

REGISTERED NUMBER: 08082567 (England and Wales)

**Report of the Directors and
Audited Financial Statements for the Period**

1 August 2014 to 31 March 2015

2-DTECH LIMITED

TUESDAY



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2-DTECH LIMITED

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2-DTECH LIMITED

Company Information

DIRECTORS:
Mr N Ricketts
Mr C M Leigh
Mr W Battrick
Mr N Salter

COMPANY SECRETARY: Mr C M Leigh

REGISTERED OFFICE: Units 7 & 8 Century Park
Chittening Industrial Estate
Avonmouth
Bristol
BS11 0YD

REGISTERED NUMBER: 08082567 (England and Wales)

AUDITORS: PricewaterhouseCoopers LLP
31 Great George Street
Bristol
United Kingdom

BANKERS: National Westminster Bank PLC
Manchester University Union Branch 323 Oxford Road
Manchester
Greater Manchester M13 9PS

Santander UK PLC
Bristol Corporate Business Centre
One Glass Wharf
Avon Street
Bristol
BS2 0ZX

2-DTECH LIMITED

Report of the Directors for the Period to 31 March 2015

The directors present their report with the financial statements of the company for the 8 month period from 1 August 2014 to 31 March 2015 (2014: 12 months ended 31 July 2014).

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the development, manufacture and supply of 2 dimensional materials and the provision of consultancy services in connection with such materials.

REVIEW OF BUSINESS

The results for the period are set out on page 6 of the financial statements. The position at the year ended 31 March 2015 was satisfactory.

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £187,124 (2014- £330,869).

The directors do not recommend the payment of a dividend leaving a loss of £187,124, (2014- £330,869) to be transferred from reserves.

FUTURE DEVELOPMENTS

The Company will continue its efforts to develop graphene using a process founded upon an agreement with the Universities of Manchester and Ulster and will also be able to scale up production of graphene using an exfoliation process.

RESEARCH AND DEVELOPMENT

Investing in research and development programmes delivers product innovation and manufacturing improvements. £23,613 of expenditure on research and development in the period has been capitalised.

GOING CONCERN

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Versarien PLC own 85% of the company's shares and the University of Manchester owns 15%. Versarien PLC has confirmed in writing its intention to provide ongoing support to the company for a period of at least 12 months from the date of signature of these accounts. Having considered the ability of the Versarien Group to provide that support, and based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2-DTECH LIMITED

Report of the Directors for the Period to 31 March 2015 (cont'd)

DIRECTORS

The directors who have held office during the year to the date of this report are as follows:-

Mr N Ricketts
Mr C M Leigh
Mr W Battrick
Mr N Salter

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

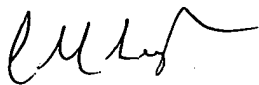
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, PricewaterhouseCoopers LLP, who were appointed by the Board for the year have indicated their willingness to be reappointed for another term.

This report has been prepared in accordance with the special provisions of Part 5 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD



Mr C M Leigh
Company secretary

Date 23 July 2015

2-DTECH LIMITED

Statement of Directors' Responsibilities for the Period to 31 March 2015

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices), including *Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)*. 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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF 2-DTECH LIMITED

Report on the financial statements

Our opinion

In our opinion, 2-DTech Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the 8 month period (the "period") 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.

What we have audited

2-DTech Limited's financial statements comprise:

- the statement of financial position as at 31 March 2015;
- the statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF 2-DTECH LIMITED (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

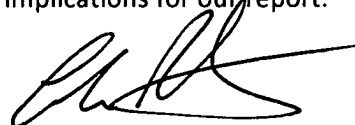
What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements. We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report of the Directors and Audited Financial Statements for the Period to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

20 July 2015

2-DTECH LIMITED

Statement of Comprehensive income for the Period to 31 March 2015

	Notes	2015 (8 months) £	2014 (12 months) £
CONTINUING OPERATIONS			
Revenue	2	17,084	60,823
Cost of Sales		(30,465)	(7,135)
Gross (loss)/profit		(13,381)	53,688
Other operating income		102,340	41,540
Administrative expenses	4	(276,083)	(426,097)
Exceptional items included within administrative expenses	4	(536)	-
OPERATING LOSS and LOSS BEFORE TAXATION	4	(187,124)	(330,869)
Taxation	5	-	-
LOSS FOR THE YEAR		(187,124)	(330,869)

There were no comprehensive gains or losses in either period other than those included in the comprehensive income statement.

