

# **EMP Technologies Limited**

Report and Financial Statements

Year Ended

30 June 2016

Company Number 5302439



# **EMP Technologies Limited**

## **Company Information**

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|                             |   |
|-----------------------------|---|
| <b>Directors</b>            | D Z Ting<br>A G Roy<br>J D Midgley  |
| <b>Company secretary</b>    | P Kltsz   |
| <b>Registered number</b>    | 5302439   |
| <b>Registered office</b>    | Faraday House<br>Eastern Avenue<br>Stretton<br>Burton on Trent<br>Staffordshire<br>DE13 0BB |
| <b>Independent auditors</b> | BDO LLP<br>Mortlock House<br>Station Road<br>Histon<br>Cambridge<br>CB24 9NP                |

# **EMP Technologies Limited**

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# **EMP Technologies Limited**

## **Directors' Report For the Year Ended 30 June 2016**

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The directors present their report and the financial statements for the year ended 30 June 2016.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

### **Principal activity**

The company's principal activity is the design, selling and installation of innovative and patented metal melting and circulation systems, incorporating electro magnetic pumps. The principal activity is based in the non-ferrous metal market, particularly aluminium. The company's product is marketed globally.

### **Results and dividends**

The profit for the year, after taxation, amounted to £444,210 (2015 - £39,469).

### **Directors**

The directors who served during the year were:

D Z Ting  
A G Roy  
N Clear (resigned 16 November 2015)  
J D Midgley (appointed 1 January 2016)

# EMP Technologies Limited

## Directors' Report For the Year Ended 30 June 2016

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### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 10th August 2016 and signed on its behalf.



**J D Midgley**  
Director

# **EMP Technologies Limited**

## **Independent Auditor's report to the members of EMP Technologies Limited**

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We have audited the financial statements of EMP Technologies Limited for the year ended 30 June 2016 which comprise the statement of comprehensive income, the statement of financial position, the cash flow statement, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

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

### **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 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the directors' report.

## EMP Technologies Limited

### Independent Auditor's report to the members of EMP Technologies Limited

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#### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

 BDO LLP

Piers Harrison (Senior statutory auditor)  
for and on behalf of BDO LLP, Statutory auditor  
Cambridge  
United Kingdom

11 AUGUST 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## EMP Technologies Limited

### Statement of Comprehensive Income For the Year Ended 30 June 2016

|   | Note | 2016<br>£        | 2015<br>£        |
|---|------|------------------|------------------|
| Turnover  |      | 4,578,562        | 4,901,395        |
| Cost of sales   |      | (3,071,183)      | (3,699,669)      |
| <b>Gross profit</b>                                       |      | <b>1,507,379</b> | <b>1,201,726</b> |
| Distribution costs  |      | (439,565)        | (381,205)        |
| Administrative expenses                                   |      | (516,709)        | (761,769)        |
| <b>Operating profit</b>                                   | 4    | <b>551,105</b>   | <b>58,752</b>    |
| Interest payable and expenses                             | 6    | (7,608)          | (9,205)          |
| <b>Profit before tax</b>                                  |      | <b>543,497</b>   | <b>49,547</b>    |
| Tax on profit   | 7    | (99,287)         | (10,078)         |
| <b>Profit and other comprehensive income for the year</b> |      | <b>444,210</b>   | <b>39,469</b>    |

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

There was no other comprehensive income for 2016 (2015:£NIL).



# EMP Technologies Limited

Registered number:5302439

## Statement of Financial Position As at 30 June 2016

|   | Note | 2016<br>£             | 2015<br>£              |
|---|------|-----------------------|------------------------|
| <b>Fixed assets</b>                                     |      |                       |                        |
| Tangible assets   | 8    | 180,594               | 183,373                |
|   |      | <u>180,594</u>        | <u>183,373</u>         |
| <b>Current assets</b>                                   |      |                       |                        |
| Stocks  | 9    | 429,834               | 442,048                |
| Debtors   | 10   | 881,627               | 1,651,814              |
| Cash at bank and in hand                                |      | 632,189               | 49,455                 |
|   |      | <u>1,943,650</u>      | <u>2,143,317</u>       |
| Creditors: amounts falling due within one year          | 11   | (1,427,900)           | (2,017,576)            |
| <b>Net current assets</b>                               |      | <u>515,750</u>        | <u>125,741</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>696,344</u>        | <u>309,114</u>         |
| Creditors: amounts falling due after more than one year | 12   | (249,123)             | (312,311)              |
| <b>Provisions for liabilities</b>                       |      |                       |                        |
| Deferred tax  | 13   | (14,355)              | (14,799)               |
| Other provisions  | 14   | (40,000)              | (33,348)               |
|   |      | <u>(54,355)</u>       | <u>(48,147)</u>        |
| <b>Net assets / (liabilities)</b>                       |      | <u><u>392,866</u></u> | <u><u>(51,344)</u></u> |

