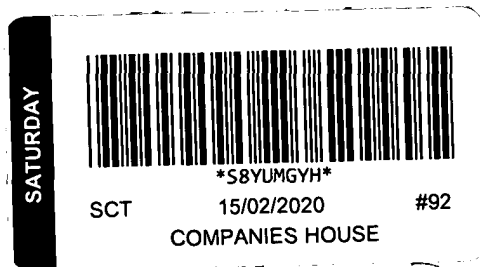


Tritech International Limited

Annual Report and Financial Statements

For the 52 week period ended 28 September 2019



TRITECH INTERNATIONAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 September 2019**

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TRITECH INTERNATIONAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 September 2019**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Bradley
J McCloy
S McLay
P Parker-White
A Mitchell
C Bowers

COMPANY SECRETARY

J McCloy
C Head

REGISTERED OFFICE

Peregrine Road
Westhill Business Park
Aberdeen
AB32 6JL

AUDITOR

Baldwins Audit Services
Fleet House
New Road
Lancaster
LA1 1EZ

SOLICITORS

Stronachs Secretaries Limited
34 Albyn Place
Aberdeen
AB10 1FW

BANKERS

HSBC Bank plc
3 Rivergate, Temple Quay
Bristol
BS1 6ER

TRITECH INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 September 2019

The directors present their annual report and the audited financial statements for the 52 week period ended 28 September 2019. The company's principal activities, business review, key performance indicators and principal risks and uncertainties are presented in the strategic report on page 4.

RESULTS AND DIVIDENDS

The profit for the 52 week period ended 28 September 2019, after taxation, amounted to £829,067(29 September 2018: profit £780,875).

No dividend was paid during the period (29 September 2018: £nil). The directors do not recommend payment of a dividend for the period.

DIRECTORS

The directors who served during the period under review and to the date of this report were:

D Bradley	
J McCloy	
S McLay	
D Norman	Resigned 28 September 2019
P Parker-White	
A Mitchell	
C Bowers	
M Knox	Appointed 7 June 2019, resigned 8 January 2020

ENVIRONMENTAL MATTERS

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

GOING CONCERN

Current economic conditions continue to create uncertainty over the level of demand for the company's products. The company has net assets and a positive cash balance as set out in the balance sheet. The directors have a reasonable expectation that, despite current economic uncertainty, the company has adequate resources to continue in operational existence for the foreseeable future. The ultimate parent company, Moog Inc., continues to provide support to the company. Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

RISKS AND UNCERTAINTIES AND FUTURE DEVELOPMENT

Details of risks and uncertainties, subsequent events and likely future developments are discussed in the strategic report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's key performance indicators and financial risk management policies are described in the strategic report.

RESEARCH AND DEVELOPMENT

The company continues to invest in research and development both to bring new products to market using existing technology and to develop new technologies for new markets and new applications.

OVERSEAS OPERATIONS

The company has a branch operation in Katy, Texas, USA whose results are included in the financial statements.

TRITECH INTERNATIONAL LIMITED
DIRECTORS' REPORT FOR THE PERIOD ENDED 28 SEPTEMBER 2019 (continued)

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemption on FRS102 paragraph 1.12.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

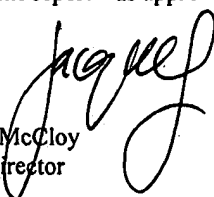
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

APPOINTMENT OF AUDITOR

Baldwins will be proposed for reappointment in accordance with section 483 Companies Act 2006.

This report was approved by the board on 6 February 2020 and signed on its behalf.


J McCloy
Director

TRITECH INTERNATIONAL LIMITED

STRATEGIC REPORT for the period ended 28 September 2019

The directors present their annual strategic report for the 52 week period ended 28 September 2019. In preparing this strategic report, the directors have complied with S414c of the Companies Act 2006.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company is a high-technology business dedicated to providing the reference equipment to the industries it serves. The company designs and manufactures imaging and ancillary equipment for use in underwater applications including defence, energy, engineering, survey and underwater vehicles.

