors

The directors who served during the year were:

I D Halliday
Johann Oberhofer
Claes Pfeiffer
Thomas Koehler

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

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.

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I D Halliday

Director

Date: 29 June 2018

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 3T RPD LTD

Opinion

We have audited the financial statements of 3T RPD Ltd (the 'Company') for the year ended 31 March 2018, 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 3T RPD LTD (CONTINUED)

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 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF 3T RPD LTD (CONTINUED)

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

Mill House

Overbridge Square

Hambridge Lane

Newbury

Berkshire

RG14 5UX

29 June 2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	2	9,799,018	7,730,065
Cost of sales		(5,916,721)	(4,837,645)
Gross profit		3,882,297	2,892,420
Administrative expenses		(2,613,212)	(3,358,657)
Other operating income	3	446,404	379,075
Operating profit/(loss)	4	1,715,489	(87,162)
Interest receivable and similar income	7	2,663	172
Interest payable and expenses	8	(125,730)	(129,682)
Profit/(loss) before tax		1,592,422	(216,672)
Tax on profit/(loss)	9	(232,477)	(10,018)
Profit/(loss) for the financial year		1,359,945	(226,690)

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 13 to 27 form part of these financial statements.

3T RPD LTD
REGISTERED NUMBER: 03333366

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	4,085,960	4,030,246
		<u>4,085,960</u>	<u>4,030,246</u>
Current assets			
Stocks	11	633,886	548,638
Debtors: amounts falling due within one year	12	2,565,975	2,412,787
Cash at bank and in hand	13	611,840	195,000
		<u>3,811,701</u>	<u>3,156,425</u>
Creditors: amounts falling due within one year	14	(3,775,644)	(4,275,833)
Net current assets/(liabilities)		<u>36,057</u>	<u>(1,119,408)</u>
Total assets less current liabilities		<u>4,122,017</u>	<u>2,910,838</u>
Creditors: amounts falling due after more than one year	15	(1,165,229)	(1,363,237)
Provisions for liabilities			
Deferred tax	18	(215,768)	(166,526)
		<u>(215,768)</u>	<u>(166,526)</u>
Net assets		<u><u>2,741,020</u></u>	<u><u>1,381,075</u></u>
Capital and reserves			
Called up share capital	19	1,479,996	1,479,996
Share premium account		85,538	85,538
Profit and loss account		1,175,486	(184,459)
		<u><u>2,741,020</u></u>	<u><u>1,381,075</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2018.

.....
I D Halliday

Director

The notes on pages 13 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2017	1,479,996	85,538	(184,459)	1,381,075
Profit for the year	-	-	1,359,945	1,359,945
At 31 March 2018	1,479,996	85,538	1,175,486	2,741,020

The notes on pages 13 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2016	1,479,996	85,538	42,231	1,607,765
Loss for the year	-	-	(226,690)	(226,690)
At 31 March 2017	1,479,996	85,538	(184,459)	1,381,075

The notes on pages 13 to 27 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	1,359,945	(226,690)
Adjustments for:		
Depreciation of tangible assets	1,008,366	940,623
Loss on disposal of tangible assets	(157)	(8,694)
Government grants	(296,594)	-
Interest paid	125,730	129,682
Interest received	(2,663)	(172)
Taxation charge	232,477	2,889
(Increase) in stocks	(85,248)	(143,604)
(Increase) in debtors	(153,188)	(1,312,028)
Increase in creditors	269,656	453,523
Corporation tax (paid)	(149,810)	(2,254)
Net cash generated from operating activities	2,308,514	(166,725)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,065,567)	(404,704)
Sale of tangible fixed assets	1,643	139,591
Government grants received	296,594	379,075
Interest received	2,663	172
HP interest paid	(118,929)	(122,017)
Net cash from investing activities	(883,596)	(7,883)
Cash flows from financing activities		
Other new loans	-	338,060
Repayment of other loans	(31,302)	-
Repayment of/new finance leases	(367,751)	(506,504)
Interest paid	(6,801)	(7,665)
Net cash used in financing activities	(405,854)	(176,109)
Net increase/(decrease) in cash and cash equivalents	1,019,064	(350,717)

3T RPD LTD

(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash and cash equivalents at beginning of year	(782,877)	(432,160)
Cash and cash equivalents at the end of year	236,187	(782,877)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	611,840	195,000
Bank overdrafts	(375,653)	(977,877)
	236,187	(782,877)

The notes on pages 13 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.3 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.

