

Company Registration No. 05300889 (England and Wales)

**LTI METALTECH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

SATURDAY



A21 \*A6DNRQPN\* #208  
26/08/2017  
COMPANIES HOUSE

# LTI METALTECH LIMITED

## COMPANY INFORMATION

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

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# **- LTI METALTECH LIMITED**

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# LTI METALTECH LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present the annual strategic report and audited financial statements for the year ended 31 December 2016.

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 fabrication and high integrity coded welding of safety critical pressure vessels and storage containers. LTI Metaltech Ltd is a leading independent manufacturer of cryogenic and pressure vessels as used in highly regulated environments, key customers include Siemens.

The business improvement drive has continued with further investment into the manufacturing facility and into our new material testing division, Metaltest UK, which came on stream early in 2016 and achieved full UKAS accreditation as a materials testing laboratory mid-year. Opportunities in additional sectors have been realised during the year, most notably in tokamak nuclear fusion.

Our vision and strategies for the future are built around our key strengths and cutting edge capabilities. To this end our transformation and growth strategy will sharpen the focus on our technical capital and supply chain partnerships, these initiatives will be driven by new Technical and Commercial Directors. Further investment in new equipment, facilities, systems and people is planned to enable development and manufacture of increasingly diverse and complex, 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 2016 LTI turnover was £22.0 million, compared to £24.3 million in the year-ended 2015. Gross profit remained constant at £4.8 million in the year.

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 £1.6 million against a profit of £1.7 million in 2015.

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  
25/8/17

# **LTI METALTECH LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their annual report and financial statements for the year ended 31 December 2016.

#### **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 (2015: £nil).

#### **Auditor**

The auditor, Shaw Gibbs Limited, is 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 auditor**

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 auditor is 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 auditor is aware of that information.

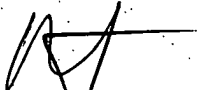
# LTI METALTECH LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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On behalf of the board



P Lacey

Director

25/8/17

# **LTI METALTECH LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF LTI METALTECH LIMITED**

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We have audited the financial statements of LTI Metaltech Limited for the year ended 31 December 2016 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor**

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 2016 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 and prepared in accordance with applicable legal requirements.

# LTI METALTECH LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF LTI METALTECH LIMITED

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#### 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

25 August 2017

264 Banbury Road  
Oxford  
OX2 7DY



# LTI METALTECH LIMITED

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	21,972,661	24,254,425
Cost of sales		(17,140,265)	(19,501,051)
<b>Gross profit</b>		<b>4,832,396</b>	<b>4,753,374</b>
Administrative expenses		(3,248,247)	(3,041,255)
<b>Operating profit</b>	4	<b>1,584,149</b>	<b>1,712,119</b>
Interest receivable and similar income	7	21,557	20,844
Interest payable and similar expenses		-	(37)
<b>Profit before taxation</b>		<b>1,605,706</b>	<b>1,732,926</b>
Taxation	8	(320,163)	(339,109)
<b>Profit for the financial year</b>		<b>1,285,543</b>	<b>1,393,817</b>
<b>Total comprehensive income for the year</b>		<b>1,285,543</b>	<b>1,393,817</b>

The statement of total comprehensive income 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 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	9	692,795	766,912
<b>Current assets</b>			
Stocks	10	1,331,405	1,428,480
Debtors	11	3,771,309	3,577,044
Cash at bank and in hand		8,174,079	8,706,091
		13,276,793	13,711,615
<b>Creditors: amounts falling due within one year</b>	12	(3,155,907)	(4,950,389)
<b>Net current assets</b>		10,120,886	8,761,226
<b>Total assets less current liabilities</b>		10,813,681	9,528,138
<b>Provisions for liabilities</b>	13	(785,300)	(785,300)
<b>Net assets</b>		10,028,381	8,742,838
<b>Capital and reserves</b>			
Called up share capital	15	25,000	25,000
Profit and loss reserves		10,003,381	8,717,838
<b>Total equity</b>		10,028,381	8,742,838

The financial statements were approved by the board of directors and authorised for issue on 25/8/17 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 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>		25,000	7,324,021	7,349,021
<b>Year ended 31 December 2015:</b>				
Profit and total comprehensive income for the year		-	1,393,817	1,393,817
<b>Balance at 31 December 2015</b>		25,000	8,717,838	8,742,838
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year		-	1,285,543	1,285,543
<b>Balance at 31 December 2016</b>		25,000	10,003,381	10,028,381

# LTI METALTECH LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	20	209,692		3,165,831	
Interest paid		-		(37)	
Income taxes paid		(372,000)		(486,000)	
<b>Net cash (outflow)/inflow from operating activities</b>		(162,308)		2,679,794	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(406,393)		(189,894)	
Proceeds on disposal of tangible fixed assets		15,132		-	
Interest received		21,557		20,844	
<b>Net cash used in investing activities</b>		(369,704)		(169,050)	
<b>Net cash used in financing activities</b>		-		-	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(532,012)		2,510,744	
Cash and cash equivalents at beginning of year		8,706,091		6,195,347	
<b>Cash and cash equivalents at end of year</b>		<u>8,174,079</u>		<u>8,706,091</u>	

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1. Accounting policies

#### Company information

LTI Metaltech Limited is a company limited by shares 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.

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.

#### 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.

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 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.

#### 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.

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 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.