The company's products are distributed and sold around the world.

The results for the period and financial position of the company are as shown in the annexed financial statements.

The balance sheet of the financial statements shows that the company's financial position at the period end has strengthened in net assets and has increased 8.5% compared with the prior period. Turnover has increased 6% over the prior period. Profit before tax has improved to £1,082,589 compared to the prior period of £1,039,176. The price of oil continues to affect the subsea oil & gas market, which is a major part of the company's customer base. The company's diversification strategy of introducing new products into existing markets and entering new markets is delivering positive results. As indicated in previous years, the company's subsidiary operation in Brazil was wound down during the period and the intracompany impairment balance of £60,829 was reversed.

The company continues to pursue a diversification strategy to minimise its exposure to any one sector by introducing new products into existing markets and to entering new markets.

SUBSEQUENT EVENTS

There are no events subsequent to the balance sheet date which have a bearing on the results for the period.

KEY PERFORMANCE INDICATORS

The company's key performance indicators during the period were:

	52 week period ended 28 September 2019 £000	52 week period ended 29 September 2018 £000	Movement during the period %
Turnover	9,710,978	9,183,207	6%
Profit/(loss) before taxation (£)	1,082,589	1,039,176	4%
Profit/(loss) after taxation (£)	829,067	780,875	6%
Average number of employees (No.)	72	71	1%

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure

Competitive pressure in all the company's markets is a continuing risk for the company. The company manages this risk by maintaining leading-edge technology in its product ranges; ensuring products employ technologies that are both current and relevant, by setting the highest quality standards of production, and by providing the highest standards of customer support and service.

Global economic climate

The global economic climate continues to present a risk for the company. The company continues to pursue a diversification strategy in order to manage this risk.

TRITECH INTERNATIONAL LIMITED
STRATEGIC REPORT for the period ended 28 September 2019 (continued)

Price of oil

Activity in the subsea oil and gas market has remained stable during the period. During the period the price of oil per barrel (Crude Oil Brent) has declined from \$83 to \$59 (2018: increase from \$55 to \$77), the average being \$65 (2018: \$66) per barrel.

The company continues to pursue a diversification strategy in order to manage the risk arising from volatility in the price of oil.

Foreign exchange

Foreign exchange risk is managed at a corporate level by Moog Inc.

Interest rates

The company is financed as required by Moog Inc. International Financial Service Centre, Luxembourg. The interest rate applied is 1% over LIBOR.

Group risks

Group risks are discussed in Moog Inc.'s Quarterly and Annual Reports which do not form a part of this report.

FUTURE DEVELOPMENTS

The company continues to seek opportunities by the introduction of new products into existing markets and by diversification into new markets. The company has achieved growth in revenue in line with prior period expectation that turnover would not increase at the same rate as the prior year. The company remains profitable, also in line with prior period expectations. The directors are of the opinion that the company will continue to be profitable next year and that turnover is not expected to increase at a greater rate than it has achieved this year.

This report was approved by the board on 6 February 2020 and signed on its behalf.


J. McCloy
Director

TRITECH INTERNATIONAL LIMITED DIRECTORS' RESPONSIBILITIES STATEMENT

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 period. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRITECH INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Trittech International Limited (the 'company') for the 52 week period ended 28 September 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 September 2019, and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRITECH INTERNATIONAL LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TRITECH INTERNATIONAL LIMITED**

Use of our report

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.

Baldwins Audit Services

Susanna Cassey (Senior Statutory Auditor)

For and on behalf of Baldwins Audit Services

Statutory Auditor

Fleet House
New Road
Lancaster
LA1 1EZ

Date *12 Feb '20*

TRITECH INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

For the 52 week period ended 28 September 2019

	Note	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
TURNOVER	3	9,710,978	9,183,207
Cost of sales		(7,144,002)	(6,758,956)
GROSS PROFIT		2,566,976	2,424,251
Administrative expenses		(1,484,387)	(1,385,144)
OPERATING PROFIT	4	1,082,589	1,039,107
Interest receivable and similar income		-	69
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,082,589	1,039,176
Tax on profit on ordinary activities	8	(253,522)	(258,301)
PROFIT FOR THE FINANCIAL PERIOD		829,067	780,875

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above, and accordingly no separate statement of comprehensive income is presented.