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 the Statement of comprehensive income.

1.4 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.

1.5 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.

1.6 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 2018**

1. Accounting policies (continued)

1.7 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

1.8 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.

1.9 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 the Statement of comprehensive income 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 2018**

1. Accounting policies (continued)

1.10 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 the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.11 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

1.12 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 the Statement of comprehensive income 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.

1.13 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.14 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 the Statement of comprehensive income 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.

1.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Turnover

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

	2018 £	2017 £
Plastic sales	3,297,297	3,125,794
Metal sales	6,498,079	4,600,709
Other income	3,642	3,562
	<u>9,799,018</u>	<u>7,730,065</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	4,476,747	5,076,998
Europe	491,157	430,456
Rest of the world	4,831,114	2,222,611
	<u>9,799,018</u>	<u>7,730,065</u>

3. Other operating income

	2018 £	2017 £
R&D Grant income	149,810	-
Government grants receivable	296,594	379,075
	<u>446,404</u>	<u>379,075</u>

4. Operating profit/(loss)

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

	2018 £	2017 £
Depreciation of tangible fixed assets	1,008,366	940,610
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,400	13,000
Exchange differences	250	(8,752)
Defined contribution pension cost	<u>108,556</u>	<u>99,101</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Employees

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

	2018 £	2017 £
Wages and salaries	3,378,048	2,740,607
Social security costs	312,633	280,503
Cost of defined contribution scheme	108,556	99,101
	<u>3,799,237</u>	<u>3,120,211</u>

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

	2018 No.	2017 No.
Administration	23	19
Projects	6	8
Manufacturing - plastic	22	18
Manufacturing - metal	23	16
R&D	9	11
	<u>83</u>	<u>72</u>

6. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	82,804	98,543
Company contributions to defined contribution pension schemes	27,021	32,873
	<u>109,825</u>	<u>131,416</u>

During the year retirement benefits were accruing to 1 directors (2017 - 1) in respect of defined contribution pension schemes.

7. Interest receivable

	2018 £	2017 £
Other interest receivable	2,663	172

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. Interest payable and similar expenses

	2018 £	2017 £
Other loan interest payable	6,801	7,665
Finance leases and hire purchase contracts	118,929	122,017
	<u>125,730</u>	<u>129,682</u>

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	183,235	7,129
	<u>183,235</u>	<u>7,129</u>
Total current tax	<u>183,235</u>	<u>7,129</u>
Deferred tax		
Origination and reversal of timing differences	49,242	2,889
Total deferred tax	<u>49,242</u>	<u>2,889</u>
Taxation on profit on ordinary activities	<u>232,477</u>	<u>10,018</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018	2017
	£	£
Profit/(loss) on ordinary activities before tax	<u>1,592,422</u>	<u>(216,672)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	303,197	(43,334)
Effects of:		
Expenses not deductible for tax purposes	2,254	20,638
Capital allowances for year in excess of depreciation	6,618	6,927
R&D expenditure credits	(73,797)	29,962
Adjustments to tax charge in respect of previous periods	(6)	7,030
Adjust opening and closing deferred tax to average rate of 19.00%	(5,789)	(11,205)
Total tax charge for the year	<u>232,477</u>	<u>10,018</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Tangible fixed assets