The notes on pages 10 to 20 form part of these financial statements

2-DTECH LIMITED


STATEMENT OF FINANCIAL POSITION AS AT 31 March 2015

	Notes	31 March 2015 £	31 July 2014 £
ASSETS			
FIXED ASSETS			
Property, plant and equipment	6	119,767	123,955
Intangible assets	7	33,816	4,878
		<u>153,583</u>	<u>128,833</u>
CURRENT ASSETS			
Inventories	8	15,435	12,373
Trade and other receivables	9	54,205	18,429
Cash and cash equivalents	10	10,137	126,949
		<u>79,777</u>	<u>157,751</u>
TOTAL ASSETS		<u>233,360</u>	<u>286,584</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	660,000	660,000
Retained deficit		<u>(806,899)</u>	<u>(619,775)</u>
TOTAL EQUITY		<u>(146,899)</u>	<u>40,225</u>
LIABILITIES			
Trade and other payables	11	<u>380,259</u>	<u>246,359</u>
TOTAL LIABILITIES		<u>380,259</u>	<u>246,359</u>
TOTAL EQUITY AND LIABILITIES		<u>233,360</u>	<u>286,584</u>

The financial statements were approved by the Board of Directors on 20 July 2015 and were signed on its behalf by:-



Mr N Ricketts



Mr C M Leigh

The notes on pages 10 to 20 form part of these financial statements

2-DTECH LIMITED**STATEMENT OF CHANGES IN EQUITY for the Period Ended 31 March 2015**

	Called up Share Capital	Retained Deficit	Total Equity
As at 31 July 13	500,000	(288,906)	211,094
Issue of share capital	160,000	-	160,000
Total comprehensive expense	<u>-</u>	<u>(330,869)</u>	<u>(330,869)</u>
Balance at 31 July 2014	660,000	(619,775)	40,225
Total comprehensive expense	<u>-</u>	<u>(187,124)</u>	<u>(187,124)</u>
Balance as at 31 March 2015	<u><u>660,000</u></u>	<u><u>(806,899)</u></u>	<u><u>(146,899)</u></u>

The notes on pages 10 to 20 form part of these financial statements

2-DTECH LIMITED

Notes to the Financial Statements for the Period to 31 March 2015

1 ACCOUNTING POLICIES

General information

2-DTECH Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Units 7 & 8 Century Park, Chittening Industrial Estate, Avonmouth, Bristol, BS11 0YD.

The Directors have elected to early adopt Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) for the first time this year. There is no material effect from this transition, details of exemptions applied are included in note below.

These financial statements are presented in pounds sterling as the currency of the primary economic environment in which the company operates.

The Company has updated its accounting reference date to 31 March, as such the current period is for 8 months.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed later in note 1.

The company has early adopted FRS 101 for the first time in the current year, and applies the requirements of IFRS 1.

The following exemptions from the requirements of IFRS have been applied in the preparation of the financial statements in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - i. paragraph 79(a)(iv) of IAS 1
 - ii. paragraph 73(e) of IAS 16 Property, plant and equipment
 - iii. paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)

2-DTECH LIMITED

Notes to the Financial Statements for the Period to 31 March 2015 (continued)

Basis of preparation (continued)

- 10(f) (a statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
- 16 (statement of compliance with all IFRS)
- 38A (requirement for minimum of two primary statements, including cash flow statements)
- 38B-D (additional comparative information)
- 40A-D (requirements for a third statement of financial position)
- 111 (cash flow statement information), and
- 134-136 capital management disclosures
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or members of a group.

The Company is in its development stage and relies upon its parent company for financial support. On the basis of this support the Directors consider it appropriate to prepare the accounts on a going concern basis. The validity of this assumption depends upon the parent company continuing its support in the forthcoming financial year. The parent company, Versarien plc, has agreed to support the Company for at least 12 months from the date the financial statements are signed.