The notes on pages 13 to 24 form part of these financial statements.

BALANCE SHEET
As at 28 September 2019

	Note	28 September 2019 £	29 September 2018 £
FIXED ASSETS			
Intangible assets	9	37,036	-
Tangible assets	10	5,495,539	5,537,800
		<u>5,532,575</u>	<u>5,537,800</u>
CURRENT ASSETS			
Stocks	11	2,338,681	2,553,729
Debtors	12	4,695,075	3,733,498
Cash at bank		297,833	396,463
		<u>7,331,589</u>	<u>6,683,690</u>
CREDITORS: Amounts falling due within one year	13	(1,400,843)	(1,514,980)
NET CURRENT ASSETS		<u>5,930,746</u>	<u>5,168,710</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,463,321</u>	<u>10,706,510</u>
PROVISIONS FOR LIABILITIES	15	(58,523)	(130,779)
NET ASSETS		<u>11,404,798</u>	<u>10,575,731</u>
CAPITAL & RESERVES			
Called up share capital	16	25,200	25,200
Profit and loss account		11,379,598	10,550,531
		<u>11,404,798</u>	<u>10,575,731</u>
SHAREHOLDER'S FUNDS		<u>11,404,798</u>	<u>10,575,731</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 February 2020.


J McCloy
Director

The notes on pages 13 to 24 form part of these financial statements.

TRITECH INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
As at 28 September 2019**

	Called up share capital £	Profit and Loss account £	Total £
At 30 September 2017	25,200	9,769,657	9,794,857
Profit for the financial period and total comprehensive income	-	780,875	780,875
At 29 September 2018	25,200	10,550,531	10,575,731
Profit for the financial period and total comprehensive income	-	829,067	829,067
At 28 September 2019	<u>25,200</u>	<u>11,379,598</u>	<u>11,404,798</u>

The notes on pages 13 to 24 form part of these financial statements.

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

1. ACCOUNTING POLICIES

General information and basis of accounting

Tritech International Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activity are set out in the strategic report on pages 4 to 5.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Tritech International Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Tritech International Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Tritech International Limited is consolidated in the financial statements of its ultimate parent, Moog Inc., which may be obtained from the address in note 19. Accordingly, consolidated financial statements of Tritech International Limited and Tritech do Brasil Servicos e Equipamentos Submarinos Ltda have not been prepared, as permitted by S401 of the Companies Act 2006. The financial statements present information about the company as an individual undertaking and not about its group.

Exemptions have been taken in these separate company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Related parties

Under S33 FRS 102, the company is exempt from disclosing related party transactions with wholly-owned entities that are part of the Moog group of companies.

Going concern

The current economic conditions create uncertainty. The company has net assets and a positive cash balance as set out in the balance sheet. After making enquiries, and in view of the confirmed continuing support of the ultimate parent company, the directors have a reasonable expectation that despite the current economic uncertainty the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following annual rates in order to write off the cost, less estimated residual value, of each asset on straight line basis over its estimated useful life.

Buildings	-	2.5%
Plant, equipment, computer hardware & vehicles	-	20% - 33%

Fixed assets are depreciated when they are brought into use.

Stock

Stock is valued at standard cost on a FIFO basis. Stocks are stated at the lower of cost and estimated selling price less cost to sell, which is equivalent to net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activities. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion or disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes. Transactions are recorded as sales when the delivery of products or performance of services takes place in accordance with the contracted terms of the sale. Turnover generated on service sales is recognised as incurred as the service is performed.

