

AMENDED

EMP Technologies Limited

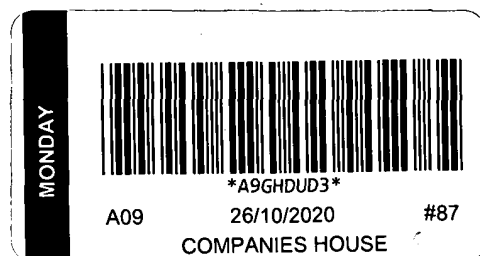
Annual Report and Financial Statements

Year Ended

30 June 2020

Company Number 05302439

- REPLACE THE ORIGINAL ACCOUNTS
- ARE NOW THE STATUTORY ACCOUNTS
- ARE PREPARED AS THEY WERE AT THE DATE OF THE ORIGINAL ACCOUNTS



EMP Technologies Limited

Company Information

Directors	D Z Ting A G Roy J D Midgley
Company secretary	P Kitsz
Registered number	05302439
Registered office	Faraday House Eastern Avenue Stretton Burton on Trent Staffordshire DE13 0BB
Independent auditor	BDO LLP 1st Floor Newton House Cambridge Business Park Cambridge CB4 0WZ

EMP Technologies Limited

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EMP Technologies Limited

Directors' Report For the Year Ended 30 June 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

Directors

The directors who served during the year were:

D Z Ting
A G Roy
J D Midgley

Going concern

The directors have prepared trading and cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. The directors have reviewed the company's working capital requirements, compared to the resources available. The directors have also taken into consideration the effects that both Covid-19 (coronavirus) and Brexit may have on the business over the next 12 months. Refer to note 2.2 for further information regarding the directors' assessment of the going concern position.

The directors have concluded that the company has sufficient financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

EMP Technologies Limited

Directors' Report (continued) For the Year Ended 30 June 2020

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 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 auditor is aware of that information.

Auditor

The auditor, 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 19th October 2020 and signed on its behalf.



J D Midgley
Director

EMP Technologies Limited

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

Opinion

We have audited the financial statements of EMP Technologies Limited ("the Company") for the year ended 30 June 2020 which comprise the Statement of comprehensive income and the Statement of financial position, and the 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 30 June 2020 and of its loss 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.

EMP Technologies Limited

Independent Auditor's report to the members of EMP Technologies Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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 the audit:

- 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.

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 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
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

EMP Technologies Limited

Independent Auditor's report to the members of EMP Technologies Limited (continued)

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

 BDO LLP

Piers Harrison (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Cambridge
United Kingdom
19 October 2020

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 2020

	Note	2020 £	2019 £
Turnover		3,020,962	5,201,416
Cost of sales		(2,280,568)	(3,525,308)
Gross profit		740,394	1,676,108
Distribution costs		(467,007)	(538,256)
Administrative expenses		(632,206)	(724,785)
Operating (loss)/profit		(358,819)	413,067
Interest payable and expenses	5	(10,457)	(1,534)
(Loss)/profit before tax		(369,276)	411,533
Tax on (loss)/profit	6	96,881	(50,701)
(Loss)/profit for the year		(272,395)	360,832

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 - £Nil).

The results stated above are derived from continuing activities.

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

EMP Technologies Limited

Registered number:05302439

Statement of Financial Position As at 30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	200,250	220,337
		<u>200,250</u>	<u>220,337</u>
Current assets			
Stocks	8	743,387	669,573
Debtors: amounts falling due within one year	9	1,113,093	1,813,504
Cash at bank and in hand		18,804	133,664
		<u>1,875,284</u>	<u>2,616,741</u>
Creditors: amounts falling due within one year	10	(947,647)	(1,219,815)
Net current assets		<u>927,637</u>	<u>1,396,926</u>
Total assets less current liabilities		<u>1,127,887</u>	<u>1,617,263</u>
Creditors: amounts falling due after more than one year	11	(203,658)	(393,749)
		<u>924,229</u>	<u>1,223,514</u>
Provisions for liabilities			
Deferred tax	12	(20,544)	(21,971)
Other provisions	13	(24,964)	(50,427)
		<u>(45,508)</u>	<u>(72,398)</u>
Net assets		<u><u>878,721</u></u>	<u><u>1,151,116</u></u>

