

# **Energy Technique Limited**

Report and Financial Statements

Year Ended

31 July 2018

Company Number 00013273



# Energy Technique Limited

## Report and financial statements for the year ended 31 July 2018

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### Directors

R A George  
I Dew

### Secretary and registered office

Michael Anscombe, 47 Central Avenue, West Molesey, Surrey, KT8 2QZ

### Company number

00013273

### Auditor

Ernst & Young LLP, 1 More London Place, London, SE1 2AF

# Energy Technique Limited

## Strategic report for the year ended 31 July 2018

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The directors of Energy Technique Limited ('the Company') present their strategic report for the year ended 31 July 2018.

### **Restructuring**

On 31 July 2018, the assets of the company were transferred to Volution Ventilation UK Limited, a newly created company within the group. Volution Ventilation UK Limited is wholly owned by Volution Ventilation Group Limited and the ultimate parent is Volution Group plc.

### **Principal activity**

Energy Technique Limited is an intermediate parent undertaking that directly holds an investment in one trading subsidiary.

The Company's trading subsidiary was engaged in the manufacture and distribution of premium quality fan coils and commercial heating products to the UK commercial and high-end residential sectors. Their results for the current financial year represented the final year of trading as a manufacturer of ventilation products.

### **Review of the business**

The profit for the period, after taxation, is £502,000 (2017: £11,000 loss).

### **Principal risks and uncertainties (including those arising from the use of financial instruments)**

Due to a change in the activities of the Company, the directors do not consider that there are any principal risks or uncertainties facing this Company at 31 July 2018.

On behalf of the Board



Ian Dew  
Director  
26 April 2019

# Energy Technique Limited

## Directors' report for the year ended 31 July 2018

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The directors of Energy Technique Limited ('the Company') present their report and financial statements for the year ended 31 July 2018.

### Directors

The directors of the Company throughout the year were:

R A George  
I Dew  
L A Stimpson (resigned 20 July 2018)

### Results and dividends

The Company did not trade during the year. The Company paid an interim dividend of £nil (2017: £nil). The directors do not recommend the payment of a final dividend (2017: £nil).

### Directors' liabilities

The enlarged Group of which the Company is a member has granted an indemnity to certain directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force at the date of approving the directors' report.

### Going concern

The directors confirm that after making appropriate enquiries, they have a reasonable expectation that the Company has adequate support from its ultimate parent company, Volution Group plc, to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The directors' responsibilities are set out on page 4 and should be read in conjunction with this statement.

On behalf of the Board



Ian Dew  
Director  
26 April 2019

# **Energy Technique Limited**

## **Directors' responsibilities statement for the year ended 31 July 2018**

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The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

## Independent Auditor's Report to the Members of Energy Technique Limited

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### Opinion

We have audited the financial statements of Energy Technique Limited for the year ended 31 July 2018, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 July 2018 and of its result 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

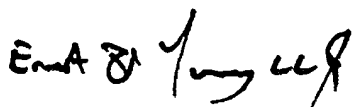
**Auditor's responsibilities for the audit of the financial statements**

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.



Zishan Nurmohamed (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
London  
Date 29/04/2019

# Energy Technique Limited

## Statement of comprehensive income for the year ended 31 July 2018

	Note	Year ended 31 July 2018 £'000	Year ended 31 July 2017 £'000
Administrative expenses		-	(16)
<b>Operating loss</b>		-	(16)
Income from shares in group undertakings		502	-
<b>Profit/(loss) on ordinary activities before taxation</b>		502	(16)
Taxation on loss on ordinary activities	5	-	5
<b>Profit/(loss) for the financial year</b>		502	(11)
Other comprehensive income		-	-
<b>Total comprehensive loss</b>		502	(11)

The results from current and prior years arise primarily from discontinued operations.

The notes on pages 10 to 18 form part of these financial statements.



# Energy Technique Limited

## Statement of financial position at 31 July 2018

Company number 00013273

	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Non-current assets</b>					
Investments	6		-		2,127
			-		2,127
<b>Current assets</b>					
Trade and other receivables	7	-		150	
Cash at bank and in hand		-		-	
		-		150	
<b>Trade and other payables: amounts falling due within one year</b>	8	-		(520)	
<b>Net current liabilities</b>			-		(370)
<b>Net assets</b>			-		1,757
<b>Capital and reserves</b>					
Share capital	9		-		272
Share premium			-		112
Capital redemption reserve			-		94
Profit and loss account			-		1,279
<b>Equity attributable to owners of the parent company</b>			-		1,757

The financial statements were approved by the Board of Directors and authorised for issue on 26 April 2019.



Ian Dew  
Director

The notes on pages 10 to 18 form part of these financial statements.