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

1. ACCOUNTING POLICIES (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate ruling on the date of the transaction. Balance sheet items denominated in foreign currencies are translated at the exchange rate ruling on the balance sheet date. Foreign currency exchange differences are included in the profit and loss account.

Research and development expenditure

Research and development expenditure is written off in the financial period in which it is incurred.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation and provision for impairment.

Amortisation is provided at the following annual rates in order to write off the cost, less estimated residual value, of each asset on straight line basis over its estimated useful life.

Computer software	25% - 33%
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TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

1. ACCOUNTING POLICIES (continued)

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Financial instruments

The financial instruments which the company enters into are transactions that result in the recognition of financial assets and liabilities such as accounts payable and receivable and loans to/from related parties.

The company does not enter into equity instrument agreements.

Debt instruments that are payable within one year, typically trade payables and receivables, are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are classified according to the substance of the contractual arrangements.

Financial assets and liabilities are only offset in the statement of financial position when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of assets (continued)

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Impairment of assets:

The directors constantly review factors likely to impact the value or recoverability of assets held by the group. In conducting their review they consider both internal and external sources of information as well as past experiences and market conditions. As far as the directors are aware there are no prevailing indications that assets held without impairment require one nor where an impairment has already been made that the amount of that impairment requires adjustment.

Revenue recognition:

Turnover (Note 3) in relation to the sale of goods is recognised when the significant risks and rewards of ownership are considered to have been transferred to the buyer, which is typically when the goods are physically delivered to the customer. Turnover in relation to services is recognised once all agreed work has been performed. An exercise is performed each month to ascertain whether such risks and rewards have been transferred and whether such work has been completed.

Debtor provisioning:

The company exercises judgement as to its ability to collect outstanding trade debtors and in the event that such recoverability becomes uncertain makes a provision against that debt. The company analyses its historical collection experience and current economic trends when determining the extent to which a provision should be made. The value of the provision held at the balance sheet date was £572 (2018:£1,284).

Stock provisioning:

The carrying value of the company's stock (£2,338,681) has been reviewed using commercial judgement with regard to the assessment of the appropriate level of provisioning against stock obsolescence. The value of the provision held at the balance sheet date was £733,381 (2018: £650,424).

Deferred tax:

Note 14 contains details of the company's deferred taxation. Liabilities (£68,636) recognised are determined by reference to the likelihood of settlement and the likelihood that assets (£Nil) are received is based on assumptions of future actions.

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

3. TURNOVER

All turnover arises on the company's principal business activity and originates from the United Kingdom. The geographical analysis of the company's turnover by destination is as follows:

	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
United Kingdom	3,431,806	3,081,009
Rest of Europe	2,244,903	2,799,558
USA	1,481,540	1,492,731
Rest of World	2,552,729	1,809,879
	<u>9,710,978</u>	<u>9,183,207</u>

An analysis of the company's revenue is as follows:

	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
Turnover:		
Sale of goods	9,039,948	8,648,512
Servicing of goods	238,238	230,858
Rental income	432,791	303,837
	<u>9,710,978</u>	<u>9,183,207</u>

4. OPERATING PROFIT / (LOSS)

The operating profit / (loss) is stated after charging/(crediting):

	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
Amortisation charged to administrative expenses (note 9)	4,475	-
Depreciation – owned assets (note 10)	269,285	243,946
R&D expenditure	1,222,581	1,205,779
Operating lease rentals payable	142,826	126,177
Operating lease rentals receivable	(432,791)	(303,837)
Foreign exchange loss	55,263	74,977
Reversal of impairment of intercompany receivable	(60,829)	-
Cost of stock recognised as an expense	3,848,808	3,664,159
Impairment of stock recognised as an expense	77,728	60,253
	<u>77,728</u>	<u>60,253</u>

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the 52 week period ended 28 September 2019

5. AUDITOR'S REMUNERATION

	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
Fees payable to the company's auditor for:		
- the audit of the company's annual financial statements	11,850	11,000
- the provision of taxation compliance services	2,370	2,200
- other tax advisory services	270	250
	<u>14,490</u>	<u>13,450</u>

