

Company Registration No. 05300889 (England and Wales)

LTI METALTECH LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

TUESDAY



A557WQEQ

A25

19/04/2016

#351

COMPANIES HOUSE

LTI METALTECH LIMITED

COMPANY INFORMATION

Directors	K. Isaak P Lacey M Kaiser
Company number	05300889
Registered office	163 Milton Park Abingdon Oxfordshire OX14 4SD
Auditors	Shaw Gibbs Limited 264 Banbury Road Oxford OX2 7DY

LTI METALTECH LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 19

LTI METALTECH LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

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.

The principal activity of the company continued to be the manufacture of pressure vessels and other fabricated products from stainless steel, and aluminium. LTI Metaltech Ltd is a leading independent manufacturer of cryogenic and pressure vessels as used in highly regulated environments.

The business improvement drive has continued with further investment into the manufacturing facility and into a new material testing division, Metaltest UK, which should come on stream early in 2016. Opportunities in additional sectors are being developed and investment in the agility and capability of our production units has continued to deliver significant improvements in our customer response times without sacrificing our quality and delivery performances.

This programme will continue and further investment in new equipment, facilities and systems is planned. This will allow us to develop and manufacture increasingly diverse high quality products in a timely manner. In recognition of the worldwide competition the company faces it is our intention to remain a global leader in our field of expertise.

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 2015 LTI turnover was £24.3 million, compared to £23.4 million in the year ended 2014. Gross profit remained constant at £4.8 million in the year.

Operating Profit fell slightly to £1.7 million from £1.8 million in 2014. While remaining committed to cost control, the successful implementation of our expansion plans have made investment in our planning and engineering capacities essential. The company generated a pre-tax profit of £1.7 million against a profit of £1.8 million in 2014.

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. We are of course acutely aware of the competition from emerging markets and this will be borne in mind as we seek to expand our activities.

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

On behalf of the board


.....
P Lacey

Director

14/4/16
.....

LTI METALTECH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K Isaak
P Lacey
M Kaiser

Results and dividends

The results for the year are set out on page 6.

No interim dividend was paid during the year and the directors do not recommend payment of a final dividend (2014: £nil).

Auditors

The auditors, Shaw Gibbs Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

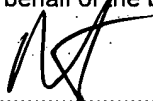
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

LTI METALTECH LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

On behalf of the board



P Lacey

Director

14/4/16

LTI METALTECH LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LTI METALTECH LIMITED

We have audited the financial statements of LTI Metaltech Limited for the year ended 31 December 2015 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Annual Report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

LTI METALTECH LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LTI METALTECH LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



**Stephen Howard Neal (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs Limited**

**Chartered Certified Accountants
Statutory Auditor**

15 April 2016

264 Banbury Road
Oxford
OX2 7DY

LTI METALTECH LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	24,254,425	23,438,498
Cost of sales		(19,501,051)	(18,651,036)
Gross profit		4,753,374	4,787,462
Administrative expenses		(3,041,255)	(3,006,275)
Operating profit	4	1,712,119	1,781,187
Interest receivable and similar income	7	20,844	6,828
Interest payable and similar charges		(37)	-
Profit before taxation		1,732,926	1,788,015
Taxation	8	(339,109)	(359,208)
Profit for the financial year		1,393,817	1,428,807
Total comprehensive income for the year		1,393,817	1,428,807

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the statement of total comprehensive income.

LTI METALTECH LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	9		766,912		981,372
Current assets					
Stocks	10	1,428,480		1,362,495	
Debtors	11	3,577,045		3,877,181	
Cash at bank and in hand		8,706,091		6,195,347	
		13,711,616		11,435,023	
Creditors: amounts falling due within one year	12	(4,950,390)		(3,968,279)	
Net current assets			8,761,226		7,466,744
Total assets less current liabilities			9,528,138		8,448,116
Provisions for liabilities	13		(785,300)		(1,099,095)
Net assets			8,742,838		7,349,021
Capital and reserves					
Called up share capital	16		25,000		25,000
Profit and loss reserves			8,717,838		7,324,021
Total equity			8,742,838		7,349,021

The financial statements were approved by the board of directors and authorised for issue on 14/4/16 and are signed on its behalf by:


P Lacey
Director

Company Registration No. 05300889

LTI METALTECH LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2014		25,000	5,895,214	5,920,214
Period ended 31 December 2014:				
Profit and total comprehensive income for the year		-	1,428,807	1,428,807
Balance at 31 December 2014		25,000	7,324,021	7,349,021
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	1,393,817	1,393,817
Balance at 31 December 2015		25,000	8,717,838	8,742,838

LTI METALTECH LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	20	3,165,831		3,571,847	
Interest paid		(37)		-	
Income taxes paid		(486,000)		(296,373)	
Net cash inflow from operating activities		<u>2,679,794</u>		<u>3,275,474</u>	
Investing activities					
Purchase of tangible fixed assets		(189,894)		(590,688)	
Interest received		20,844		6,828	
Net cash used in investing activities		<u>(169,050)</u>		<u>(583,860)</u>	
Net increase in cash and cash equivalents		<u>2,510,744</u>		<u>2,691,614</u>	
Cash and cash equivalents at beginning of year		6,195,347		3,503,733	
Cash and cash equivalents at end of year		<u><u>8,706,091</u></u>		<u><u>6,195,347</u></u>	

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

LTI Metaltech Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 163 Milton Park, Abingdon, Oxfordshire, OX14 4SD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of LTI Metaltech Limited prepared in accordance with FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS102.

In accordance with FRS102 paragraph 33.1A, the exemption has been taken from disclosing transactions and balances with group companies on the basis that every subsidiary that is party to such transactions is wholly owned by Isaak Holding GmbH. Consolidated accounts are publicly available in the European Union, from its ultimate parent company, Isaak Holding GmbH, Rudolf - Diesel - Str. 7, 97944, Boxberg/ Baden, Germany.

1.2 Going concern

The company derives the vast majority of its turnover from one customer. Both companies remain dependent upon one another in the short to medium term and the directors are therefore confident that the companies will continue to trade with each other, at similar levels of activity, for the foreseeable future. This is demonstrated by a long term supply agreement entered into by the parties involved.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Invoices to the primary customer are raised weekly to recognise the goods appropriated by the customer.

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

All fixed assets are initially recognised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 years straight line
Plant and machinery	3 to 5 years straight line
Fixtures, fittings & equipment	3 to 5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of total comprehensive income.

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

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on material timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.7 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.8 Retirement benefits

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.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	24,254,425	23,343,197
China	-	95,301
	<u>24,254,425</u>	<u>23,438,498</u>

4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(56,262)	(95,453)
Fees payable to the company's auditors for the audit of the company's financial statements	12,000	12,000
Depreciation of owned tangible fixed assets	404,354	598,716
Operating lease charges	<u>279,447</u>	<u>387,748</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Number of direct production staff	61	59
Number of administrative staff	26	25
Number of indirect productive staff	12	9
	<u>99</u>	<u>93</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	3,997,156	3,370,994
Social security costs	338,936	321,828
Pension costs	<u>375,619</u>	<u>360,149</u>
	<u>4,711,711</u>	<u>4,052,971</u>

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	342,181	350,975
Company pension contributions to defined contribution schemes	59,003	56,446
	<u>401,184</u>	<u>407,421</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>261,383</u>	<u>265,176</u>
--------------------------------------	----------------	----------------

The above reflects all payments to key management personnel.

7 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	<u>20,844</u>	<u>6,828</u>

8 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	<u>362,851</u>	<u>373,072</u>
Deferred tax		
Origination and reversal of timing differences	<u>(23,742)</u>	<u>(13,864)</u>
Total tax charge	<u>339,109</u>	<u>359,208</u>

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	1,732,926	1,788,015
Expected tax charge based on a corporation tax rate of 20.25% (2014 - 21.49%)	350,918	384,244
Tax effect of expenses that are not deductible in determining taxable profit	13,003	2,807
Depreciation on assets not qualifying for tax allowances	(1,070)	(13,979)
Current tax charge for the year	362,851	373,072

9 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 January 2015	127,511	3,920,761	310,270	4,358,542
Additions	-	166,333	23,561	189,894
Disposals	-	(104,188)	(61,969)	(166,157)
At 31 December 2015	127,511	3,982,906	271,862	4,382,279
Depreciation and impairment				
At 1 January 2015	127,511	2,959,852	289,807	3,377,170
Depreciation charged in the year	-	384,311	20,043	404,354
Eliminated in respect of disposals	-	(104,188)	(61,969)	(166,157)
At 31 December 2015	127,511	3,239,975	247,881	3,615,367
Carrying amount				
At 31 December 2015	-	742,931	23,981	766,912
At 31 December 2014	-	960,909	20,463	981,372