# Energy Technique Limited

## Statement of changes in equity at 31 July 2018

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
<b>1 August 2016</b>	<b>272</b>	<b>112</b>	<b>94</b>	<b>1,290</b>	<b>1,768</b>
Loss for the year	-	-	-	(11)	(11)
<b>31 July 2017</b>	<b>272</b>	<b>112</b>	<b>94</b>	<b>1,279</b>	<b>1,757</b>
Profit for the year				502	502
Capital reduction	(272)	(112)	(94)	478	-
Distribution from ET Environmental Limited				1,918	1,918
Distribution to Volution Group PLC	-	-	-	(4,177)	(4,177)
<b>31 July 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The capital reduction and distributions arose following a group restructuring, details of the restructuring can be found in note 12.

The notes on pages 10 to 18 form part of these financial statements.

# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018

### 1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements present the results and financial position of Energy Technique Limited ("the Company") for the year ended 31 July 2018. The Company is a private limited company and is incorporated and domiciled in England and Wales. The address of the Company's registered office is 47 Central Avenue, West Molesey, Surrey, KT8 2QZ.

The financial statements were authorised for issue by the board of directors on 26 April 2019 and the statement of financial position was signed on the board's behalf by Ian Dew.

The financial statements have been prepared in accordance with FRS 101, under the historical cost convention and in accordance with the Companies Act 2006.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Volution Group plc. The results of the Company are included in the consolidated financial statements of Volution Group plc which are available from Fleming Way, Crawley, West Sussex RH10 9YX.

The principal accounting policies adopted by the Company are set out in note 2.

### 2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of the financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'
- The requirements of IFRS 7 'Financial Instruments: Disclosures'
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements'
- The requirements of IAS 7 'Statement of Cash Flows'

# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018 (*continued*)

### 2 Accounting policies (*continued*)

#### *Basis of preparation (continued)*

- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

#### *Going concern*

The directors confirm that after making appropriate enquiries, they have a reasonable expectation that the Company has adequate support from its ultimate parent company, Volution Group plc, to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The directors' responsibilities are set out on page 4 and should be read in conjunction with this statement.

#### *Income taxes*

Current income tax assets and liabilities are measured at the amount expected to be recovered from, or payable to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements with the following exceptions:

- Where the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that the directors consider it is probable that there will be taxable profits from which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates enacted or substantively enacted by the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities.

Deferred income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, deferred tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018 (*continued*)

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### 2 Accounting policies (*continued*)

#### *Investments*

Investments are held at cost less accumulated impairment losses.

#### *Impairment of assets*

At each reporting date, the Company reviews the carrying amounts of its assets with definite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are immediately recognised in the statement of comprehensive income.

#### *Debtors*

Debtors are recognised when it is probable that a future economic benefit will flow to the Company. Debtors are carried at original invoice or contract amount less any provisions for discounts and doubtful debts. Provisions are made where there is evidence of a risk of non-payment taking into account ageing, previous experience and general economic conditions.

#### *Cash and cash equivalents*

Cash and short-term deposits comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

#### *Creditors*

Creditors are obliged to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### *Financial assets*

##### *Initial recognition and measurement*

Financial assets within scope are classified as loans and receivables.

All financial assets are recognised initially at fair value plus directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and short-term deposits, other receivables and group balances.

# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018 (*continued*)

### 2 Accounting policies (*continued*)

#### *Financial assets (continued)*

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as tangible assets. The company's loans and receivables comprise receivables in the balance sheet.

##### Derecognition of financial assets

A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Financial liabilities*

##### Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

##### Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest receivable and similar income and interest payable and similar expenses.

##### Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018 (*continued*)

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### 2 Accounting policies (*continued*)

#### *Pensions*

Contributions to defined contribution schemes are recognised in the statement of comprehensive income in the year they become payable. The cost charged to the statement of comprehensive income of providing retirement pensions for employees represents the amounts paid by the Company to various defined contribution pension schemes operated by the Group in the financial year.

#### *Dividends*

Dividends are recognised when they meet the criteria for recognition as a liability. In relation to final dividends, this is when the dividend is approved by the directors in the general meeting, and in relation to interim dividends, when paid.

#### *New standards and interpretations*

There were no new or amended accounting standards relevant to the Company's results that are effective for the first time in 2018 that have a material impact on the Company's financial statements.

The following standards and interpretations have an effective date after the date of these financial statements.

#### *IFRS 9 Financial Instruments*

IFRS 9 Financial Instruments was issued in July 2014 to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 has been endorsed by the EU and is effective for accounting periods beginning on or after 1 January 2018 and was adopted by the Company on 1 August 2018.

IFRS 9 impacts the classification and measurement of the Company's financial instruments and requires certain additional disclosures. IFRS 9 also introduces changes to impairments of financial assets, which will result in the Company moving from an incurred loss model to an expected loss model. Although the new standard impacts the way in which credit loss provisions are calculated, as the Company has historically not incurred significant credit losses. The Company does not anticipate that the impact of this change will be material.

#### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15, as amended, is effective for accounting periods beginning on or after 1 January 2018 and was adopted by the Company on 1 August 2018. IFRS 15 provides a single, principles based 5 step model to be applied to all sales contracts, based on the transfer of control of goods and services to customers. It replaces the separate models for goods, services and construction contracts currently included in IAS11 Construction Contracts and IAS 18 Revenue.

