Company Registration No. 07247740 (England and Wales)

RAIMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

RAIMS LIMITED

COMPANY INFORMATION

Directors	M Nazarov M Nefedova
Secretary	M Nazarov
Company number	07247740
Registered office	The Dairy House Moneyrow Green Maidenhead Berkshire SL6 2ND
Auditor	Blick Rothenberg Audit LLP Palladium House 1-4 Argyll Street London W1F 7LD
Business address	Suite F, Breakspear Park Breakspear Way Hemel Hempstead Hertfordshire HP2 4TZ

RAIMS LIMITED

CONTENTS

RAIMS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Fair review of the business
The principal activity of the company continued to be the sale of isotopes.

In formulating its plans for 2018, the company made an assessment of its strategic risks and threats to its business continuity. Two factors that emerged from this assessment were:

1. The continued difficult market conditions in this sector, especially for Russian-owned businesses trading in Western markets.
2. The company's increasing vulnerability to potential loss of key workers and expertise.

The market conditions faced by RAIMS during 2018 have improved somewhat in comparison to 2017. Despite continued political difficulties between Russia and Western markets in which the greater part of RAIMS' business is based, there has been a further resurgence in demand for two of the Company's principal products, He-3 and C-14. This is linked to presumed operational challenges faced by RAIMS' competitors. The procurement of these important products seems to outweigh anti-Russian sentiment which, in recent years, has restricted opportunities for RAIMS to grow its revenue and profitability. Although, global investment into oil exploration activities continues to be modest, this remains a key driver of several revenue streams in which RAIMS is engaged.

As a small and niche business, RAIMS is inevitably dependent on the knowledge, experience and market credentials of a small number of key workers and contractors and this became more prevalent during the year following the loss of the company's Commercial Director In order to deliver the Board's initiative adopted in 2016 to reduce operational costs. The Company has responded to this pressure by improving the cost-efficiency of its workforce through continued targeted use of contractors.

In comparison to 2017, the 2018 plan predicted a decrease in sales revenue in recognition of reduced demand for some products and the fact that some products had become unavailable from suppliers due to scheduled maintenance of their facilities. However, actual performance in 2018 was stronger than the planned 2018 revenue and the actual 2017 revenue. It is believed that the primary reason for this outcome is that customers bought products for stock in response to the uncertainties manifest in the global trading economy at this time. As shown in the summary figures below, the company's 2018 revenue performance exceeded forecast by 22%. Furthermore, the improvement in gross profitability far exceeded revenue growth due to changes in the product mix. As a result, gross profit was 35% higher than forecasts and profit before tax (excluding exchange rate profit/ loss) exceeded forecasts by 70%; representing an increase of 44% over the 2017 outcome.

	2018 Actual	2018 Actual vs 2018 Plan	2018 Plan	2018 Plan vs 2017 Actual	2017 Actual
Sales	£15,153,146	+22%	£12,444,965	-3%	£12,809,891
Gross Profit	£3,416,663	+35%	£2,525,055	-17%	£3,040,888
Administrative Expenses*	£997,563	-10%	£1,105,000	-20%	£1,366,069
Profit Before Tax*	£2,418,849	+70%	£1,420,055	-15%	£1,674,737

* Without exchange profit/loss

Exchange rate movements during 2018 were significantly greater than in 2017 due to unforeseen weakening of sterling against the USD and EURO. Exchange gains during 2018 contributed an additional £451,441 to profit before tax.

Principal risks and uncertainties
The company's directors have concluded that the principal risks and uncertainties that will be faced in 2019 and beyond remain similar to those faced in 2018. Due to planned maintenance of manufacturing facilities of FSUE MAYAK PA (the principal supplier) some products will not be available for sale in 2019 which will have a negative effect on overall performance of the company. Depression in the oil industry continues and there seems to be no short-term prospect of this changing. This will continue to have a negative effect on demand for key products such as helium-3 and americium-241.

The political tension between Russia and Western countries continues and may have an unpredictable effect.

In addition, it should be recognised that exchange rate gains have contributed significantly to 2018 profit as a result of the comparative weakness of the GBP against other major currencies. The current trading arrangements between the UK and the rest of the European Union are probably a contributory factor and remain uncertain but it should be recognised that the outcome of the Brexit negotiations might lead to improved confidence in the UK economy and an associated strengthening of GBP; with a consequent negative impact on the contribution from exchange rates.

The Company will continue to optimize its structure as it searches for new businesses and opportunities.

The Company's parent, State Atomic Energy Corporation Rosatom, now requires participation in its comprehensive anti-corruption procedures. Whilst the management team fully supports this requirement, it represents a very heavy burden for a small company and will very likely lead to an increase in operational costs during 2019. The risk of losing expertise remains under close monitoring and the company will strive to maintain and improve resilience during the coming year.