	Improvements to property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 April 2017	772,938	6,644,815	1,995	56,503	525,878	8,002,129
Additions	66,478	945,498	-	10,059	43,532	1,065,567
Disposals	-	-	-	(646)	(3,273)	(3,919)
				65,916	566,137	
At 31 March 2018	839,416	7,590,313	1,995			9,063,777
Depreciation						
At 1 April 2017	520,642	3,042,674	200	45,303	363,064	3,971,883
Charge for the year on owned assets	41,837	903,342	399	5,839	56,949	1,008,366
Disposals	-	-	-	(11)	(2,422)	(2,433)
				51,131	417,591	
At 31 March 2018	562,479	3,946,016	599			4,977,816
Net book value						
At 31 March 2018	276,937	3,644,297	1,396	14,785	148,546	4,085,961
At 31 March 2017	252,296	3,602,141	1,795	11,200	162,814	4,030,246

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. Stocks

	2018 £	2017 £
Raw materials and consumables	633,886	548,638
	<u>633,886</u>	<u>548,638</u>

12. Debtors

	2018 £	2017 £
Trade debtors	1,932,683	1,844,045
Other debtors	41,074	107,725
Prepayments and accrued income	592,218	461,017
	<u>2,565,975</u>	<u>2,412,787</u>

13. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	611,840	195,000
Less: bank overdrafts	(375,653)	(977,877)
	<u>236,187</u>	<u>(782,877)</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	375,653	977,877
Other loans	306,758	338,060
Trade creditors	898,249	863,635
Corporation tax	40,554	7,129
Other taxation and social security	341,991	333,916
Obligations under finance lease and hire purchase contracts	808,331	978,075
Other creditors	51,210	23,829
Accruals and deferred income	952,898	753,313
	<u>3,775,644</u>	<u>4,275,834</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	<u>1,165,229</u>	<u>1,363,237</u>

The following liabilities were secured:

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	1,973,560	2,341,312
	<u>1,973,560</u>	<u>2,341,312</u>

Details of security provided::

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

16. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	808,331	828,075
Between 1-3 years	1,165,229	1,363,237
	<u>1,973,560</u>	<u>2,191,312</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	611,840	195,000
Financial assets that are debt instruments measured at amortised cost	1,973,757	1,951,770
Financial assets that are equity instruments measured at cost less impairment	-	-
	<u>2,585,597</u>	<u>2,146,770</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,569,895)</u>	<u>(2,942,029)</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		

18. Deferred taxation

	2018 £
At beginning of year	(166,526)
Charged to profit or loss	(49,242)
At end of year	<u>(215,768)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(218,276)	(243,153)
Tax losses carried forward	-	75,111
Pension surplus	2,508	1,516
	<u>(215,768)</u>	<u>(166,526)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. Share capital

	2018 £	2017 £
Authorised		
600,000 Ordinary shares of £1 each	600,000	600,000
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		
344,076 Ordinary shares of £1 each	344,076	344,076
1,135,920 Non-Voting Ordinary shares of £1 each	1,135,920	1,135,920
	<u>1,479,996</u>	<u>1,479,996</u>

20. Capital commitments

At 31 March 2018 the Company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>84,538</u>	<u>152,600</u>

21. 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 £108,556 (2017 - £78,255). Contributions totalling £14,752 (2017 - £14,672) were payable to the fund at the balance sheet date

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

22. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	114,950	31,217
Later than 1 year and not later than 5 years	37,500	19,792
	<u>152,450</u>	<u>51,009</u>
	2018 £	2017 £
Not later than 1 year	129,015	465,326
Later than 1 year and not later than 5 years	73,053	632,936
	<u>202,068</u>	<u>1,098,262</u>

23. Related party transactions

During the year, the company made purchases of £1,567,254 (2017: £1,380,906) from a company in which Dr HJ Langer has a controlling interest. At the year end 3T RPD owed that company £220,418 (2017: £254,524). This amount is included in trade creditors.

24. Controlling party

The company is controlled by LHUM Vermögensverwaltungs GmbH, which is a company in which the director, Dr H J Langer, has a controlling interest.