**EMP Technologies Limited**  
Registered number:5302439

**Statement of Financial Position (continued)**  
**As at 30 June 2016**

|                              | Note | 2016<br>£      | 2015<br>£       |
|------------------------------|------|----------------|-----------------|
| <b>Capital and reserves</b>  |      |                |                 |
| Called up share capital      | 15   | 2              | 2               |
| Share premium account        | 16   | 210,554        | 210,554         |
| Capital contribution reserve | 16   | 1,255,992      | 1,255,992       |
| Profit and loss account      | 16   | (1,073,682)    | (1,517,892)     |
|                              |      | <u>392,866</u> | <u>(51,344)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
10th August 2016.



**J D Midgley**  
Director

The notes on pages 9 to 19 form part of these financial statements.

## EMP Technologies Limited

### Statement of Changes In Equity For the Year Ended 30 June 2016

|  | Share<br>capital<br>£ | Share<br>premium<br>£ | Capital<br>contribution<br>reserve<br>£ | Retained<br>earnings<br>£ | Total equity<br>£ |
|--|-----------------------|-----------------------|---|---------------------------|-------------------|
| At 1 July 2015                               | 2                     | 210,554               | 1,255,992                               | (1,517,892)               | (51,344)          |
| <b>Comprehensive Income<br/>for the year</b> |                       |                       |   |                           |                   |
| Profit for the year                          | -                     | -                     | -                                       | 444,210                   | 444,210           |
| <b>At 30 June 2016</b>                       | <b>2</b>              | <b>210,554</b>        | <b>1,255,992</b>                        | <b>(1,073,682)</b>        | <b>392,866</b>    |

### Statement of Changes In Equity For the Year Ended 30 June 2015

|  | Share<br>capital<br>£ | Share<br>premium<br>£ | Capital<br>contribution<br>reserve<br>£ | Retained<br>earnings<br>£ | Total equity<br>£ |
|--|-----------------------|-----------------------|---|---------------------------|-------------------|
| At 1 July 2014                               | 2                     | 210,554               | 1,255,992                               | (1,557,361)               | (90,813)          |
| <b>Comprehensive Income<br/>for the year</b> |                       |                       |   |                           |                   |
| Profit for the year                          | -                     | -                     | -                                       | 39,469                    | 39,469            |
| <b>At 30 June 2015</b>                       | <b>2</b>              | <b>210,554</b>        | <b>1,255,992</b>                        | <b>(1,517,892)</b>        | <b>(51,344)</b>   |

The notes on pages 9 to 19 form part of these financial statements.

# **EMP Technologies Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2016**

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### **1. General information**

EMP Technologies Limited is a private company incorporated in England and Wales under the Companies Act. The company is limited by shares. The address of the registered office is given on the contents page.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### **2.2 Turnover**

Turnover represents sales to external customer at invoiced amounts less value added tax or local taxes. Revenue is recognised when goods are delivered or services provided.

Revenue on contracts is recognised as work is carried out, after taking into account the company's right to consideration based on the value of goods and services provided to customers in accordance with the accounting policy on long-term contracts as stated below.

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

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### 2. Accounting policies (continued)

#### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

|                              |  |
|------------------------------|--|
| Long-term leasehold property | - over the remaining term of the lease |
| Plant and machinery          | - 10% straight line                    |
| Motor vehicles               | - 20-25% straight line                 |
| Office equipment             | - 25% straight line                    |

#### 2.4 Operating leases

The company has no assets which are financed by leasing agreements that give rights approximating to ownership ("finance leases").

As such, all leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

The benefits of lease incentives received on entering into new leases are spread over the term of the lease.

#### 2.5 Stocks and long term contracts

Stocks are valued at the lower of cost and net realisable value. Work in progress and finished goods value is based on the cost of materials and direct labour costs, together with an appropriate proportion of production overheads, on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Long-term contracts are assessed on a contract by contract basis and are reflected in the statement of comprehensive income by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the statement of comprehensive income as the difference between the reported turnover and related costs for that contract.

#### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

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### 2. Accounting policies (continued)

#### 2.7 Financial instruments

Financial liabilities and equity are classed according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

#### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.9 Foreign currency translation

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the statement of comprehensive income.

#### 2.10 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.11 Pensions

Contributions to the company's defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

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### 2. Accounting policies (continued)

#### 2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.14 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project. The expenditure is treated as if it were all incurred in the research phase only.

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made judgements to;

- Determine whether customer contracts have the characteristics which suggest that they should be accounted for as long term contracts and the impact this has on setting the respective policies and estimates.
- Determine the warranty terms on the goods manufactured and assess the required provision to ensure that potential faults are sufficiently provided.

Other Key Sources of estimation uncertainty;

- Long term contract accounting (Note 9)  
Revenue and profit is recognised in relation to long term contracts as the contract progresses, taking account of milestones or percentage of costs complete based on total estimated contract costs. Parts income will be separated for the projects and recognised upon delivery.
- Warranty provision (Note 14)

Warranty provision is recognised based on 1% of the annual sales less the claims made in the period to a maximum value of £40k.

### 4. Operating profit

The operating profit is stated after charging:

|   | 2016<br>£ | 2015<br>£ |
|---|-----------|-----------|
| Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts | 21,718    | 16,275    |

### 5. Employees

The average monthly number of employees, including directors, during the year was 20 (2015 - 17)

### 6. Interest payable and similar charges

|                               | 2016<br>£ | 2015<br>£ |
|-------------------------------|-----------|-----------|
| Loans from group undertakings | 7,608     | 9,205     |
|                               | 7,608     | 9,205     |



# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 7. Taxation

|  | 2016<br>£     | 2015<br>£     |
|--|---------------|---------------|
| <b>Corporation tax</b>                           |               |               |
| Current tax on profits for the year              | 108,432       | 15,591        |
| Adjustments in respect of previous periods       | (8,701)       | (11,816)      |
|  | <u>99,731</u> | <u>3,775</u>  |
| <b>Total current tax</b>                         | <u>99,731</u> | <u>3,775</u>  |
| <b>Deferred tax</b>                              |               |               |
| Origination and reversal of timing differences   | (444)         | 6,303         |
| <b>Total deferred tax</b>                        | <u>(444)</u>  | <u>6,303</u>  |
| <b>Taxation on profit on ordinary activities</b> | <u>99,287</u> | <u>10,078</u> |

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 8. Tangible fixed assets

|                       | Long-term<br>leasehold<br>property<br>£ | Plant and<br>machinery<br>£ | Assets<br>under<br>construction<br>£ | Total<br>£ |
|-----------------------|---|-----------------------------|--------------------------------------|------------|
| <b>Cost</b>           |   |                             |                                      |            |
| At 1 July 2015        | 68,387                                  | 365,838                     | -                                    | 434,225    |
| Additions             | 6,867                                   | 24,525                      | 7,030                                | 38,422     |
| Disposals             | -                                       | (1,776)                     | -                                    | (1,776)    |
| At 30 June 2016       | 75,254                                  | 388,587                     | 7,030                                | 470,871    |
| <b>Depreciation</b>   |   |                             |                                      |            |
| At 1 July 2015        | 58,443                                  | 192,409                     | -                                    | 250,852    |
| Charge for the period | 5,308                                   | 34,560                      | -                                    | 39,868     |
| Disposals             | -                                       | (443)                       | -                                    | (443)      |
| At 30 June 2016       | 63,751                                  | 226,526                     | -                                    | 290,277    |
| <b>Net book value</b> |   |                             |                                      |            |
| At 30 June 2016       | 11,503                                  | 162,061                     | 7,030                                | 180,594    |
| At 30 June 2015       | 9,944                                   | 173,429                     | -                                    | 183,373    |

### 9. Stocks

|                                     | 2016<br>£ | 2015<br>£ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables       | 374,286   | 323,332   |
| Work in progress (goods to be sold) | 55,548    | 118,716   |
|                                     | 429,834   | 442,048   |