If the Company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long-term liabilities and current assets and liabilities.

Revenue recognition

Revenue represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Revenue is recognised at the point the company has performed its obligations, based on the fair value of the right to consideration. The sale of manufactured goods are recognised on the date of shipping of the goods.

The company is engaged in Proof of Principle (POP) contracts with the University of Manchester. This is for the completion of defined pieces of research at a fixed price which covers costs, labour and certain overheads. The contract payments are front-loaded and are treated as deferred income until released to other operating income as costs are incurred. The quantum of the release of deferred income is calculated so that the ratio of released to total income is the same as the ratio of costs incurred to total expected costs.

Grant income recognition

Grant income relating to projects have been deferred and will be released in line with the amortisation of the corresponding asset capitalised.

2-DTECH LIMITED

Notes to the Financial Statements for the Period to 31 March 2015 (continued)

Property, plant and equipment

In accordance with IAS 16, property, plant and equipment costs are recognised as a capital item in the Statement of Financial Position when it is considered the item will help generate a future economic benefit to the company.

The capitalisation of such items are based on the cost to purchase and bring the item to working condition. The depreciation rates for the relevant capital classifications are as follows

Laboratory and office equipment	3 - 20 years
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Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale.

Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets

The company assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Current and deferred tax

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2-DTECH LIMITED

Notes to the Financial Statements for the Period to 31 March 2015 (continued)

Trade and other receivables

Trade and other receivables are stated at cost less impairment, which approximates fair value given the short term nature of these assets and liabilities. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other payables

These amounts represent liabilities for services provided to the company prior to the end of the financial year which are unpaid.

Research and development

In accordance with IAS 38, it is the Company's policy to recognise an intangible asset for development of its product once the development criteria has been met. Otherwise all costs in the research phase will be recognised in the Income Statement for the period in which they are incurred.

Costs that are directly attributable to the development phase of a product are recognised as intangible assets provided they meet the following recognition requirements:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Company intends to complete the intangible asset and use or sell it;
- the Company has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future benefits.
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Capitalised development costs are written off over a period of four years from the point at which commercial production of Graphene commences.

Intangible assets

In line with IAS 38 it is the company's policy to recognise an intangible asset when:

- a) a financial instrument is deemed separable from the entity, can be sold, transferred, licenced, rented or exchanged;
- b) a financial instrument arises from a contractual or other legal rights;
- c) future economic benefits are expected from the financial instrument; and
- d) the cost of the asset can be measured reliably

The directors are of the opinion that patent and development costs meet the criteria above. The patent is recorded at amortised cost.

2-DTECH LIMITED

Notes to the Financial Statements for the Period to 31 March 2015 (continued)

Intangible assets (continued)

Amortisation is applied to an intangible asset where the directors' believe the useful life of the asset is finite and, in accordance with IAS 38, the useful life shall not exceed the period of contractual or other legal rights. The licence cost is amortised over 20 years on a straight-line basis.

Share capital

Ordinary shares are classified as equity. Any excess above the par value of shares received upon issuance of is credited to share premium.

Going concern

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue on operational existence for the foreseeable future. The company is part of the Versarien Group which has confirmed in writing its intention to provide ongoing support to the company for a period of at least 12 months from the date of signature of these accounts. Having considered the ability of the Versarien Group to provide that support, and based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Operating leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pensions

The company contributes to the personal pension scheme of one (2014: one) employee. Costs are charged to the profit and loss account as they become payable.

2-DTECH LIMITED

Notes to the Financial Statements for the Period to 31 March 2015 (continued)

Key sources of estimation and uncertainty

Below are key assumptions concerning the future and sources of uncertainty in estimation which may cause material adjustments to the carrying value of assets and liabilities in the next financial year as at the reporting period end;

Useful life of property, plant, equipment

As described in the accounting policy, the company considers the useful life of each asset capitalised. During the year the directors determined that plant and equipment had an economic useful life of 3-20 years.