6. STAFF COSTS

The average monthly number of employees (including directors) during the period was

	52 week period ended 28 September 2019 No	52 week period ended 29 September 2018 No
Production	35	32
Sales	10	10
Administration	7	7
R&D	20	22
	<u>72</u>	<u>71</u>

Their aggregate remuneration comprised:

	£	£
Wages and salaries	2,988,847	2,845,897
Social security costs	287,449	270,763
Other pension costs	198,776	188,888
	<u>3,475,072</u>	<u>3,305,548</u>

7. DIRECTORS' EMOLUMENTS

	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
Emoluments	<u>554,736</u>	<u>448,643</u>

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

7. DIRECTORS EMOLUMENTS (continued)

	2018 No	2017 No
The number of directors who are accruing contributions in respect of the defined contribution pension scheme	5	5
	£	£
Total company pension contributions to defined contribution pension schemes	48,277	38,991

The highest paid director received remuneration of £142,131 (2018: £143,095). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,141 (2018: £11,902).

Directors who are not employed by Trittech International Ltd are remunerated by other Moog Inc. group companies and it is not practicable to apportion the emoluments attributable to services provided by them to the company. These directors are D Norman, P Parker-White and C Bowers.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
<i>Current tax:</i>		
UK corporation tax on profit for the period	208,826	194,715
Adjustments in respect of previous periods	-	677
Total current tax	208,826	195,392
<i>Deferred tax:</i>		
Origination and reversal of timing differences	44,696	65,371
Adjustment in respect of previous periods	-	(2,462)
Total deferred tax	44,696	62,909
Tax on profit on ordinary activities	253,522	258,301

Factors affecting tax charge for the current period

The standard rate of tax applied to the reported profit on ordinary activities is 19% (2018: 19%). The Finance Act 2016 reduced the main rate of UK corporation tax to 17% from 1 April 2020.

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK Corporation Tax to the profit before tax is as follows:

	52 week period ended 28 September 2019 £	52 week period ended 29 September 2018 £
Profit/(loss) for the period – continuing operations	<u>1,082,589</u>	<u>1,039,176</u>
Tax on profit/(loss) at standard UK tax rate of 19% (2018: 19%)	205,692	197,443
Effects of:		
Fixed asset differences	18,799	61,074
Expenses not deductible for tax purposes	(7,049)	1,568
Adjustments from previous periods	(697)	(1,782)
RDEC	36,777	-
Total tax for the period	<u>253,522</u>	<u>258,301</u>

9. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 29 September 2018	259,240
Additions	41,510
At 28 September 2019	<u>300,750</u>
Amortisation	
At 29 September 2018	259,240
Charge for the period	4,474
At 28 September 2019	<u>263,714</u>
Net book value	
At 28 September 2019	<u>37,036</u>
At 29 September 2018	<u>-</u>

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

10. TANGIBLE FIXED ASSETS

	Plant equipment, computer hardware & vehicles £	Freehold Land £	Freehold Buildings £	Total £
Cost				
At 29 September 2018	2,728,542	782,112	4,614,376	8,125,029
Additions	269,105	-	-	269,105
Disposals	(138,608)	-	-	(138,608)
At 28 September 2019	<u>2,859,038</u>	<u>782,112</u>	<u>4,614,376</u>	<u>8,255,526</u>
Accumulated depreciation				
At 29 September 2018	2,164,602	-	422,628	2,587,230
Charge for the period	149,824	-	119,461	269,285
On disposals	(96,528)	-	-	(96,528)
At 28 September 2019	<u>2,217,898</u>	<u>-</u>	<u>542,088</u>	<u>2,759,987</u>
Net book value				
At 28 September 2019	<u>641,140</u>	<u>782,112</u>	<u>4,072,288</u>	<u>5,495,539</u>
At 29 September 2018	<u>563,940</u>	<u>782,112</u>	<u>4,191,748</u>	<u>5,537,800</u>

Assets held for use in operating leases had a net book value at 28 September 2019 of £375,384 (2018: £288,432).

