

Registration number: 06032094

# **Mining Explosives Limited**

## **Report and Financial Statements**

31 December 2020



## Mining Explosives Limited

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## Mining Explosives Limited

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**Directors** Mr Ben Williams

Mr Olivier Obst

**Company  
secretary** Mr David Bloor

**Independent  
Auditors** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Chamberlain Square  
Birmingham  
B3 3AX

**Registered office** Unit 1  
Venture Crescent  
Nix's Hill Industrial Estate  
Alfreton  
Derbyshire  
DE55 7RA

## **Directors' Report**

### **for the Year Ended 31 December 2020**

The directors present their report and audited financial statements for the year ended 31 December 2020 for Mining Explosives Limited ("the Company"). In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 414B and 415A of the Companies Act 2006.

#### **Principal Activities**

The principal activity of the Company is the supply of initiation systems via assembly at its manufacturing facility in the United Kingdom.

#### **Business review and future developments**

The Company continued to manufacture initiation systems as it has done since its inception.

The Company has been affected like all others by the COVID-19 situation. By adjusting work practices, the Company continued to operate throughout the crisis and it did not have a material effect, and liquidity was maintained.

#### **Results and dividends**

Results for the financial year are set out on page 9 and show a loss after tax of £41,000 (2019: £224,000). No dividend was paid during the year (2019: £nil) and no dividend will be proposed before the date of approval of these financial statements.

#### **Going concern**

In assessing the Company's ability to continue to operate as a going concern the directors have considered the cash position of the Company and, after making enquiries, have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

#### **Directors of the Company**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr Ben Williams

Mr Olivier Obst

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

#### **Independent auditors**

The six year term of PricewaterhouseCoopers LLP has ended, and a review process is being undertaken to decide on the appointment of auditors for 2021. This will be confirmed in General Meeting of the Company.

## **Directors' Report**

**for the Year Ended 31 December 2020**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

### **Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 30th September 2021 and signed on its behalf by:



Mr Ben Williams  
Chairman

# Independent auditors' report to the members of Mining Explosives Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Mining Explosives Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### **Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate results. Audit procedures performed by the engagement team included:

- Review of correspondence with regulators, enquiries of management and testing of the financial statement disclosures to supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, to identify potential management bias; and
- Identifying and testing journal entries, in particular journal entries with unusual descriptions and any journal entries posted with unusual account combinations impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies



exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

*Laura Hill*

Laura Hill (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
30 September 2021

## Mining Explosives Limited

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### Statement of Comprehensive Income for the year ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
<b>Turnover</b>	4	743	697
Cost of sales		<u>(548)</u>	<u>(622)</u>
<b>Gross profit</b>		<b>195</b>	<b>75</b>
Administrative expenses		<u>(237)</u>	<u>(338)</u>
<b>Operating loss</b>	5	<b>(42)</b>	<b>(263)</b>
Interest payable and similar expenses	7	<u>(9)</u>	<u>(12)</u>
<b>Loss before tax</b>		<b>(51)</b>	<b>(275)</b>
Tax on loss	8	<u>10</u>	<u>51</u>
<b>Loss for the financial year</b>		<b><u>(41)</u></b>	<b><u>(224)</u></b>

The above results were derived from continuing operations.

The company has no recognised gains or losses in the current or prior year other than the results above.

The notes on pages 12 to 24 form an integral part of these financial statements.

## Mining Explosives Limited

### Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
<b>Fixed assets</b>			
Tangible assets	9	49	69
<b>Current assets</b>			
Stocks	10	109	137
Debtors	11	480	249
Cash at bank and in hand		3	15
		592	401
<b>Creditors: Amounts falling due within one year</b>	12	(339)	(127)
<b>Net current assets</b>		253	274
<b>Total assets less current liabilities</b>		302	343
<b>Creditors: Amounts falling due after more than one year</b>	13	(148)	(148)
<b>Net assets</b>		154	195
<b>Capital and reserves</b>			
Called up share capital	16	350	350
Profit and loss account	17	(196)	(155)
<b>Total equity</b>		154	195

The financial statements on pages 9 to 24 were approved and authorised by the Board on 30th September 2021 and signed on its behalf by:



Mr Ben Williams  
Chairman

The notes on pages 12 to 24 form an integral part of these financial statements.

## Statement of Changes in Equity

for the Year Ended 31 December 2020

	<i>Called up share capital £ 000</i>	<i>Profit and loss account £ 000</i>	<i>Total £ 000</i>
At 1 January 2019	350	69	419
Loss for the year	-	(224)	(224)
Total comprehensive loss	-	(224)	(224)
At 31 December 2019	350	(155)	195
At 1 January 2020	350	(155)	195
Loss for the year	-	(41)	(41)
Total comprehensive loss	-	(41)	(41)
At 31 December 2020	350	(196)	154

The notes on pages 12 to 24 form an integral part of these financial statements.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 1 General information

Mining Explosives Limited (the "Company") is a private company limited by shares incorporated in England, United Kingdom.

