

**REGISTERED NUMBER: 08852503 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD  
1 JANUARY 2015 TO 30 SEPTEMBER 2015  
FOR  
FUEL 3D TECHNOLOGIES LIMITED**

THURSDAY



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COMPANIES HOUSE

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FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

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**FUEL 3D TECHNOLOGIES LIMITED**  
**COMPANY INFORMATION**  
**FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**DIRECTORS:**

N S Cameron  
B Gill  
R D Henderson  
S E Mead

**SECRETARY:**

F Young

**REGISTERED OFFICE:**

Unit 2 Douglas Court  
Seymour Business Park  
Station Road  
Chinnor  
Oxfordshire  
OX39 4HA

**REGISTERED NUMBER:**

08852503 (England and Wales)

**AUDITORS:**

Moore Stephens Northern Home Counties Limited  
Nicholas House  
River Front  
Enfield  
Middlesex  
EN1 3FG

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

The directors present their report with the financial statements of the company for the period 1 January 2015 to 30 September 2015.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of the research, development and sale of 3D scanners.

**STRATEGIC REPORT EXEMPTION**

The company has taken advantage of the small companies exemption under S414B of the Companies Act 2006 from the requirement to prepare a strategic report.

**DIVIDENDS**

No dividends will be distributed for the period ended 30 September 2015 (31 December 2014: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

N S Cameron  
B Gill  
R D Henderson  
S E Mead

All the directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditors are 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD**

  
.....  
S E Mead - Director

29/6/2016  
.....  
Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
FUEL 3D TECHNOLOGIES LIMITED**

We have audited the financial statements of Fuel 3D Technologies Limited for the period ended 30 September 2015 on pages four to twenty six. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 30 September 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 year for which the financial statements are prepared is consistent with the financial statements.

**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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Francis Corbishley (Senior Statutory Auditor)  
for and on behalf of Moore Stephens Northern Home Counties Limited  
Statutory Auditor  
Nicholas House  
River Front  
Enfield  
Middlesex  
EN1 3FG

Date: 30/6/2016

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

	Notes	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
<b>Continuing operations</b>			
Revenue	3	1,657,340	842,316
Cost of sales		<u>(701,135)</u>	<u>(23,382)</u>
<b>Gross profit</b>		956,205	818,934
Administrative expenses		<u>(1,622,327)</u>	<u>(1,457,801)</u>
<b>Operating loss</b>		(666,122)	(638,867)
Finance costs	5	(3,792,929)	-
Finance income	5	<u>1,339</u>	<u>441</u>
<b>Loss before income tax</b>	6	(4,457,712)	(638,426)
Income tax	7	<u>(102,336)</u>	<u>644,653</u>
<b>(Loss)/profit for the period</b>		<u><u>(4,560,048)</u></u>	<u><u>6,227</u></u>

The notes form part of these financial statements

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
<b>(Loss)/profit for the period</b>	(4,560,048)	6,227
<b>Other comprehensive income</b>		
Share based payments	3,694	157,106
Deferred tax on share based payments	(6,734)	146,762
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	<b>(4,563,088)</b>	<b>310,095</b>

The notes form part of these financial statements

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**STATEMENT OF FINANCIAL POSITION  
30 SEPTEMBER 2015**

	Notes	30.9.15 £	31.12.14 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	8	2,783,730	1,800,032
Property, plant and equipment	9	293,322	133,360
Investments	10	605	605
Deferred tax	19	-	353,529
		<u>3,077,657</u>	<u>2,287,526</u>
<b>Current assets</b>			
Inventories	11	625,836	158,929
Trade and other receivables	12	1,844,879	1,640,149
Tax receivable		303,019	437,886
Cash and cash equivalents	13	300,863	2,313,441
		<u>3,074,597</u>	<u>4,550,405</u>
<b>Total assets</b>		<u>6,152,254</u>	<u>6,837,931</u>
<b>Equity</b>			
<b>Shareholders' equity</b>			
Share capital	14	2,626	2,576
Share premium	15	6,282,160	5,993,837
Retained earnings	15	(4,252,993)	310,095
<b>Total equity</b>		<u>2,031,793</u>	<u>6,306,508</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Preference shares	17	3,794,066	1,138
<b>Current liabilities</b>			
Trade and other payables	16	267,836	530,285
Deferred tax	19	58,559	-
		<u>326,395</u>	<u>530,285</u>
<b>Total liabilities</b>		<u>4,120,461</u>	<u>531,423</u>
<b>Total equity and liabilities</b>		<u>6,152,254</u>	<u>6,837,931</u>

The financial statements were approved by the Board of Directors on 30/6/2016 and were signed on its behalf by:



