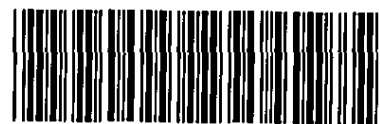


LTI METALTECH LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2008

COMPANY REGISTRATION NUMBER 05300889



LTi Metaltech Limited
FINANCIAL STATEMENTS
Year Ended 31 December 2008

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LTi Metaltech Limited
DIRECTORS REPORT
Year Ended 31 December 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be the manufacture of pressure vessels and other fabricated products from stainless steel, copper and aluminium.

We aim to present a fair review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

LTi Metaltech Ltd. is a leading independent manufacturer of cryogenic pressure vessels used in MRI scanners.

MRI equipment uses high-strength magnetic fields and high-speed computers to obtain cross-sectional images of the body. The major components of the MRI assembly are a series of concentric thermal shields and a super-cooled electromagnet immersed in a liquid helium vessel (a cryostat) that maintains a constant, extremely low temperature (4 Kelvin) to achieve superconductivity. LTi Metaltech manufactures cryostats, thermal shields, vacuum chambers and various other MRI components using specialised stainless steels, copper and aluminium. We currently sell all of our MRI components to Siemens Magnet Technology (SMT), a leading worldwide manufacturer of MRI equipment.

The company considers that its key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, the turnover and gross margin.

In the year to 31 December 2008 LTI turned over £24.0 million, compared to £24.5 million in the year ended 2007.

Gross profit has risen to £2.5 million in the year from £2.1 million in 2007. This is a positive result when considering the downward pressures on selling prices and material cost increases. The business will continue to rigorously manage all materials and conversion costs in order to maintain its competitiveness.

Effective control of overhead costs throughout the year has resulted in an increase in Operating Profit from £0.27 million in 2007 to £0.64 million this year. Consequently, the company generated a pre-tax profit of £0.59 million against a profit of £0.20 in 2007.

As for many businesses of our size, the business environment in which we operate continues to be challenging. The entire market in the UK remains highly competitive and margins continue to be tight. The directors are preparing a strategy to develop additional markets using the company's highly skilled labour force and procedures already in place. We are of course acutely aware of the competition from emerging markets and this will be borne mind as we seek to expand our activities.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £408,561. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT

The company's financial risk management is focussed on the stability of sales prices relative to material costs. Sales prices are renegotiated annually in the light of changes to commodity prices. Contracts are also placed to secure sufficient material at fixed prices for the following 12 month period.

DIRECTORS

The directors who served the company during the year were as follows:

K Isaak
P Lacey
M Kaiser

LTi Metaltech Limited
DIRECTORS REPORT (Continued)
Year Ended 31 December 2008

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

In so far as the directors are aware:


- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information

AUDITOR

A resolution to re-appoint Shaw Gibbs LLP as auditor for the ensuing year will be proposed at the annual general meeting.

Registered office:
163 Milton Park
Milton
Abingdon
Oxon
OX14 4SD

Signed by order of the directors


P R LACEY
OPERATIONS DIRECTOR

Approved by the directors on 23 October 2009

LTi Metaltech Limited
INDEPENDENT AUDITOR'S REPORT TO
THE SHAREHOLDERS OF LTI METALTECH LIMITED
Year Ended 31 December 2008

We have audited the financial statements of LTI Metaltech Limited for the year ended 31 December 2008, which have been prepared on the basis of the accounting policies set out on page 2.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

264 Banbury Road
Oxford
OX2 7DY

26 October 2009

Shaw Gibbs LLP

SHAW GIBBS LLP
Chartered Certified Accountants
& Registered Auditors

LTi Metaltech Limited
PROFIT AND LOSS ACCOUNT
Year Ended 31 December 2008

		2008	2007
TURNOVER	2	24,043,236	24,571,160
Cost of sales		<u>21,576,025</u>	<u>22,508,830</u>
GROSS PROFIT		2,467,210	2,062,330
Administrative expenses		<u>1,876,891</u>	<u>1,792,317</u>
OPERATING PROFIT	3	590,319	270,013
Interest receivable		45,385	4,477
Interest payable and similar charges	6	<u>(34,864)</u>	<u>(69,898)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		600,841	204,592
Tax on profit/(loss) on ordinary activities	7	192,280	57,858
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>408,561</u></u>	<u><u>146,734</u></u>

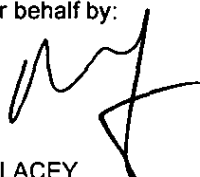
All of the activities of the company are classed as continuing.