### 3 Turnover

#### Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	21,970,764	24,254,425
Rest of the world	1,897	-
	<u>21,972,661</u>	<u>24,254,425</u>

### 4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	(19,893)	(56,262)
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	465,577	404,354
Profit on disposal of tangible fixed assets	(199)	-
Operating lease charges	<u>390,223</u>	<u>279,447</u>

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 5 Employees

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

	2016 Number	2015 Number
Number of direct production staff	62	61
Number of administrative staff	25	26
Number of indirect productive staff	15	12
	<u>102</u>	<u>99</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	4,243,660	3,997,156
Social security costs	351,084	338,936
Pension costs	386,762	375,619
	<u>4,981,506</u>	<u>4,711,711</u>

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	323,399	342,181
Company pension contributions to defined contribution schemes	51,732	59,003
	<u>375,131</u>	<u>401,184</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

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

Remuneration for qualifying services	<u>230,078</u>	<u>261,383</u>
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### 7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	<u>21,557</u>	<u>20,844</u>



# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 8 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	342,216	362,851
<b>Deferred tax</b>		
Origination and reversal of timing differences	(22,053)	(23,742)
<b>Total tax charge</b>	<u>320,163</u>	<u>339,109</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>1,605,706</u>	<u>1,732,926</u>
Expected tax charge based on a corporation tax rate of 20% (2015: 20.25%)	321,141	350,918
Tax effect of expenses that are not deductible in determining taxable profit	6,063	13,003
Permanent capital allowances in excess of depreciation	15,012	(1,070)
Deferred tax movement	(22,053)	(23,742)
<b>Total tax charge for the year</b>	<u>320,163</u>	<u>339,109</u>

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 9 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2016	127,511	3,982,906	271,862	4,382,279
Additions	-	315,061	91,332	406,393
Disposals	-	(32,000)	-	(32,000)
At 31 December 2016	127,511	4,265,967	363,194	4,756,672
<b>Depreciation and impairment</b>				
At 1 January 2016	127,511	3,239,975	247,881	3,615,367
Depreciation charged in the year	-	431,852	33,725	465,577
Eliminated in respect of disposals	-	(17,067)	-	(17,067)
At 31 December 2016	127,511	3,654,760	281,606	4,063,877
<b>Carrying amount</b>				
At 31 December 2016	-	611,207	81,588	692,795
At 31 December 2015	-	742,931	23,981	766,912

### 10 Stocks

	2016 £	2015 £
Raw materials and consumables	884,096	963,692
Work in progress	172,756	120,269
Finished goods and goods for resale	274,553	344,519
	1,331,405	1,428,480

### 11 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	3,529,688	3,319,037
Amounts due from associated undertakings	-	5,363
Other debtors	90,612	153,331
Prepayments and accrued income	115,009	85,366
	3,735,309	3,563,097
Deferred tax asset (note 14)	36,000	13,947
	3,771,309	3,577,044

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,817,009	3,235,378
Amounts due to group undertakings	479,508	847,712
Corporation tax	119,483	149,267
Other taxation and social security	545,590	529,526
Other creditors	45,755	30,037
Accruals and deferred income	148,562	158,469
	<u>3,155,907</u>	<u>4,950,389</u>

### 13 Provisions for liabilities

	2016 £	2015 £
Provisions	<u>785,300</u>	<u>785,300</u>

The balance of provisions relates to property dilapidations of £785,300 (2015: £785,300) based on the cost estimated by an independent survey.

### 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:

	Assets 2016 £	Assets 2015 £
<b>Balances:</b>		
Accelerated (liabilities) / Decelerated (assets) capital allowances	<u>36,000</u>	<u>13,947</u>
<b>Movements in the year:</b>		2016 £
Liability/(Asset) at 1 January 2016		(13,947)
Credit to profit and loss		(22,053)
Liability/(Asset) at 31 December 2016		<u>(36,000)</u>

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 15 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Authorised</b>		
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>
<b>Allotted, called up and fully paid</b>		
25,000 Ordinary A shares of £1 each	<u>25,000</u>	<u>25,000</u>

### 16 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>386,762</u>	<u>375,619</u>

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.

At the year end date amounts payable to the pension scheme totalled £44,689 (2015: £29,033).

### 17 Capital and purchasing commitments

The company entered into three supplier agreements, to purchase aluminium and stainless steel during the period 1/3/2016-30/09/2018 for a total price of £12.9m. 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 3 June 2016, the company entered into twelve forward currency contracts with Barclays Bank PLC to purchase 200,000 Euros on 26 September 2016 and at the end of each month following that date, at the underlying contractual exchange rates. The impact of the relevant contracts in the financial statements is not material.

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 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:

	2016 £	2015 £
Within one year	464,208	411,859
Between two and five years	1,225,605	1,655,781
In over five years	-	65,035
	<u>1,689,813</u>	<u>2,132,675</u>

### 19 Related party transactions and controlling party

#### Remuneration of key management personnel

The remuneration of key management personnel, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>831,256</u>	<u>867,217</u>

The above figures include the directors whose remuneration for the relevant year is disclosed in note 6.

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 parties are K Isaak and his family.

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.

# LTI METALTECH LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 20 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	1,285,543	1,393,817
<b>Adjustments for:</b>		
Taxation charged	320,163	339,109
Finance costs	-	37
Investment income	(21,557)	-(20,844)
Gain on disposal of tangible fixed assets	(199)	-
Depreciation and impairment of tangible fixed assets	465,577	404,354
(Decrease) in provisions	-	(304,000)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	97,075	(65,985)
(Increase)/decrease in debtors	(172,212)	314,084
(Decrease)/increase in creditors	(1,764,698)	1,105,259
<b>Cash generated from operations</b>	<b>209,692</b>	<b>3,165,831</b>