.....  
N S Cameron - Director

The notes form part of these financial statements



**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

	Share capital £	Retained earnings £	Share premium £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	2,576	-	5,993,837	5,996,413
Total comprehensive income	-	310,095	-	310,095
<b>Balance at 31 December 2014</b>	<u>2,576</u>	<u>310,095</u>	<u>5,993,837</u>	<u>6,306,508</u>
<b>Changes in equity</b>				
Issue of share capital	6	-	38,367	38,373
Shares to be issued	44	-	249,956	250,000
Total comprehensive income	-	(4,563,088)	-	(4,563,088)
<b>Balance at 30 September 2015</b>	<u>2,626</u>	<u>(4,252,993)</u>	<u>6,282,160</u>	<u>2,031,793</u>

The notes form part of these financial statements

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

		Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(1,417,160)	(1,726,174)
Interest paid		-	-
Taxation received		<u>437,884</u>	<u>-</u>
Net cash from operating activities		<u>(979,276)</u>	<u>(1,726,174)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(1,113,644)	(1,808,566)
Purchase of tangible fixed assets		(209,370)	(149,206)
Purchase of fixed asset investments		-	(605)
Interest received		<u>1,339</u>	<u>441</u>
Net cash from investing activities		<u>(1,321,675)</u>	<u>(1,957,936)</u>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares		6	2,576
Premium on issue of ordinary shares		38,367	5,993,837
Issue of preference shares		-	1,138
Advance share subscriptions received		<u>250,000</u>	<u>-</u>
Net cash from financing activities		<u>288,373</u>	<u>5,997,551</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>		<u>(2,012,578)</u>	<u>2,313,441</u>
<b>Cash and cash equivalents at beginning of period</b>	2	<u>2,313,441</u>	<u>-</u>
<b>Cash and cash equivalents at end of period</b>	2	<u><u>300,863</u></u>	<u><u>2,313,441</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
Loss before income tax	(4,457,712)	(638,426)
Depreciation charges	179,354	24,380
Share based payment non-cash charge	3,694	157,106
Finance income	(1,339)	(441)
Finance costs	<u>3,792,929</u>	<u>-</u>
	(483,074)	(457,381)
Increase in inventories	(466,907)	(158,929)
Increase in trade and other receivables	(204,730)	(1,640,148)
Increase in trade and other payables	<u>(262,449)</u>	<u>530,284</u>
<b>Cash generated from operations</b>	<b><u>(1,417,160)</u></b>	<b><u>(1,726,174)</u></b>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 30 September 2015

	30/9/15 £	1/1/15 £
Cash and cash equivalents	<u>300,863</u>	<u>2,313,441</u>

Period ended 31 December 2014

	31/12/14 £	20/1/14 £
Cash and cash equivalents	<u>2,313,441</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES

**General information**

The company is registered and domiciled in United Kingdom and is limited by shares. Its registered office and principal place of business is located at Unit 2 Douglas Court, Seymour Business Park, Station Road, Chinnor, Oxfordshire, OX39 4HA.

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention except for share based payments which are measured at fair value.

These financial statements present information about the company as a separate entity and not the group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the company. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 11. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

**Change in reporting date**

These financial statements are presented for the 9 month period ended 30 September 2015, whereas the comparative information is presented for the 12 month period ended 31 December 2014. As such, amounts and information presented in these financial statements are not entirely comparable.

**Going concern**

The directors have considered in detail the company's financial forecasts for the next twelve months. Whilst the directors cannot predict the future trading and working capital requirements with certainty, they consider that the company will be able to generate sufficient funding from its trading and financing activities to continue to be able to support its working capital requirements.

The directors consider that in preparing these financial statements, they have taken into account all information that could reasonably be expected to be available. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would arise if the company were unable to continue as a going concern.

**Applicable accounting standards**

The following EU adopted IFRSs were available for early application but have not been applied by the company in these financial statements:

**Pronouncement**

**Effective date**

Annual improvements to IFRSs 2010-2012 cycle

IASB effective date financial year commencing on/after 1 July 2014 - EU-adopted IFRS effective date financial year commencing on/after 1 February 2015.

The Directors anticipate that the above Standard will be adopted in the company's financial statements for the period commencing 1 October 2015 and that its adoption will have no material impact on the financial statements of the company.

There are other standards and interpretations in issue but these are not considered to be relevant to the company.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES - continued

**Significant accounting judgements, estimates and assumptions**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the reporting date.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods are as follows:

(i) *Ability of the company to continue as a going concern*

Management consider the company will be able to generate sufficient funding from its trading and financing activities to be able to support its working capital requirements for the next twelve months. This assumption is based on management's projected financial position and performance.