The company has no recognised gains and losses other than the results for the year as set out above

LTi Metaltech Limited
BALANCE SHEET
Year Ended 31 December 2008

		2008	2007
FIXED ASSETS			
Tangible assets	8	<u>349,891</u>	<u>390,445</u>
CURRENT ASSETS			
Stocks	9	1,331,641	1,588,242
Debtors	10	598,876	1,433,493
Cash at bank and in hand		<u>2,776,609</u>	<u>350,190</u>
		4,707,126	3,371,925
CREDITORS: Amounts falling due within one year	11	<u>4,113,588</u>	<u>3,206,034</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>593,537</u>	<u>165,891</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>943,428</u>	<u>556,336</u>
CREDITORS: Amounts falling due after more than one year	12	<u>-</u>	<u>9,650</u>
		943,428	546,686
PROVISIONS FOR LIABILITIES			
Deferred taxation	14	<u>13,412</u>	<u>25,231</u>
		<u>930,016</u>	<u>521,455</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	1	1
Profit and loss account	18	<u>930,015</u>	<u>521,454</u>
SHAREHOLDERS' FUNDS	19	<u>930,016</u>	<u>521,455</u>

These financial statements were approved by the directors and authorised for issue on 23 October 2009 and are signed on their behalf by:



PR LACEY
 OPERATIONS DIRECTOR

LTi Metaltech Limited
CASH FLOW STATEMENT
Year Ended 31 December 2008

		2008	2007
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	20	2,660,070	335,664
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		45,385	4,477
Interest paid		<u>(34,864)</u>	<u>(69,898)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		10,522	(65,421)
TAXATION		(72,974)	1
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(147,238)	(191,163)
Receipts from sale of fixed assets		<u>-</u>	<u>54,606</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		<u>(147,238)</u>	<u>(136,557)</u>
CASH INFLOW BEFORE FINANCING		2,450,380	133,687
FINANCING			
Repayment of bank loans		-	-
Net outflow from long-term trade creditors		-	-
Capital element of finance leases		(14,311)	(171,735)
Net outflow from other long-term creditors		<u>(9,650)</u>	<u>(59,512)</u>
NET CASH OUTFLOW FROM FINANCING		(23,961)	(231,247)
INCREASE/(DECREASE) IN CASH	20	<u><u>2,426,419</u></u>	<u><u>(97,560)</u></u>

LTi Metaltech Limited
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2008

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	3 to 5 years straight line
Fixtures & Fittings	-	3 to 5 years straight line

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

LTi Metaltech Limited
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2008

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2008 £	2007 £
United Kingdom	<u>24,043,236</u>	<u>24,571,160</u>

3 OPERATING PROFIT

Operating profit is stated after charging:

	2008 £	2007 £
Depreciation of owned fixed assets	173,829	118,506
Depreciation of assets held under finance lease agreements	13,963	171,735
Loss on disposal of fixed assets	-	360
Auditor's remuneration		
- as auditor	12,000	12,000
Operating lease costs:		
Other	295,815	226,825
Net loss on foreign currency translation	<u>53,077</u>	<u>11,405</u>

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2008 No	2007 No
Number of production staff	58	64
Number of administrative staff	19	18
Number of non productive staff	12	12
	<u>89</u>	<u>94</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	2,685,374	2,604,233
Social security costs	246,861	239,868
Other pension costs	91,135	126,470
	<u>3,023,371</u>	<u>2,970,571</u>

LTi Metaltech Limited
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2008

5 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	145,421	90,641
Value of company pension contributions to money purchase schemes	11,504	9,975
	<u>156,925</u>	<u>143,640</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2008	2007
	No	No
Defined benefit schemes	<u>1</u>	<u>1</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Other similar charges payable	<u>34,864</u>	<u>69,898</u>

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008	2007
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 31% (2007 - 24.20%)	186,608	55,249
Adjustment in respect of previous year	<u>17,491</u>	<u>-</u>
Total current tax	204,099	55,249
Deferred tax:		
Origination and reversal of timing differences	<u>(11,819)</u>	<u>2,609</u>
Tax on profit/(loss) on ordinary activities	<u>192,280</u>	<u>57,858</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28.5% (2007 - 24.20%).

	2008	2007
	£	£
Profit/(loss) on ordinary activities before taxation	<u>600,841</u>	<u>204,592</u>
Profit on ordinary activities by rate of tax	169,617	49,511
Expenses not deductible for tax purposes	3,700	6,579
Depreciation in excess of capital allowances in period	17,331	40,650
Utilisation of tax losses	-	-
Lease payments	(4,040)	(41,491)
Total current tax (note 7(a))	<u>186,608</u>	<u>55,249</u>

LTi Metaltech Limited
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2008

8 TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Total £
COST			
At 1 January 2008	1,076,717	138,554	1,215,271
Additions	143,439	3,799	147,238
Reallocation	817	(817)	-
At 31 December 2008	<u>1,220,973</u>	<u>141,536</u>	<u>1,362,509</u>
DEPRECIATION			
At 1 January 2008	759,073	65,753	824,826
Charge for the year	153,259	34,533	187,792
Reallocation	(24,819)	24,819	-
At 31 December 2008	<u>887,513</u>	<u>125,105</u>	<u>1,012,618</u>
NET BOOK VALUE			
At 31 December 2008	<u>333,460</u>	<u>16,431</u>	<u>349,891</u>
At 31 December 2007	<u>317,644</u>	<u>72,801</u>	<u>390,445</u>

Finance lease agreements

Included within the net book value of £349,891 is £nil (2007 - £14,311) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £13,963 (2007 - £171,735).