The address of its registered office is:

Unit 1  
Venture Crescent  
Nix's Hill Industrial Estate  
Alfreton  
Derbyshire  
DE55 7RA

### 2 Accounting policies

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The following principal accounting policies have been consistently applied.

The Company's functional and presentational currency is Pounds Sterling (£) and rounded to the nearest '000.

#### **Going Concern**

In assessing the Company's ability to continue to operate as a going concern the directors have considered the cash position of the Company and, after making enquiries, have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

#### **Summary or disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement to prepare a statement of cash flows. (Section 7 of FRS 102 and para 3.17(d)); and
- the requirements under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), 12.29A, 26.18(b), 26.19-26.21 and 26.23 as the information is provided in the consolidated financial statement disclosures.

This information is included in the consolidated financial statements of EPC Groupe, a company incorporated in France and quoted on the Bourse de Paris, and are available to the public from Greffe du Tribunal de Commerce de Nanterre, 4 rue Pable Neruda, 92020 Nanterre.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 2 Accounting policies (continued)

#### **Revenue recognition**

Turnover represents amounts invoiced by the Company in respect of goods supplied and services rendered during the year, excluding tax and discounts. Turnover is recognised when the risks and rewards of ownership transfer to the customer, typically when goods have been delivered.

#### **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.

#### **Foreign currency transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historic 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 the 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 borrowing 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 with 'other operating income'.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or 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 balance sheet 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 Balance Sheet date, except that:

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 2. Accounting policies (continued)

#### *Tax (continued)*

- 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### *Tangible assets*

Tangible fixed assets are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes the 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 a tangible fixed asset 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 Statement of Comprehensive Income during the period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

Expenditure on assets in the course of construction are shown within tangible assets and are not depreciated until they are ready for use.

#### *Depreciation*

Depreciation is charged so as to allocate the cost of tangible assets less their residual value over their estimates useful lives, using the straight-line method. The estimated useful lives range as follows:

##### *Asset class*

Plant and machinery

##### *Depreciation method and rate*

Annual instalments over the estimated useful lives of the assets concerned, which vary between 3 and 10 years

#### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. 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.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 2 Accounting policies (continued)

#### **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 of value.

#### **Trade debtors**

Short term debtors are measured at transaction price, less any impairment.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment (see note 2). If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in the Statement of Comprehensive Income.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.



## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 2 Accounting policies (continued)

#### *Financial instruments*

The company applies section 11 of FRS 102, and only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other account receivable and payable, loans from banks and other third parties, loans to related parties and investment in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including land and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of net realisable value which is an approximation of the amount that the Company would receive for the asset if it were sold at the balance sheet date.

Financial assets and liabilities are offset and the net amounts reported in the Balance Sheet where there is an 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.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

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

There are no significant accounting judgements in these financial statements. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not always equal the related actual results. Estimates and assumptions are used in most areas of reporting. The estimates and assumptions having a greater chance of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### *Impairment of fixed assets*

Fixed assets are assessed for impairment based on the higher of value in use calculations and fair value less costs to sell. The directors consider the assets to have value to the wider EPC Groupe and the carrying value of the assets to be recoverable on sale.

#### *Stock provisions*

The Company manufactures a range of products. To ensure that a fair net carrying amount is stated, the recoverability of the cost of inventory, and the associated provisioning required is considered. When making inventory provisions, management considers the nature and condition of the inventory, together with any time restrictions on its use. Assumptions about the anticipated saleability of finished goods, and future usage of raw materials are made. See note 10 for the net carrying amount of the inventory and associated provision.

### 4 Turnover

The analysis of the Company's turnover by geographical destination is as follows:

	2020 £ 000	2019 £ 000
Europe	743	673
Rest of world	-	24
	<u>743</u>	<u>697</u>

The analysis of the Company's turnover for the year by activity is as follows:

	2020 £ 000	2019 £ 000
Explosives	<u>743</u>	<u>697</u>

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 5 Operating loss

Arrived at after charging

	2020 £ 000	2019 £ 000
Depreciation expense	20	66
Auditors' remuneration - statutory audit fees	5	4
Inventory recognised as an expense	<u>478</u>	<u>468</u>

### 6 Directors' remuneration

Payments amounting to £12,000 (2019: £87,000) were made to EPC United Kingdom PLC for management services.

The Company has no employees other than directors in either the current or prior year.

The directors received no remuneration from the Company in the year (2019: £nil) but receive remuneration from associated companies. As the directors are directors of numerous group companies, it is not possible to identify the remuneration for services relating to this company.