(ii) *Revenue recognition*

Revenue from the rendering of services is recognised based on the stage of completion which is determined based on the value of work completed in proportion to the total contract value.

(iii) *Fair value of share options granted*

The fair value of financial instruments that are not traded in an active market (e.g. share options granted to employees) is determined by using valuation techniques. Management uses its judgement to make assumptions and estimates, as disclosed in note 25, that are mainly based on market conditions existing at the end of each reporting period.

The critical estimate used in determining the fair value of the share options granted is management's estimate of the market value of ordinary shares at the date of grant, and an assumption that 50% (2014: 100%) of share options granted will fully vest and be exercised.

(iv) *Timing of preference shares liability settlement*

The discount applied on initial recognition of the financial liability is based on expected settlement in November 2016.

(v) *Measurement of deferred tax assets and liabilities*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, or in the period unutilised tax losses are expected to be utilised. At the reporting date, deferred tax assets and liabilities have been calculated based on the standard 20% rate of corporation tax in the UK.

(vi) *Deferred tax asset on share based payment transactions*

The deferred tax asset representing the expected future tax deduction in respect of share based payment transactions has been calculated based on the intrinsic value of share options granted. In determining the intrinsic value, management has estimated the market value of ordinary shares at the reporting date, and assumed that 50% (2014: 100%) of share options granted will fully vest and be exercised.

(vii) *Deferred tax asset on unutilised tax losses*

A deferred tax asset has been recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The probability of future taxable profits arising was assessed by management based on projected financial performance.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES - continued

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation is charged to the income statement over the estimated useful lives of each part of an item of property, plant and equipment. The Directors reassess the residual value estimates on an annual basis. The estimated useful lives are as follows:

Short leasehold property and improvements	- over the life of the lease (4 years);
Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line

**Intangible assets and goodwill**

Intangible assets that are acquired by the company are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows:

Intellectual property	- 20 years
Development costs	- 10 years
Patent costs	- 20 years

**Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is calculated on a weighted average cost basis.

**Trade receivables**

Trade receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

**Cash and cash equivalents**

Cash and cash equivalents comprise bank deposits and cash balances.

**Trade payables**

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

**Financial instruments**

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES - continued

**Financial instruments - continued**

Discounting is omitted where the effect of discounting is immaterial. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administrative expenses.

Classification and subsequent measurement of financial liabilities

The company's financial liabilities include trade and other payables and financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for preference shares.

The company has departed from the requirement of IAS 39 to subsequently measure its preference shares liability at amortised cost on the basis that use of the effective interest method would not fairly reflect the substance of arrangements. The preference shares liability has instead been discounted at a rate of 5%, representing a commercial rate of return on similar debt financing. Management consider that this departure is required in order to present fairly the entity's financial position, financial performance and cash flows.

*All interest-related charges relating to financial liabilities are reported in profit or loss and are included within finance costs.*

**Financial risk management**

The company has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Foreign currency risk
- Credit risk
- Capital risk

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. There have been no changes to the company's exposure to risk or the methods used to measure and manage these risks during the period. Management regularly monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework regarding the risks faced by the company.

Liquidity risk management

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained.

Foreign currency risk management

The company has a number of transactions with suppliers that are denominated in foreign currencies. Currency exposure arising from these transactions is managed through the use of funds denominated in the relevant foreign currencies.

Credit risk management

The only potential area of credit risk relates to trade receivables. The company has no significant concentration of credit risk, with exposure spread over a large number of customers. The financial position of its customers is reviewed on an ongoing basis.

Capital risk management

The company manages its capital to ensure that activities of the entity will be able to continue as a going concern whilst maximising returns for shareholders through the optimisation of debt and equity financing.

**Impairment (excluding deferred tax assets)**

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. An impairment loss is immediately recognised in profit or loss when the carrying amount exceeds its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES - continued

**Employee benefits**

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit or loss in the period in which the employees rendered the services entitling them to the benefits.

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

**Provisions**

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

**Revenue**

Revenue is recognised on the following basis:

Sale of products and services

Revenue in respect of the sale of goods and services is recognised when the group obtains a right to consideration, which on sale of products generally arises once the products have been delivered, and which on sale of services generally arise based on the stage of completion. Revenue is recognised net of sales taxes and trade discounts.

Consultancy income

Consultancy income is recognised in accordance with the terms of the relevant contracts.

Management fee income

Management fee income is recognised in the period to which it relates.

Grant income

Grant income is recognised in the period to which it relates.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

**Foreign currencies**

The company has a functional and presentational currency of Pound Sterling (GBP).

Transactions in currencies other than GBP are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Foreign currency differences arising on retranslation are recognised in the income statement.

**Expenses**

**Research and development costs**

Expenditure on research is written off in the year in which it is incurred.