9 STOCKS

	2008 £	2007 £
Raw materials	722,454	863,634
Work in progress	255,385	205,405
Finished goods	353,802	519,203
	<u>1,331,641</u>	<u>1,588,242</u>

10 DEBTORS

	2008 £	2007 £
Trade debtors	382,693	1,133,809
Corporation tax repayable	2,083	2,083
Other debtors	-	177,552
Prepayments and accrued income	214,100	120,049
	<u>598,876</u>	<u>1,433,493</u>

LTi Metaltech Limited
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2008

11 CREDITORS: Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	2,074,629	2,573,974
Other creditors including taxation and social security:		
Other taxation and social security	561,472	81,466
Finance lease agreements	-	14,311
Other creditors	640	58,952
	<u>2,636,740</u>	<u>2,728,703</u>
Accruals and deferred income	1,476,848	477,331
	<u><u>4,113,588</u></u>	<u><u>3,206,034</u></u>

12 CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Other creditors:		
Finance lease agreements	-	-
Other creditors	-	9,650
	<u>-</u>	<u>9,650</u>

13 COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	-	14,311
Amounts payable between 2 to 5 years	-	-
	<u>-</u>	<u>14,311</u>

14 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	25,231	22,622
Profit and loss account movement arising during the year	(11,819)	2,609
Provision carried forward	<u>13,412</u>	<u>25,231</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>13,412</u>	<u>25,231</u>

LTi Metaltech Limited
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2008

15 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 2 to 5 years	213,844	56,373	213,844	4,295

16 RELATED PARTY TRANSACTIONS

The company is controlled by K Isaak who owns 100% of the issued share capital.

At the year end, the outstanding loan balance owing to K Isaak, a director, is £12,633 (2006: £68,572).

K Isaak also leases fixed assets to the company, under a rental agreement which under SSAP 21 was treated as a finance lease. At 31 December 2008 the amount outstanding is £nil (2007: £14,311). Operating lease charge of £52,605 (2007: £nil) was paid to K Isaak during the year in respect of the lease.

The company purchased goods and services from LTi Metaltechnik GmbH totalling £769,419 (2007: £157,932). At the year end £18,613 (2006: £18,613) was included in creditors. The shareholders of LTi Metaltech Ltd are also controlling shareholders of LTi Metaltechnik GmbH.

17 SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
50,000 Ordinary A shares of £1 each	50,000	50,000
25,000 Ordinary B shares of £1 each	25,000	25,000
25,000 Ordinary C shares of £1 each	25,000	25,000
	<u>100,000</u>	<u>100,000</u>

Allotted and called up:

	2008		2007	
	No	£	No	£
Ordinary A shares fully paid of £1 each	1	1	1	1

18 PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
Balance brought forward as previously reported	521,454	374,720
Profit/(loss) for the financial year	408,561	146,734
	<u>930,015</u>	<u>521,454</u>

LTi Metaltech Limited
NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 December 2008

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Profit/(Loss) for the financial year	408,561	146,734
Opening shareholders' funds	<u>521,455</u>	<u>374,721</u>
Closing shareholders' funds	<u><u>930,016</u></u>	<u><u>521,455</u></u>

20 NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2008	2007
	£	£
Operating profit	590,319	270,013
Depreciation	187,792	290,241
Loss on disposal of fixed assets	-	360
Decrease/(increase) in stocks	256,601	(382,719)
Decrease/(increase) in debtors	834,617	(156,506)
Increase/(decrease) in creditors	<u>790,740</u>	<u>314,275</u>
Net cash inflow/(outflow) from operating activities	<u><u>2,660,070</u></u>	<u><u>335,664</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008		2007
	£	£	£
Increase / (decrease) in cash in the period	2,426,419		(97,560)
Cash outflow in respect of finance leases	14,311		171,735
Net cash outflow / (inflow) from other long-term creditors	<u>9,650</u>		<u>59,512</u>
Change in net funds resulting from cash flows		2,450,380	133,687
Other differences		-	-
Movement in net funds in the period		<u>2,450,380</u>	<u>133,687</u>
Net funds at 1 January 2008		326,229	192,542
Net funds at 31 December 2008		<u><u>2,776,609</u></u>	<u><u>326,229</u></u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2008	Cash flows	At 31 Dec 2008
	£	£	£
Net cash:			
Cash in hand and at bank	350,190	2,426,419	2,776,609
Debt:			
Debt due after 1 year	(9,650)	9,650	-
Finance lease agreements	<u>(14,311)</u>	<u>14,311</u>	<u>-</u>
	<u>(23,961)</u>	<u>23,961</u>	<u>-</u>
Net funds	<u><u>326,229</u></u>	<u><u>2,450,380</u></u>	<u><u>2,776,609</u></u>