2 REVENUE

Turnover and profit on ordinary activities before taxation is wholly attributable to the principal activity of the company. An analysis of turnover by geographical location is given below:

	2015 (8 months) £	2014 (12 months) £
United Kingdom	6,193	47,836
Rest of Europe	1,990	3,029
Other	8,901	9,959
	<u>17,084</u>	<u>60,823</u>

3 EMPLOYEES AND DIRECTORS

The aggregate payroll costs were as follows:

	2015 (8 months) £	2014 (12 months) £
Wages and salaries	144,014	120,027
Social security costs	15,673	21,771
Other pension costs	<u>1,600</u>	<u>4,417</u>
	<u>161,287</u>	<u>146,215</u>

Of the aggregate amount, £15,433 (2014: £nil) has been capitalised and shown in intangible assets.

The average number of persons employed by the company (excluding directors) during the period was as follows:

	2015 No	2014 No
Research and production	<u>3</u>	<u>2</u>

2-DTECH LIMITED**Notes to the Financial Statements for the Period to 31 March 2015 (continued)****3 EMPLOYEES AND DIRECTORS (continued)****Directors**

	2015	2014
	(8 months)	(12 months)
	£	£
Emoluments	60,272	50,860
Pension contributions	-	2,045
	<u>60,272</u>	<u>52,905</u>

The total number of directors serving the company during the period amounted to 4. The above emoluments relate to one (2014: two) of the directors. Three directors are employed and remunerated by the Versarien Group.

4 LOSS BEFORE INCOME TAX

	2015	2014
	(8 months)	(12 months)
	£	£
Loss before income tax is stated after charging:		
Fees payable to the company's auditor		
- Audit of these financial statements pursuant to legislation	3,000	2,500
Depreciation of tangible fixed assets- owned	6,278	26,483
Amortisation of intangible assets	975	-
Exceptional items	536	-
Research and development costs	176,319	190,939
Operating lease payments- land and building	<u>20,450</u>	<u>45,833</u>

Exceptional items arise from obtaining a visa for one of the employees of the Company.

5 TAXATION**Analysis of the charge**

No liability to UK corporation tax arose on ordinary activities for the period.

Factors affecting the tax charge

	2015	2014
	£	£
Loss on ordinary activities before tax	<u>(187,124)</u>	<u>(330,869)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014: 21%)	(39,296)	(73,893)
Effects of		
Depreciation in excess of capital allowances	1,318	5,915
Losses carried forward	37,978	67,978
Capital items expensed	-	-
	<u>-</u>	<u>-</u>

2-DTECH LIMITED**Notes to the Financial Statements for the Period to 31 March 2015 (continued)****5 TAXATION - continued****Factors that may affect future tax charges**

No deferred tax asset has been recognised as there is currently insufficient certainty as to the precise timing of when the asset would be recovered. The unrecognised asset amounts to £161,327 (2014: £123,930) being £160,110 (2014: £120,515) of trading losses and capital allowances of £1,217 (2014: £3,388).

6 PROPERTY PLANT AND EQUIPMENT

	Lab equipment £	Office equipment £	Total £
Cost			
At 1 August 2014	159,341	3,833	163,174
Additions	<u>1,240</u>	<u>850</u>	<u>2,090</u>
At 31 March 2015	<u>160,581</u>	<u>4,683</u>	<u>165,264</u>
Depreciation			
At 1 August 2014	37,507	1,712	39,219
Charge for period	<u>5,333</u>	<u>945</u>	<u>6,278</u>
At 31 July 2014	<u>42,840</u>	<u>2,657</u>	<u>45,497</u>
Net book value			
At 31 July 2014	<u>121,384</u>	<u>2,121</u>	<u>123,955</u>
At 31 March 2015	<u>117,741</u>	<u>2,026</u>	<u>119,767</u>

2-DTECH LIMITED**Notes to the Financial Statements for the Period to 31 March 2015 (continued)****7 INTANGIBLE FIXED ASSETS**