Given the relatively narrow gross profit margin of 22.5% (2017: 23.7%) it is recognised that the company faces a risk from possible increased raw material costs. However, the directors believe that RAIMS continues to occupy a strategically important position in the supply chain where it makes a valuable contribution and, since RAIMS' key suppliers are under the same ultimate control as RAIMS and its parent company, it can be expected that supplier decisions will be made for the benefit of the business as a whole and will not be to the detriment specifically of the Company.

At the balance sheet date, the company had sufficient bank balances and other current assets to meet its short term liabilities. The company does not anticipate any serious financial issues in the forthcoming year. Going forward, the directors feel the company continues to be well placed both commercially and financially to maintain its core business and to seize commercial opportunities as they arise.

On behalf of the board

05 Feb 2019

....
M Nazarov
Director
........5/2/2019

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

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

M Nazarov	
A Vakulenko	(Resigned 1 July 2018)
M Nefedova	

Results and dividends
The results for the year are set out on page 7.

The strategic report contains a fair review of the company's business and a description of the principal risks and uncertainties facing the company.

Dividends were paid during the year amounting £1,300,000 (2017: £600,000).

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

RAIMS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

On behalf of the board

05 Feb 2019

....

M Nazarov

Director

Date: ....5|2\2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAIMS LIMITED

Opinion

We have audited the financial statements of Raims Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 FRS 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 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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.

Blick Rothenberg Audit LLP

Pers Aswani (Senior Statutory Auditor)
for and on behalf of Blick Rothenberg Audit LLP

5|2|2019

Statutory Auditor

Palladium House
1-4 Argyll Street
London
W1F 7LD

RAIMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	15,153,146	12,809,891
Cost of sales		(11,736,483)	(9,769,003)
Gross profit		3,416,663	3,040,888
Administrative expenses		(546,122)	(1,491,826)
Operating profit	4	2,870,541	1,549,062
Interest receivable and similar income	8	11	5
Interest payable and similar expenses	9	(262)	(87)
Profit before taxation		2,870,290	1,548,980
Tax on profit	10	(546,361)	(298,879)
Profit for the financial year		2,323,929	1,250,101

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

RAIMS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Profit for the year	2,323,929	1,250,101
Other comprehensive income	-	-
Total comprehensive income for the year	2,323,929	1,250,101

RAIMS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	12		1,382		2,565
Current assets					
Debtors	14	1,349,321		1,827,430	
Cash at bank and in hand		3,493,208		2,422,242	
		4,842,529		4,249,672	
Creditors: amounts falling due within one year	15	(1,067,535)		(1,499,538)	
Net current assets			3,774,994		2,750,134
Total assets less current liabilities			3,776,376		2,752,699
Provisions for liabilities	17		(235)		(487)
Net assets			3,776,141		2,752,212
Capital and reserves					
Called up share capital	20		150		150
Profit and loss reserves			3,775,991		2,752,062
Total equity			3,776,141		2,752,212

The financial statements were approved by the board of directors and authorised for issue on 5\2\2019 and are signed on its behalf by:

05 Feb 2019

M Nazarov
Director

Company Registration No. 07247740

RAIMS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017		150	2,101,961	2,102,111
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	1,250,101	1,250,101
Dividends	11	-	(600,000)	(600,000)
Balance at 31 December 2017		150	2,752,062	2,752,212
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	2,323,929	2,323,929
Dividends	11	-	(1,300,000)	(1,300,000)
Balance at 31 December 2018		150	3,775,991	3,776,141

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	**24**		2,769,937		779,065
Interest paid			(262)		(87)
Income taxes paid			(398,720)		(334,759)
Net cash inflow from operating activities			2,370,955		444,219
Investing activities					
Purchase of tangible fixed assets		-		(1,511)	
Interest received		11		5	
Net cash generated from/(used in) investing activities			11		(1,506)
Financing activities					
Dividends paid		(1,300,000)		(600,000)	
Net cash used in financing activities			(1,300,000)		(600,000)
Net increase/(decrease) in cash and cash equivalents			1,070,966		(157,287)
Cash and cash equivalents at beginning of year			2,422,242		2,579,529
Cash and cash equivalents at end of year			3,493,208		2,422,242

1 Accounting policies

Company information

Raims Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Dairy House, Moneyrow Green, Maidenhead, Berkshire, SL6 2ND.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover represents amounts receivable for sale of isotopes net of VAT. Revenue from the sale of isotopes is recognised when the significant risks and rewards of ownership have passed to the buyer (usually on dispatch of the isotopes), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

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

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

Plant and machinery	25% per annum straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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