Costs for new or principally improved products or processes are reported as an asset in the statement of financial position only if the product or process is technically and commercial realisable and the company has sufficient resources to complete development. Capitalisation takes place when a new product or functionality is developed and includes the cost of materials and direct work. Capitalised development costs are reported at acquisition cost minus accumulated amortisation and impairment losses.

Amortisation is calculated on a straight line basis over the estimated life of the product developed, being 10 years.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**1. ACCOUNTING POLICIES - continued**

**Financing costs**

Financing costs, comprising interest payable on borrowings, the unwinding of the discount on provisions and the costs incurred in connection with the arrangement of borrowings are recognised in the statement of profit or loss using the effective interest rate method.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

**Share based payments**

The company has issued share options to certain employees. These are measured at fair value and recognised as an expense in the income statement with a corresponding increase in equity. The fair value of the options are estimated at the date of grant using the Black-Scholes option pricing model. The fair value is charged as an expense in the income statement over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting.

**Operating leases**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is the tax expected to be payable or recoverable on timing differences between taxable profits and the total comprehensive income as reported in the financial statements.

Deferred tax liabilities are recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits will be available against which timing differences can be utilised.

Deferred tax is calculated at the tax rates that been enacted, or substantively enacted by the reporting date, and are expected to apply in the period when the liability is settled or the asset realised. For land and revalued investment property deferred tax is calculated on the presumption that recovery is through sale.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

**2. SEGMENTAL REPORTING**

An operating segment is a component of the entity which generates revenues and incurs expenses, and whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance.

For management's internal reporting purposes, the company is organised into segments based on revenue streams, being the sale of products and rendering of services. The sale of products comprises the sale of 3D scanners and accessories, and revenue from the rendering of services is comprised of consultancy, management and training fee income. They are assessed separately because the products and services require different operational and marketing strategies.

The chief operating decision makers have been identified as the Chief Executive Officer and the Finance Director, as they are primarily responsible for the allocation of resources to segments and the assessment of the performance of each of these segments.

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**2. SEGMENTAL REPORTING - continued**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who evaluate segmental performance on the basis of revenue and profit or loss from operations calculated in accordance with IFRS but excluding non-cash transactions such as depreciation and non-recurring losses such as the effects of share-based payments. Accordingly, revenue and EBITDA are the key measures of the segments' results as they reflect the underlying trading performance for the period under evaluation.

There has been no aggregation of the operating segments in arriving at these reportable segments, and there is no inter-segment revenue to report.

The segment results for periods ended 30 September 2015 and 31 December 2014, and the reconciliation of the segment results to the respective statutory items included in these financial statements are as follows:

<b>Period ended 30 September 2015</b>	<b>Products £</b>	<b>Services £</b>	<b>Total £</b>
Revenue for segment	1,231,035	376,305	1,607,340
EBITDA for segment	<u>625,753</u>	<u>28,630</u>	<u>654,383</u>
 <b>Period ended 31 December 2014</b>			
Revenue for segment	64,344	777,972	842,316
EBITDA for segment	<u>32,172</u>	<u>(351,911)</u>	<u>(319,739)</u>

Grant income of £50,000 (2014: £nil) has not been allocated to any operating segment. An analysis of revenue by income stream and geographical markets is provided in note 3.

<b>Reconciliation of EBITDA for reported segments to loss before tax</b>	<b>2015 £</b>	<b>2014 £</b>
EBITDA for reported segments	654,383	(319,739)
Unallocated income	50,000	-
Unallocated costs	<u>(1,187,457)</u>	<u>(137,642)</u>
EBITDA per financial statements	(483,074)	(457,381)
Depreciation	(49,408)	(15,846)
Amortisation	(129,946)	(8,534)
Share based payments	<u>(3,694)</u>	<u>(157,106)</u>
Operating loss per financial statements	(666,122)	(638,867)
Finance income	1,339	441
Finance costs	<u>(3,792,929)</u>	<u>-</u>
Loss before income tax per financial statements	<u>(4,457,712)</u>	<u>(638,426)</u>

No information on assets or liabilities has been presented above as this information is not allocated to operating segments in the regular reporting to the company's chief operating decision makers and is not a measure used to assess performance or to make decisions on resource allocations.

The location of non-current assets (excluding intangibles and deferred tax assets) by geographical areas is as follows:

	<b>2015 £</b>	<b>2014 £</b>
United Kingdom	163,664	83,105
Singapore	<u>129,658</u>	<u>50,255</u>
	<u>293,322</u>	<u>133,360</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

3. **TURNOVER**

An analysis of turnover is provided below.