11. STOCKS

	28 September 2019 £	29 September 2018 £
Raw materials	1,581,182	1,525,682
Work in progress	71,964	68,909
Finished goods	685,535	959,138
	<u>2,338,681</u>	<u>2,553,729</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

12. DEBTORS

	28 September 2019 £	29 September 2018 £
Trade debtors	1,840,219	1,233,594
Amounts owed by group undertakings	2,679,297	2,366,975
Other debtors	30,790	3,456
Prepayments	137,495	119,279
Corporation tax	7,274	10,194
	<u>4,695,075</u>	<u>3,733,498</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 September 2019 £	30 September 2018 £
Trade creditors	782,600	844,877
Amounts owed to group undertakings	48,274	128,315
Amounts owed to subsidiary undertakings	-	57,131
Deferred tax (note 14)	68,636	23,940
Social security and other taxes	111,083	106,630
Accruals and deferred income	390,250	354,088
	<u>1,400,843</u>	<u>1,514,980</u>

14. DEFERRED TAX

The deferred taxation balance is provided as follows:

	28 September 2019 £	29 September 2018 £
Deferred tax asset at beginning of the period	23,940	(38,969)
Credited to the profit and loss account	44,696	62,909
Deferred tax asset at end of period	<u>68,636</u>	<u>23,940</u>

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the 52 week period ended 28 September 2019

14. DEFERRED TAX (CONTINUED)

The deferred tax balance comprises:

	28 September 2019 £	29 September 2018 £
Capital allowances in excess of depreciation	76,035	30,793
Other timing differences	(7,399)	(6,853)
	<u>68,636</u>	<u>23,940</u>

15. PROVISIONS FOR LIABILITIES

	Dilapidations £	Product warranty £	Total £
At 29 September 2018	9,000	121,779	130,779
Charged to profit and loss account	6,000	3,211	9,211
Released unused	-	(81,467)	(81,467)
	<u>15,000</u>	<u>43,523</u>	<u>58,523</u>
At 28 September 2019			

Dilapidations

The leases on which the dilapidations provisions have arisen are as follows and the provisions are expected to be utilised accordingly.

	Lease expires	Dilapidations £
Aberdeen	30 May 2021	9,750
Edinburgh	21 January 2021	5,250
		<u>15,000</u>

Product warranty

The provision for product warranties relates to expected warranty claims on products sold in the last year. It is expected that the majority of this expenditure will be incurred in the next financial year.

TRITECH INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the 52 week period ended 28 September 2019

16. SHARE CAPITAL AND RESERVES

	28 September 2019	29 September 2018
	£	£
Allotted, called up and fully paid 25,200 ordinary shares of £1 each	25,200	25,200

Called up share capital represents the nominal value of shares that have been issued.
The profit and loss account includes current and prior period cumulative profits and losses.

17. PENSION COMMITMENTS

The company participates in the defined contribution section of the Moog Inc. Pension Plan. The cost for the 52 week period ended 28 September 2019 was £198,776 (29 September 2018: £188,888). Contributions payable to the scheme as at 28 September 2019 were £33,815 (29 September 2018: £30,423).

18. OPERATING LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	28 September 2019		29 September 2018	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
Within one year	154,886	2,784	154,886	-
Between one and five years	197,730	8,831	341,413	-
More than five years	-	-	10,773	-
Total	352,616	11,615	507,071	-

19. ULTIMATE PARENT COMPANY

The immediate parent company is Tritech Holdings Limited which is incorporated in Scotland. The ultimate parent company and controlling party of Tritech International Limited and the parent company of the only group for which consolidated financial statements are prepared which include the company is Moog Inc. The financial statements of Moog Inc. can be obtained from: Moog Inc., East Aurora, New York 14042-0018, United States of America. There is no ultimate controlling party of Moog Inc.