EMP Technologies Limited
Registered number: 05302439

Statement of Financial Position (continued)
As at 30 June 2020

		2020	2019
	Note	£	£
Capital and reserves			
Called up share capital	14	2	2
Share premium account	15	210,554	210,554
Other reserves	15	1,255,992	1,255,992
Profit and loss account	15	(587,827)	(315,432)
		<u>878,721</u>	<u>1,151,116</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19th October 2020.



J D Midgley
Director

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 2020

1. General information

EMP Technologies Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Directors' Report.

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 Financial Reporting Standard 102 Section 1A - small entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company has applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017. The policies applied by the company under the previous edition of FRS 102 are not materially different to FRS 102 (March 2018) and have not impacted on equity or profit or loss.

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

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared trading and cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. The directors have reviewed the company's working capital requirements, compared to the resources available. The directors have also taken into consideration the effects that both Covid-19 (coronavirus) and Brexit may have on the business over the next 12 months.

The company is part of the Pyrotek Inc. group. Note 16 explains that there is a group pooling facility with certain other group companies, which is secured by a cross-guarantee with certain other group companies, and on freehold property held by one of the group companies that is party to the facility. At the year end the net position was a positive cash balance of £2,004,390 (2019 - positive balance of £1,213,406). In addition there is a group guarantee facility in place with certain other group companies in respect of outstanding bank guarantees, as explained in note 16. In performing their going concern assessment, the directors have reviewed the trading and cash flow forecasts for the group entities included within this group pooling facility, to determine the level of funds and headroom available under the shared facilities and to assess the likelihood of any guarantee events arising.

Following this assessment, the directors have concluded that the company has sufficient liquid financial resources in order to meet its liabilities as and when they fall due for the foreseeable future, and accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover represents sales to external customers 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 2020

2. Accounting policies (continued)

2.4 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the remaining term of the lease
Plant and machinery	- 10-33% straight line
Motor vehicles	- 20-25% straight line
Office equipment	- 10-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 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.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the statement of comprehensive income over the term of the lease.

2.6 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.

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

Financial assets including cash at bank and trade and other debtors are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities including trade and other creditors as well as bank overdrafts are measured initially at transaction price (including transactions costs) and subsequently held at amortised cost.

Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.10 Finance costs

Finance costs are charged to profit or loss 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.

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

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 Warranty provision

The company offers warranties to its customers on goods and services supplied, according to the specific terms of customer purchase agreements. At the time that revenue is recognised, the company records a provision for estimated costs under its warranties. These costs are estimated based on historical experience and any known warranty issues. The company periodically assesses the adequacy of its recorded warranty provision and adjusts the amounts as necessary.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 2020

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 contracts accounting (note 8, 9 and 10)

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 13)

Warranty provision is recognised based on 1% of the annual sales less the claims made in the period plus provision for any known warranty issues. The percentage of sales that is applied to the warranty provision is assessed regularly by reference to the company's experience of incurring warranty rectification costs on completed contracts.

4. Employees

The average monthly number of employees, including directors, during the year was 23 (2019 - 22).