### 7 Interest payable and similar expenses

	2020 £ 000	2019 £ 000
Interest on group loans repayable within five years	<u>9</u>	<u>12</u>

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 8 Tax on loss

Tax credited in the Statement of Comprehensive Income

	2020 £ 000	2019 £ 000
<b>Current taxation</b>		
UK corporation tax	(9)	(43)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(1)	(8)
Tax on loss	(10)	(51)

The tax on loss for the year is the same as the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Loss before tax	(51)	(275)
Corporation tax at standard rate	(10)	(52)
Impact of change in tax rate	-	1
Total tax credit	(10)	(51)

In the Spring UK Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020 and so deferred tax balances have been measured at 19%. The UK Budget 2021 announcement on 3 March 2021 included measures to support economic recovery as a result of the Coronavirus pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

This will have a consequential effect on the Group's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax asset value will not have changed.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 9 Tangible assets

	<i>Plant and machinery £ 000</i>	<i>Total £ 000</i>
<b>Cost</b>		
At 1 January 2020	630	630
At 31 December 2020	630	630
<b>Accumulated depreciation</b>		
At 1 January 2020	561	561
Charge for the year	20	20
At 31 December 2020	581	581
<b>Carrying amount</b>		
At 31 December 2020	49	49
At 31 December 2019	69	69

### 10 Stocks

	<i>2020 £ 000</i>	<i>2019 £ 000</i>
Raw materials	109	137

An impairment provision of £140,000 (2019: £85,000) is reflected in the above due to slow-moving and obsolete stock. There is no significant difference between the replacement value of the stock and the book value.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 11 Debtors

	<i>Note</i>	<i>2020</i> <i>£ 000</i>	<i>2019</i> <i>£ 000</i>
Amounts owed by group undertakings	18	424	203
Corporation tax receivable		52	43
Deferred tax assets	15	2	1
Other debtors		2	2
		<u>480</u>	<u>249</u>

There was no impairment of debtors at the year end (2019: £nil).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

### 12 Creditors: amounts falling due within one year

	<i>Note</i>	<i>2020</i> <i>£ 000</i>	<i>2019</i> <i>£ 000</i>
Trade creditors		87	79
Amounts owed to group undertakings	18	212	-
Amounts owed to parent company	18	30	32
Accruals and deferred income		10	16
		<u>339</u>	<u>127</u>

Amounts owed to group and parent undertakings are unsecured, interest free and repayable on demand.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 13 Creditors: amounts falling after more than one year

	2020 £ 000	2019 £ 000
Amounts owed to parent company	148	148
	<u>148</u>	<u>148</u>

The amount owed to the parent company is a loan which has no repayment date. However, consistent with prior years, the directors continue to disclose the amount as repayable after one year as the directors have received confirmation from the parent undertaking that the amount will not be demanded for repayment for a period of at least 12 months from the balance sheet date. Interest is charged at 2% above LIBOR (London Interbank Offered Rate).

### 14 Financial instruments

#### *Categorisation of financial instruments*

	2020 £ 000	2019 £ 000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>412</u>	<u>205</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>472</u>	<u>275</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise, trade creditors, amounts owed to parent and group undertakings and accruals.

## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 15 Deferred tax

	2020 £ 000
At 1 January	1
Credited to Statement of Comprehensive Income	1
At 31 December	2

The deferred tax asset is made up as follows:

	2020 £ 000	2019 £ 000
Accelerated capital allowances	2	1
	2	1

### 16 Called up share capital

*Allotted, called up and fully paid shares*

	No. 000	2020 £ 000	No. 000	2019 £ 000
Ordinary shares of £1 each	350	350	350	350

Each share has equal voting, dividend and distribution rights.

### 17 Reserves

#### *Profit and loss account*

The profit and loss account represents the accumulated profits, net of losses and distributions of the Company.



## Notes to the Financial Statements

for the Year Ended 31 December 2020

### 18 Related party transactions

The Company entered into the following aggregated transactions with the controlling parties and any associated companies.

<i>For year ended 31 December 2020</i>	<i>Opening £ 000</i>	<i>Sales £ 000</i>	<i>Purchases £ 000</i>	<i>Repayments £ 000</i>	<i>Closing £ 000</i>
EPC United Kingdom Plc.	203	734	(366)	(162)	409
<i>For year ended 31 December 2019</i>	<i>Opening £ 000</i>	<i>Income £ 000</i>	<i>Purchases £ 000</i>	<i>Repayments £ 000</i>	<i>Closing £ 000</i>
EPC United Kingdom Plc	(315)	665	(441)	294	203
Modern Chemical Services	-	24	-	(24)	-
	<u>(315)</u>	<u>689</u>	<u>(441)</u>	<u>270</u>	<u>203</u>

At 31 December 2020 the Company was due £409,000 (2019: £203,000) and owed £201,000 (2019: £Nil) from group undertakings, and owed £30,000 (2019: £32,000) to EPC SA. The amount owed on the shareholder loan to EPC SA at the year-end was £148,000 (2019: £148,000).

Directors of the business are considered the key management personnel. Details of their remuneration are disclosed in note 6.

### 19 Parent and ultimate parent undertaking

The immediate parent undertaking is EPC United Kingdom Plc whose parent undertaking is Societe Anonyme d'Explosifs et de Produits Chimiques ('EPC Groupe'). The ultimate parent company is Argos Wityu Partners S.A., in Luxembourg.

EPC Groupe is the parent undertaking of the largest and smallest group to consolidate the results of the Company and whose financial statements are publicly available at 31 December 2020. The consolidated financial statements of EPC Groupe, a company incorporated in France and quoted on the Bourse de Paris, are available to the public from Greffe du Tribunal de Commerce de Nanterre, 4 rue Pable Neruda, 92020 Nanterre.