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
<b>By revenue stream</b>		
Sale of products	1,231,035	64,344
Sale of services	-	1,700
Consultancy income	151,305	476,272
Management fee income	225,000	300,000
Grant income	50,000	-
	<u>1,657,340</u>	<u>842,316</u>
<b>By geographical markets</b>		
United Kingdom	569,946	542,316
United States of America	725,517	300,000
Europe	229,543	-
Rest of the world	132,334	-
	<u>1,657,340</u>	<u>842,316</u>

**Major customers**

Management fees charged to the company's subsidiary undertaking amounted to £225,000 (2014: £300,000) and consultancy services provided to a single customer amounted to £114,479 (2014: £476,272). The company did not have any other customers that contributed to more than 10% of total revenue in either 2015 or 2014.

4. **EMPLOYEES AND DIRECTORS**

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
Wages and salaries	833,533	622,072
Social security costs	95,812	69,312
Other pension costs	32,778	21,327
Share based payments	3,694	157,106
	<u>965,817</u>	<u>869,817</u>

Wages and salaries of £586,258 (2014: £338,286) and social security costs of £71,954 (2014: £38,156) have been capitalised as development costs.

The average monthly number of employees during the period was as follows:

Management, admin and development staff	<u>26</u>	<u>13</u>
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**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**4. EMPLOYEES AND DIRECTORS – continued**

<b>Directors' remuneration</b>	£	£
Emoluments etc	200,813	231,033
Pension costs	<u>10,041</u>	<u>11,552</u>
	<u>210,853</u>	<u>242,585</u>

Emoluments of £61,031 (2014: £73,850) have been capitalised as development costs.

During the period, the directors were not granted any share options (2014: 2,117,640).

The number of directors to whom retirement benefits were accruing was 2 (2014: 2).

<b>Highest paid director</b>	£	£
Emoluments etc	122,063	147,699
Pension costs	<u>6,103</u>	<u>7,385</u>
	<u>128,166</u>	<u>155,084</u>

During the period, the highest paid director was not granted any share options (2014: 1,482,350).

**5. FINANCE INCOME**

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
Other Interest	<u>1,339</u>	<u>441</u>

**FINANCE COSTS**

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
Finance cost associated with preference shares	<u>3,792,929</u>	<u>-</u>

**6. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
Cost of inventories recognised as expense	701,135	23,382
Depreciation - owned assets	49,408	15,846
Amortisation	129,946	8,534
Auditors' remuneration	26,513	12,000
Foreign exchange differences	(20,618)	3,312
Share based payments	3,694	157,106
Finance cost associated with preference shares	<u>3,792,929</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**7. INCOME TAX****Analysis of income tax charge/(credit)**

	Period 1/1/15 to 30/9/15 £	Period 20/1/14 to 31/12/14 £
Current tax:		
UK Corporation tax	(303,019)	(437,886)
Deferred tax	<u>405,355</u>	<u>(206,767)</u>
Total tax charge/(credit) in income statement	<u>102,336</u>	<u>(644,653)</u>

The tax income recognised in the income statement reflects £303,019 (2014: £437,886) of tax recoverable from qualifying research and development expenditure incurred during the period. The deferred tax charge represents movements in assets of £175,982 (2014: £175,346) relating to tax recoverable from unutilised trading losses carried forward to future periods and £739 (2014: £31,421) of temporary timing differences in relation to deferred tax on share based payments, and movements in liabilities of £58,664 (2014: £nil) in temporary timing differences in relation to accelerated capital allowances and £523,412 (2014: £nil) of temporary timing differences in relation to capitalised development costs.

**Factors affecting the tax income**

The tax assessed for the period is higher (2014 – lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	£	£
Loss on ordinary activities before income tax	(4,457,712)	(638,426)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014 – 20%)	(891,542)	(127,685)
Effects of:		
Expenses not allowed for tax	785,594	33,401
Capital allowances in excess of depreciation	(31,992)	(21,363)
Restriction on R&D tax credit	(341,060)	(497,585)
Timing difference on share based payments	(739)	(31,421)
Accelerated capital allowances	58,664	-
Timing difference on development costs capitalised	523,411	-
Tax charge/(income)	<u>102,336</u>	<u>(644,653)</u>

**8. INTANGIBLE ASSETS**

	Intellectual property £	Development costs £	Patents £	Totals £
<b>COST</b>				
At 1 January 2015	123,332	1,647,281	37,953	1,808,566
Additions	<u>-</u>	<u>1,093,321</u>	<u>20,323</u>	<u>1,113,644</u>
At 30 September 2015	<u>123,332</u>	<u>2,740,602</u>	<u>58,276</u>	<u>2,922,210</u>
<b>AMORTISATION</b>				
At 1 January 2015	6,636	-	1,898	8,534
Amortisation for period	<u>4,977</u>	<u>123,546</u>	<u>1,423</u>	<u>129,946</u>
At 30 September 2015	<u>11,613</u>	<u>123,546</u>	<u>3,321</u>	<u>138,480</u>
<b>NET BOOK VALUE</b>				
At 30 September 2015	<u>111,719</u>	<u>2,617,056</u>	<u>54,955</u>	<u>2,783,730</u>