5. Interest payable and similar expenses

	2020 £	2019 £
Loans from group undertakings	10,457	1,534

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

6. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on (losses)/profits for the year	(66,921)	51,805
Adjustments in respect of previous periods	(28,533)	-
	<u>(95,454)</u>	<u>51,805</u>
Total current tax	<u>(95,454)</u>	<u>51,805</u>
Deferred tax		
Origination and reversal of timing differences	(1,427)	777
Adjustment in respect of prior periods	-	(1,881)
	<u>(1,427)</u>	<u>(1,104)</u>
Total deferred tax	<u>(1,427)</u>	<u>(1,104)</u>
Taxation on (loss)/profit on ordinary activities	<u>(96,881)</u>	<u>50,701</u>

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

7. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Assets under construction £	Total £
Cost				
At 1 July 2019	79,889	539,602	4,054	623,545
Additions	8,520	43,255	-	51,775
Transfers between classes	-	4,054	(4,054)	-
At 30 June 2020	<u>88,409</u>	<u>586,911</u>	<u>-</u>	<u>675,320</u>
Depreciation				
At 1 July 2019	69,616	333,592	-	403,208
Charge for the year on owned assets	6,478	65,384	-	71,862
At 30 June 2020	<u>76,094</u>	<u>398,976</u>	<u>-</u>	<u>475,070</u>
Net book value				
At 30 June 2020	<u>12,315</u>	<u>187,935</u>	<u>-</u>	<u>200,250</u>
At 30 June 2019	<u>10,273</u>	<u>206,010</u>	<u>4,054</u>	<u>220,337</u>

8. Stocks

	2020 £	2019 £
Raw materials and consumables	455,993	349,227
Work in progress (goods to be sold)	287,394	320,346
	<u>743,387</u>	<u>669,573</u>

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

9. Debtors

	2020 £	2019 £
Trade debtors	339,364	414,479
Amounts owed by group undertakings	69,151	232,240
Other debtors	26,972	481
Prepayments and accrued income	599,280	1,166,304
Corporation tax recoverable	78,326	-
	<u>1,113,093</u>	<u>1,813,504</u>

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	193,758	291,699
Amounts owed to group undertakings	541,479	614,143
Corporation tax	-	24,805
Other taxation and social security	8,556	40,036
Accruals and deferred income	203,854	249,132
	<u>947,647</u>	<u>1,219,815</u>

11. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Amounts owed to group undertakings	<u>203,658</u>	<u>393,749</u>

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

12. Deferred taxation

	2020 £
At beginning of year	(21,971)
Charged to profit or loss	1,427
At end of year	(20,544)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(22,796)	(23,484)
Short term timing differences	2,252	1,513
	(20,544)	(21,971)

13. Provisions

	Warranty provision £
At 1 July 2019	50,427
Charged to profit or loss	17,518
Provision released	(15,338)
Utilised in year	(27,643)
At 30 June 2020	24,964

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

14. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 (2019 - 2) ordinary shares of £1.00 each	2	2

15. Reserves

Share premium account

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.

16. Contingent liabilities

At the balance sheet date, the company has outstanding bank guarantees in favour of customers of £333,375 (2019 - £337,916). 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 £165,981 (2019 - £163,943).

The bank overdraft of £Nil (2019 - £Nil) arises within a group pooling facility which is secured on freehold property owned by the group and by a cross-guarantee with other group companies. The group's net position across the facility as a whole was a positive cash balance of £2,004,389 (2019 - £1,213,406).

17. 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 £153,967 (2019 - £106,067). Contributions amounting to £11,848 (2019 - £8,896) were payable to the fund and are included in creditors.

EMP Technologies Limited

Notes to the Financial Statements For the Year Ended 30 June 2020

18. Commitments under operating leases

At 30 June 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	97,740	96,761
Later than 1 year and not later than 5 years	377,761	369,080
Later than 5 years	119,079	208,734
	<u>594,580</u>	<u>674,575</u>

19. Subsequent events

Subsequent to the year end, the company enacted a restructuring programme, making a total of 4 employees redundant in response to the business challenges posed by the current challenging business environment. This process commenced after the year ended 30 June 2020, accordingly the company has recognised all costs associated with these redundancies subsequent to the year ended 30 June 2020.

20. Controlling party

At 30 June 2020, 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 the largest groups for which group accounts are drawn up. The registered office of Pyrotek, Inc. is 705 W 1st Avenue, Spokane, WA99201, USA.