1 Accounting policies **(Continued)**

Current tax

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

Deferred tax

Deferred tax liabilities are generally 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

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

1.13 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

There are no material estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover and other revenue

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

	2018	2017
	£	£
Turnover analysed by class of business		
Turnover	15,153,146	12,809,891

	2018	2017
	£	£
Other significant revenue		
Interest income	11	5

	2018	2017
	£	£
Turnover analysed by geographical market		
North America	8,318,607	4,526,927
Europe (including UK)	3,543,615	4,533,273
Rest of the World	3,290,924	3,749,691
	15,153,146	12,809,891

4 Operating profit

	2018	2017
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange (gains)/losses	(451,441)	125,757
Depreciation of owned tangible fixed assets	1,183	1,885
Operating lease charges	44,668	54,642

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £451,441 (2017 - £125,757).

5 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	13,000	11,000

6 Employees

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

	2018 Number	2017 Number
Management	1	1
Administration	1	1
	2	2

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	528,832	529,742
Social security costs	68,071	108,494
Pension costs	18,734	28,480
	615,637	666,716
Redundancy payments made or committed	-	292,957

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	447,369	462,437
Company pension contributions to defined contribution schemes	10,000	20,000
	457,369	482,437

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

7 Directors' remuneration (Continued)

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

	2018 £	2017 £
Remuneration for qualifying services	447,369	380,420
Company pension contributions to defined contribution schemes	10,000	10,000

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	11	5

Investment income includes the following:

	2018 £	2017 £
Interest on financial assets not measured at fair value through profit or loss	11	5

9 Interest payable and similar expenses

	2018 £	2017 £
Other finance costs:		
Other interest	262	87

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	546,613	298,720
Adjustments in respect of prior periods	-	260
Total current tax	546,613	298,980
Deferred tax		
Origination and reversal of timing differences	(252)	(101)
Total tax charge	546,361	298,879

10 Taxation (Continued)

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

	2018 £	2017 £
Profit before taxation	2,870,290	1,548,980
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	545,355	298,179
Tax effect of expenses that are not deductible in determining taxable profit	1,032	506
Deferred tax rate difference	(26)	194
Taxation charge for the year	546,361	298,879

11 Dividends

	2018 £	2017 £
Interim paid	1,300,000	600,000

12 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2018 and 31 December 2018	14,418
Depreciation and impairment	
At 1 January 2018	11,853
Depreciation charged in the year	1,183
At 31 December 2018	13,036
Carrying amount	
At 31 December 2018	1,382
At 31 December 2017	2,565

13 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,040,704	1,812,228
Carrying amount of financial liabilities		
Measured at amortised cost	757,155	1,347,029

14 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	1,025,688	1,799,175
Other debtors	15,016	13,053
Prepayments and accrued income	308,617	15,202
	1,349,321	1,827,430

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	65,673	739,622
Corporation tax	286,613	138,720
Other taxation and social security	23,767	13,789
Other creditors	171,087	100,359
Accruals and deferred income	520,395	507,048
	1,067,535	1,499,538

16 Loans and overdrafts

	2018	2017
	£	£
Directors' loans	106	440
Payable within one year	106	440

The directors' loans are unsecured, repayable on demand and no interest is charged.

17 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	**18**	235	487

18 Deferred taxation

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

Balances:	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	235	487

Movements in the year:	2018 £
Liability at 1 January 2018	487
Credit to profit or loss	(252)
Liability at 31 December 2018	235

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances.

19 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to profit or loss in respect of defined contribution schemes	18,734	28,480

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

20 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
150 Ordinary shares of £1 each	150	150
	150	150

20 Share capital **(Continued)**

The share capital has full rights with regards to voting, participation and dividends.

21 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for its offices. Leases are negotiated for an average term of one year with an option to extend at the prevailing market rate.

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

	2018	2017
	£	£
Within one year	18,948	54,288

22 Controlling party

The company is a wholly owned subsidiary of The Open Joint Stock Company Isotope, a company registered and incorporated in Russia.

The directors consider the ultimate parent company to be State Atomic Energy Corporation Rosatom, a company registered and incorporated in Russia. Therefore, the ultimate controlling party is the State of Russia.

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	447,369	755,394

The prior year aggregate compensation includes £292,957 of redundancy costs paid to a former director.

24 Cash generated from operations

	2018	2017
	£	£
Profit for the year after tax	2,323,929	1,250,101
Adjustments for:		
Taxation charged	546,361	298,879
Finance costs	262	87
Investment income	(11)	(5)
Depreciation and impairment of tangible fixed assets	1,183	1,885
Movements in working capital:		
Decrease/(increase) in debtors	478,109	(720,258)
(Decrease) in creditors	(579,896)	(51,624)
Cash generated from operations	2,769,937	779,065