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**8. INTANGIBLE ASSETS - continued**

	Intellectual property £	Development costs £	Patents £	Totals £
<b>COST</b>				
Additions	<u>123,332</u>	<u>1,647,281</u>	<u>37,953</u>	<u>1,808,566</u>
At 31 December 2014	<u>123,332</u>	<u>1,647,281</u>	<u>37,953</u>	<u>1,808,566</u>
<b>AMORTISATION</b>				
Amortisation for period	<u>6,636</u>	<u>-</u>	<u>1,898</u>	<u>8,534</u>
At 31 December 2014	<u>6,636</u>	<u>-</u>	<u>1,898</u>	<u>8,534</u>
<b>NET BOOK VALUE</b>				
At 31 December 2014	<u>116,696</u>	<u>1,647,281</u>	<u>36,055</u>	<u>1,800,032</u>

**9. PROPERTY, PLANT AND EQUIPMENT**

	Short leasehold & improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 January 2015	42,363	93,612	13,231	149,206
Additions	<u>26,412</u>	<u>176,272</u>	<u>6,686</u>	<u>209,370</u>
At 30 September 2015	<u>68,775</u>	<u>269,884</u>	<u>19,917</u>	<u>358,576</u>
<b>DEPRECIATION</b>				
At 1 January 2015	2,773	11,828	1,245	15,846
Charge for period	<u>10,972</u>	<u>34,929</u>	<u>3,507</u>	<u>49,408</u>
At 30 September 2015	<u>13,745</u>	<u>46,757</u>	<u>4,752</u>	<u>65,254</u>
<b>NET BOOK VALUE</b>				
At 30 September 2015	<u>55,030</u>	<u>223,127</u>	<u>15,165</u>	<u>293,322</u>

	Short leasehold & improvements £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
Additions	<u>42,363</u>	<u>93,612</u>	<u>13,231</u>	<u>149,206</u>
At 31 December 2014	<u>42,363</u>	<u>93,612</u>	<u>13,231</u>	<u>149,206</u>
<b>DEPRECIATION</b>				
Charge for period	<u>2,773</u>	<u>11,828</u>	<u>1,245</u>	<u>15,846</u>
At 31 December 2014	<u>2,773</u>	<u>11,828</u>	<u>1,245</u>	<u>15,846</u>
<b>NET BOOK VALUE</b>				
At 31 December 2014	<u>39,590</u>	<u>81,784</u>	<u>11,986</u>	<u>133,360</u>

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**10. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2015	
and 30 September 2015	<u>605</u>
<b>NET BOOK VALUE</b>	
At 30 September 2015	<u>605</u>
	Shares in group undertakings £
<b>COST</b>	
Additions	<u>605</u>
At 31 December 2014	<u>605</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>605</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Fuel 3D, Inc.**

Country of incorporation: United States

Nature of business: Sale of 3D technological products

	% holding		
Class of shares:	100.00		
Ordinary		30.9.15	31.12.14
		£	£
Aggregate capital and reserves		(1,412,660)	(687,064)
Loss for the period		<u>710,713</u>	<u>638,484</u>

**11. INVENTORIES**

	30.9.15	31.12.14
	£	£
Raw materials	148,853	122,801
Finished goods	<u>476,983</u>	<u>36,128</u>
	<u>625,836</u>	<u>158,929</u>

**12. TRADE AND OTHER RECEIVABLES**

	30.9.15	31.12.14
	£	£
Current:		
Trade receivables	30,190	37,996
Amounts owed by group undertakings	1,480,777	520,512
Other debtors	260,876	997,869
VAT	14,580	50,338
Prepayments and accrued income	<u>58,456</u>	<u>33,434</u>
	<u>1,844,879</u>	<u>1,640,149</u>

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**13. CASH AND CASH EQUIVALENTS**

	30.9.15 £	31.12.14 £
Cash in hand	435	549
Bank accounts	<u>300,428</u>	<u>2,312,892</u>
	<u><u>300,863</u></u>	<u><u>2,313,441</u></u>

Included in cash and cash equivalents are bank balances of £20,014 (2014: £20,007) secured against the liabilities of the company.