Cost	Patent	Website	Development costs	TOTAL
	£	£	£	£
At 1 August 2014	4,898	-	-	4,898
Additions	<u>2,125</u>	<u>4,175</u>	<u>23,613</u>	<u>29,913</u>
At 31 March 2015	<u>7,023</u>	<u>4,175</u>	<u>23,613</u>	<u>34,811</u>
Amortisation				
At 1 August 2014	20	-	-	20
Charge for period	<u>163</u>	<u>812</u>	<u>-</u>	<u>975</u>
At 31 March 2015	<u>183</u>	<u>812</u>	<u>-</u>	<u>995</u>
Net book value				
At 31 July 2014	<u>4,878</u>	<u>-</u>	<u>-</u>	<u>4,878</u>
At 31 March 2015	<u>6,840</u>	<u>3,363</u>	<u>23,613</u>	<u>33,816</u>

The developments costs capitalised are directly attributable to the development phase of a product and recognised as intangible assets in accordance with IAS 38. Capitalised development costs are written off over a period of four years from the point at which commercial production commences.

8 INVENTORIES

	2015	2014
	£	£
Raw materials and consumables	10,550	9,021
Finished goods	<u>4,885</u>	<u>3,352</u>
	<u>15,435</u>	<u>12,372</u>

Inventories are stated after provision for impairment of £nil (2014: £nil)

9 TRADE AND OTHER RECEIVABLES

	2015	2014
	£	£
Trade debtors	3,200	202
Amounts owed by group undertakings	1,020	1,332
Taxation and social security	5,396	5,476
Other debtors	<u>44,589</u>	<u>11,419</u>
	<u>54,205</u>	<u>18,429</u>

Trade debtors are stated after provision for impairment of £nil (2014: £nil)

2-DTECH LIMITED**Notes to the Financial Statements for the Period to 31 March 2015 (continued)****10 CASH AND CASH EQUIVALENTS**

	2015	2014
	£	£
Bank accounts	<u>10,137</u>	<u>126,949</u>

11 TRADE AND OTHER PAYABLES

	2015	2014
	£	£
Trade creditors	17,901	4,436
Amounts owed to group undertakings	176,518	-
Taxation and social security	7,952	5,198
Other creditors	<u>177,888</u>	<u>236,725</u>
	<u>380,259</u>	<u>246,359</u>

12 OPERATING LEASE COMMITMENTS

At 31 March 2015, the company was committed to making the following payments under non-cancellable operating leases.

	Land and Buildings	
	2015	2014
	£	£
Expiring within one year	29,000	29,000
Expiring within two to five years	<u>91,250</u>	<u>91,250</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2015	2014
			£	£
660,000	Ordinary	£1	<u>660,000</u>	<u>660,000</u>

2-DTECH LIMITED

Notes to the Financial Statements for the Period to 31 March 2015 (continued)

14 PENSION COMMITMENTS

The company contributed to the personal pension scheme of one (2014: one) employee. Costs are charged to the profit and loss account as they become payable.

The pension charge for the year represents contributions payable by the company to the scheme and amounted to £1,600 (2014- £4,417). There were outstanding contributions of £nil (2014:£23) to the scheme at the end of the financial year.

15 ULTIMATE PARENT UNDERTAKING

The Company's immediate and ultimate parent company is Versarien Plc which is incorporated in the United Kingdom and listed on AIM. In the opinion of the directors' there is no ultimate controlling party.

Copies of Versarien Plc consolidated financial statements can be obtained from its registered office at Units 7 & 8 Century Park, Chittening Industrial Estate , Avonmouth, Bristol, BS11 0YD.

16 POST BALANCE SHEET EVENTS

On 26 June the Company signed an agreement with the University of Manchester and the University of Ulster to vary the terms of the agreement existing at the time when Versarien PLC acquired it relating to the production of graphene using exfoliation methods. Under the terms of the variation the Company has undertaken to pay £140,000 to the University of Manchester in equal quarterly instalments over a period of 2 years in return for them forgoing patent and income sharing rights arising from graphene production. Under a revised agreement with the University of Ulster the Company is now entitled to 60% of the patent rights and the lesser of 98.4% of sales revenues and 90% of profits arising from graphene production.