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Stocks

	2015 £	2014 £
Raw materials and consumables	963,692	897,486
Work in progress	120,269	111,114
Finished goods and goods for resale	344,519	353,895
	<u>1,428,480</u>	<u>1,362,495</u>

11 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	3,319,038	3,616,732
Amounts due from associated undertakings	5,363	-
Other debtors	153,331	166,556
Prepayments and accrued income	85,366	93,893
	<u>3,563,098</u>	<u>3,877,181</u>
Deferred tax asset (note 14)	13,947	-
	<u>3,577,045</u>	<u>3,877,181</u>

12 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	3,235,378	2,366,142
Amount due to parent undertaking	847,712	548,702
Corporation tax payable	149,267	272,416
Other taxation and social security	529,526	587,059
Other creditors	30,037	72,097
Accruals and deferred income	158,470	121,863
	<u>4,950,390</u>	<u>3,968,279</u>

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Provisions for liabilities

	Notes	2015 £	2014 £
Provisions		785,300	1,089,300
Deferred tax liabilities	14	-	9,795
		<u>785,300</u>	<u>1,099,095</u>

The balance of provisions relates to property dilapidations of £785,300 (2014: £785,300) based on the cost estimated by an independent survey. In addition, the provisions comparative includes purchase obligations of £304,000 for redundant products (batch parts relating to products programmed for production to cease in the year). Such a provision is not considered necessary this year as the relevant stock lines were discontinued during the year and the obligation to purchase materials was completed during the year.

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £	Assets 2015 £	Assets 2014 £
Balances:				
Accelerated (liabilities) / Decelerated (assets) capital allowances		9,795	13,947	-
	<u></u>	<u>9,795</u>	<u>13,947</u>	<u>-</u>

15 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to the profit and loss in respect of defined contribution schemes was £375,619 (2014: £360,149).

At the year end date amounts payable to the pension scheme totalled £29,033 (2014: £69,003).

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

16 Share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
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, called up and fully paid		
25,000 Ordinary A shares of £1 each	<u>25,000</u>	<u>25,000</u>

17 Capital and purchasing commitments

During the year, LTI paid a deposit of £20,370 to purchase a machine that was not received until after the year end. LTI paid the remaining amount (total invoice of circa 97,000 Euros) in February 2016.

The company entered into three supplier agreements, to purchase aluminium and stainless steel during the period 1/10/2015-30/09/2016 for a total price of £11.4m. The relevant stock will be delivered directly to the company's premises.

The company has entered into the above contracts at the request of its principal customer to demonstrate that the relevant demand can be met. Therefore, there is an understanding that the principal customer would meet the above financial commitment if the customer's orders fell below the level of the contracted metal agreements.

On 15 September 2015, the company entered into twelve forward currency contracts with Barclays Bank PLC, to purchase 250,000 Euros near the end of each month following the deal date, at the underlying contractual exchange rates. The impact of the relevant contracts in the financial statements is not material.

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Within one year	411,859	422,369
Between two and five years	1,655,781	1,374,396
In over five years	65,035	249,035
	<u>2,132,675</u>	<u>2,045,800</u>

LTI METALTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

19 Related party transactions

LTI Metaltech Limited is a wholly owned subsidiary of Isaak Betriebs GmbH & Co. KG. The ultimate parent company is Isaak Holding GmbH, a company based in Rudolf - Diesel- Str.7, 97944, Boxberg/ Baden, Germany. The ultimate controlling party is K Isaak.

In accordance with FRS102 paragraph 33.1A, the exemption has been taken from disclosing transactions and balances with group companies on the basis that every subsidiary that is party to such transactions is wholly owned by Isaak Holding GmbH.

There were no other related party transactions and balances that require disclosure.

No guarantees have been given or received.

20 Cash generated from operations

	2015 £	2014 £
Profit for the year	1,393,817	1,428,807
Adjustments for:		
Income tax expense	339,109	359,208
Finance costs	37	-
Investment income	(20,844)	(6,828)
Depreciation and impairment of tangible fixed assets	404,354	598,716
(Decrease) in provisions	(304,000)	(16,000)
Movements in working capital:		
(Increase)/decrease in stocks	(65,985)	251,654
Decrease in debtors	314,083	53,013
Increase in creditors	1,105,260	903,278
Cash generated from operations	3,165,831	3,571,848