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 10. Debtors

|                                    | 2016<br>£      | 2015<br>£        |
|------------------------------------|----------------|------------------|
| Trade debtors                      | 483,448        | 476,365          |
| Amounts owed by group undertakings | 83,518         | 106,117          |
| Other debtors                      | 483            | 944              |
| Prepayments and accrued income     | 314,178        | 1,068,388        |
|                                    | <u>881,627</u> | <u>1,651,814</u> |

### 11. Creditors: Amounts falling due within one year

|                                    | 2016<br>£        | 2015<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | 412,118          | 656,678          |
| Amounts owed to group undertakings | 338,775          | 1,044,036        |
| Corporation tax                    | 71,432           | 15,591           |
| Taxation and social security       | 32,390           | 29,872           |
| Accruals and deferred income       | 573,185          | 271,399          |
|                                    | <u>1,427,900</u> | <u>2,017,576</u> |

### 12. Creditors: Amounts falling due after more than one year

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 244,123        | 307,311        |
| Other creditors                    | 5,000          | 5,000          |
|                                    | <u>249,123</u> | <u>312,311</u> |

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 13. Deferred taxation

|                               | Deferred tax<br>£ |
|-------------------------------|-------------------|
| At 1 July 2015                | (14,799)          |
| Charged to the profit or loss | 444               |
| <b>At 30 June 2016</b>        | <b>(14,355)</b>   |

The provision for deferred taxation is made up as follows:

|                                | 2016<br>£       | 2015<br>£       |
|--------------------------------|-----------------|-----------------|
| Accelerated capital allowances | (14,903)        | (16,336)        |
| Short term timing differences  | 548             | 1,537           |
|                                | <u>(14,355)</u> | <u>(14,799)</u> |

### 14. Provisions

|                               | Warranty<br>provision<br>£ |
|-------------------------------|----------------------------|
| At 1 July 2015                | 33,348                     |
| Charged to the profit or loss | 6,652                      |
| <b>At 30 June 2016</b>        | <b>40,000</b>              |

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 15. Share capital

|   | 2016<br>£ | 2015<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 2 ordinary shares of £1 each              | <u>2</u>  | <u>2</u>  |

### 16. Reserves

#### Share premium

The reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Capital contribution reserve

In 2010, a capital contribution reserve was set up to reflect the amounts which were owed to Pyrotek Inc (the company's parent company) totalling \$2,070,000 which were converted into a capital contribution.

#### Profit and loss account

This reserve records the cumulative distributable reserves of the entity.

### 17. Contingent liabilities

At the balance sheet date, the company has outstanding bank guarantees in favour of customers of £852,661 (2015 - £1,295,740). There is a group guarantee facility in place which forms part of the group banking arrangement. At the year end, the outstanding bank guarantees under this group facility in respect of other group companies totalled £2,868,631 (2015 - £948,382).

The bank overdraft of £Nil (2015 - £Nil) arises within a group pooling facility which is secured on the company's freehold property and by a cross-guarantee with other group companies. The total liabilities of other group companies under this facility at 30 June 2016 were £Nil (2015 - £210,014), and the group's net position across the facility as a whole was a positive balance of £2,868,631 (2015 - £1,113,518).

### 18. Capital commitments

At 30 June 2016, the company was committed to £Nil of expenditure (2015: £7,351).

### 19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £67,095 (2015 - £90,065). Contributions amounting to £3,048 (2015 - £7,310) were payable to the fund and are included in creditors.

# EMP Technologies Limited

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 20. Commitments under operating leases

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | 2016<br>£      | 2015<br>£      |
|--|----------------|----------------|
| Not later than 1 year                        | 101,538        | 83,336         |
| Later than 1 year and not later than 5 years | 384,893        | 20,914         |
| Later than 5 years                           | 460,000        | -              |
| <b>Total</b>                                 | <b>946,431</b> | <b>104,250</b> |

### 21. Related party transactions

The aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes in relation to the directors for the year ended 30 June 2016 is £126,497 (2015 : £156,033).

### 22. Controlling party

At 30 June 2016, the ultimate parent company and the ultimate controlling party was Pyrotek, Inc. which is incorporated in the state of Washington, United States of America. Pyrotek, Inc. is the parent undertaking of both the smallest and largest groups for which group accounts are drawn up. The registered office of Pyrotek, Inc. is 705 W 1st Avenue, Spokane, WA99201, USA.

### 23. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The financial statements for the year ended 30 June 2014 were the last to be prepared under the previous financial reporting framework.