**14. SHARE CAPITAL**

Number:	Class:	Nominal value:	30.9.15 £	31.12.14 £
25,820,530	Ordinary shares – allotted and issued	£0.0001	2,582	2,576
441,174	Ordinary shares – to be issued	£0.0001	<u>44</u>	<u>-</u>
			<u><u>2,626</u></u>	<u><u>2,576</u></u>

On 16 February 2015 an ordinary resolution was passed to sub-divide the 2,575,702 ordinary shares of £0.001 each issued at that time into 25,757,020 ordinary shares of £0.0001 each, such shares having the same rights and being subject to the same restrictions as the ordinary shares prior to the sub-division.

During the period, the company issued 63,510 Ordinary shares of £0.0001 each for cash at a premium totalling £38,367 and at 30 September 2015 had a contractual obligation to issue a further 441,174 Ordinary shares of £0.0001 each for cash at a premium totalling £249,956 (2014: £nil).

Each ordinary share entitles its holder to one vote at general meetings of the company. Holders are not entitled to receive any distribution of profits for so long as any preference shares remain in issue. On a winding up of the company, holders will be entitled to a sum of £50,000,000, pro-rata to their holding of ordinary shares, after any distributions due to preference shareholders upon a capital event; and the residual assets of the company, pro-rata to their holding of ordinary shares, after any payments to deferred shareholders.

**15. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 January 2015	310,095	5,993,837	6,303,932
Issue of share capital	-	38,367	38,367
Shares to be issued	-	249,956	249,956
Deficit for the period	(4,560,048)	-	(4,560,048)
Share based payments and associated deferred tax	<u>(3,040)</u>	<u>-</u>	<u>(3,040)</u>
At 30 September 2015	<u><u>(4,252,993)</u></u>	<u><u>6,282,160</u></u>	<u><u>2,029,167</u></u>

**16. TRADE AND OTHER PAYABLES**

	30.9.15 £	31.12.14 £
Current:		
Trade creditors	98,037	228,972
Social security and other taxes	54,684	31,153
Other creditors	25,214	108,255
Accruals and deferred income	<u>89,901</u>	<u>161,905</u>
	<u><u>267,836</u></u>	<u><u>530,285</u></u>



**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**17. FINANCIAL LIABILITIES**

	30.9.15 £	31.12.14 £
Non-current:		
Preference shares	3,794,066	<u>1,138</u>

Preference shareholders will not be entitled to vote upon any resolutions other than the winding up of the company, resolutions adversely affecting the special rights of preference shares, or in circumstances where payments to preference shareholders are overdue. In such circumstances, the preference shareholders shall be entitled to cause the company to take such steps as necessary to pay the balance of any outstanding payments due to them.

The holders of preference shares have no entitlement to receive any distribution of profits other than on the occurrence of a capital event. Should no capital event occur, the shares will instead be redeemed through staged annual redemption payments of £500k commencing in financial year ending 31 December 2018. Under both scenarios the liability is capped at £4million.

The preference share liability has been recognised on the assumption it will be fully settled in November 2016. A discount rate of 5% has been applied to this liability on initial recognition at 30 September 2015.

On a winding up of the company or on a reduction or return of capital, the assets of the company remaining after payment of its debts and liabilities and of the costs, charges and expenses of the winding up or reduction or return of capital will be applied first in paying any amount that may be due to preferred shareholders in the following order of priority;

- (a) first, in paying to the holders of the X Preferred Shares the aggregate amount of £591,104,
- (b) second, in paying to the holders of Y Preferred Shares the aggregate amount of £355,545, and
- (c) finally, in paying to the holders of Z Preferred Shares the balance of any amounts due to preferred shareholders.

Details of shares shown as liabilities are as follows:

Allotted and issued:			30.9.15	31.12.14
Number:	Class:	Nominal value:	£	£
591,104	X Preference shares	£0.00 1	591	591
355,545	Y Preference shares	£0.00 1	356	356
190,771	Z Preference shares	£0.00 1	<u>191</u>	<u>191</u>
			<u>1,138</u>	<u>1,138</u>

At 30 September 2015 and 31 December 2014, £1,138 of preference share capital was unpaid.

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.9.15 £	31.12.14 £
Within one year	41,028	41,028
Between one and five years	<u>70,815</u>	<u>58,415</u>
	<u>111,843</u>	<u>99,443</u>

Operating lease commitments relate to rental of land and buildings.

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**19. DEFERRED TAX ASSET / (LIABILITY)**

	30.9.15	31.12.14
	£	£
Balance at 1 January	353,529	-
Movement in the period	<u>(412,088)</u>	<u>353,529</u>
Balance at 30 September	<u>(58,559)</u>	<u>353,529</u>

The balance at 30 September 2015 represents deferred tax assets of £523,516 (2014: £353,529) and deferred tax liabilities of £582,075 (2014: £nil).

The deferred tax assets recognised relate to timing differences arising from share based payment transactions of £172,188 (2014: £178,183) and unutilised trading losses carried forward to future periods of £351,328 (2014: £175,346).

The deferred tax liabilities recognised relate to timing differences from accelerated capital allowances of £58,664 (2014: £nil) and timing differences on capitalised development costs of £523,411 (2014: £nil).

**20. PENSION COMMITMENTS**

The pension cost charge for the period amounted to £32,778 (2014: £21,327).

Contributions outstanding at the reporting date amounted to £8,782 (2014: £6,021).

**21. ULTIMATE PARENT COMPANY**

The company has no controlling party.

**22. RELATED PARTY DISCLOSURES**

The emoluments of the directors, who are considered key management personnel, are disclosed in note 4.

During the period, £250,000 (2014: £nil) was received from B Gill, a director, as an advance of subscription monies for the future issue of ordinary shares. At 30 September 2015, the company was liable to issue 441,174 ordinary shares to B Gill with a total market value of £250,000 (2014: £nil). These shares were subsequently issued on 31 March 2016.

During the period, the company made sales of £599,484 (2014: £nil) to Fuel 3D Inc, a subsidiary. The company also provided interest free loans amounting to £135,782 (2014: £220,211), made payments for goods amounting to £nil (2014: £905) on its behalf, and charged management fees of £225,000 (2014: £300,000).

At 30 September 2015, the net amount owed to the company by Fuel 3D Inc was £1,480,777 (2014: £520,512).

**23. CONTINGENT LIABILITIES**

*(i) Preference share redemption liability*

Recognition of the preference share liability has been made on the assumption it will be settled in November 2016. Should this not occur, these preference shares will instead be redeemable in stages, in equal payments of £500,000 per annum commencing in year ending 31 January 2018 and in each financial year thereafter. Staged redemption payments are subject to minimum retained reserves of at least £2 million pre-redemption and are capped at £4 million.

*(ii) Issue of ordinary shares*

The company has reserved up to 756,030 ordinary shares for issue to an existing shareholder subject to certain milestones being met. At 30 September 2015, the number of reserved shares not yet issued was 551,860.

The company has reserved a further 3,881,164 of ordinary shares for issue to employees under share option plans, subject to vesting conditions being satisfied. The terms of these share option plans are disclosed in note 25. At 30 September 2015, none of these share options had been exercised by employees.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015

24. POST BALANCE SHEET EVENTS

(i) *Issue of ordinary shares*

Between 1 October 2015 and 31 May 2016, the company issued 4,242,690 ordinary shares of £0.0001 each to existing shareholders for a total consideration of £2,404,205.

(ii) *Grant of share options*

On 26 January 2016, the company granted options over 415,690 ordinary shares to employees under the share option plans disclosed in note 25.

**FUEL 3D TECHNOLOGIES LIMITED (REGISTERED NUMBER: 08852503)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JANUARY 2015 TO 30 SEPTEMBER 2015**

**25. SHARE-BASED PAYMENT TRANSACTIONS**

In 2014, the company established an approved Enterprise Management Incentive share option plan, and an unapproved share option plan.

During the period, the company granted 704,704 share options (2014: 3,176,460). The estimated fair value of each share option at the date of grant is £0.56640 (2014 options: £0.09991). The estimated fair values were calculated by applying a Black-Scholes option pricing model.

The model inputs and assumptions were:

	2015 Options	2014 Options
Share price at grant date	£0.56667	£0.10000
Exercise price	£0.00025	£0.00010
Expected volatility	52.71%	52.71%
Expected dividend yield	0%	0%
Estimated contractual life	3 years	3 years
Risk-free interest rate	1.8%	1.8%

The expected volatility rate was determined by reference to the historical volatility of a publicly traded company also engaged in the development and sale of 3D products.

50% of the options granted vest on a straight line basis over 3 years and any options granted may be exercised at any time after a stock exchange listing. Recognition of the share based payments in these financial statements has been made based on an expectation that 50% (2014: 100%) of options granted will fully vest and be exercised.

Further details of the share options granted are as follows:

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	2015	2015 £	2014	2014 £
At beginning of the period	3,176,460	£0.0001	-	-
Granted	704,704	£0.00025	3,176,460	£0.0001
Forfeited	-	-	-	-
At end of the period	<u>3,881,164</u>	<u>£0.0001</u>	<u>3,176,460</u>	<u>£0.0001</u>

No share options were exercised or forfeited in the period, nor was there any modification to the option schemes.

The range of exercise prices of share options outstanding at the end of the period was £0.0001 to £0.00025.

	2015 £	2014 £
Expense arising from share based payment transactions	<u>3,694</u>	<u>157,106</u>