The Company has undertaken analysis of how IFRS 15 should be implemented and the resulting impact on the financial statements. As permitted by IFRS 15 we have applied the new standard using the modified retrospective method. We recognised the cumulative effect of applying the new standard at the date of initial application, 1 August 2018, with no restatement of the comparative period presented.

Our impact assessment has concluded that IFRS 15 does not have a significant impact as the company does not generate revenue.

# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018 (*continued*)

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### **2 Accounting policies (*continued*)**

#### *New standards and interpretations (continued)*

##### *IFRS 16 Leases*

IFRS 16 Leases was issued in January 2017 to replace IAS 17 Leases. The standard is effective for accounting periods beginning on or after 1 January 2019 and will be adopted by the Company on 1 August 2019.

The Directors do not consider IFRS 16 to have a significant impact on the Company.

Other new standards or interpretations in issue, but not yet effective, are not expected to have a material impact on the Company's net assets or results.

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

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

#### *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when these financial statements were prepared and approved. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### *Carry value of investments*

The carrying value of the investments is estimated based on the expected performance and value of the investments factoring in potential expected future net cash flow to be generated from the investment. The Company based its estimation on information available when these financial statements were prepared and approved. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected when they occur. The carrying value of the investment is shown in note 6.



# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018 (continued)

### 4 Directors' remuneration

No remuneration was paid, or is payable, to the directors in their capacity as directors to the Company in the current or previous year. The directors receive remuneration from a fellow group undertaking, Volution Group plc in respect of services to the group of which the Company is a member. Total remuneration paid by the enlarged group to directors of the Company (including pension scheme contributions) was £1,510,000 (2017: £1,962,000). It is not possible to identify the proportion of this remuneration that relates to services to this Company.

### 5 Taxation on profit on ordinary activities

	2018 £'000	2017 £'000
<i>UK corporation tax</i>		
Current tax on losses of the year	-	(3)
Adjustment in respect of previous years	-	(2)
Total current tax	-	(5)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	-	-
Taxation on loss on ordinary activities	-	(5)

The Company has losses of £1,708,000 (2017: £1,529,000) which it has not recognised for deferred tax. The management of the Company has not recognised these losses as there is not certainty these losses will be used in the near future.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2018 £'000	2017 £'000
Profit/(loss) on ordinary activities before tax	502	(16)
Tax on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2017: 19.67%)	95	(3)
Effects of:		
Income not taxable	(95)	-
Adjustment in respect of previous years	-	(2)
Total tax credit for year	-	(5)

The Finance Act 2016, enacted on 15 September 2016, included a further rate change. The 18% rate enacted in the Finance (No. 2) Act 2015 will reduce by 1%, so that from 1 April 2020, the mainstream corporation tax rate will become 17%. These changes were reflected in the figures in these financial statements.

# Energy Technique Limited

Notes forming part of the financial statements  
for the year ended 31 July 2018 (*continued*)

## 6 Investments

	£'000
Cost:	
At 31 July 2017 and 31 July 2018	8,464
Provision for impairment	
At 1 August 2017	6,337
Group restructuring	2,127
At 31 July 2018	8,464
Net book value	
At 31 July 2018	-
At 31 July 2017	2,127

The investment at 31 July 2018 represents a 100% shareholding in the companies set out below, both of which are incorporated in England and Wales.

Group company	Principal activity	Country of incorporation
ET Environmental Limited <sup>1</sup>	Commercial air conditioning and heating products	England
Diffusion Environmental Systems Limited <sup>1</sup>	Dormant	England

Principal shareholdings are of ordinary shares giving rise to complete voting rights in each subsidiary.

Details about the group restructuring can be found in note 12.

## 7 Trade and other receivables

	2018 £'000	2017 £'000
Amounts due from group undertakings	-	150

## 8 Trade and other payables: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	-	501
Other creditors	-	19
	-	520

## 9 Share capital

	2018 £'000	2017 £'000
<i>Allotted, called up and fully paid</i>		
1 (2017: 2,723,566) ordinary shares of £0.10 each	-	272

<sup>1</sup> Registered office: 47 Central Avenue, West Molesey, Surrey, KT8 2QZ

# Energy Technique Limited

## Notes forming part of the financial statements for the year ended 31 July 2018 (*continued*)

### 10 Related party disclosures

The Company has taken advantage of the exemption available under FRS 101 from the requirements in IAS 24 Related Party Disclosures not to disclose transactions with other wholly owned members of the Volution Group plc group ('the Group'), as 100% of the Company's voting rights are controlled within the Group and Group financial statements in which the Company is included are publicly available.

### 11 Controlling parties

The Company's immediate parent undertaking is Volution Group plc.

The parent undertaking of the largest and smallest group for which consolidated financial statements are drawn up that include the results of the Company is Volution Group plc, a public company incorporated in England and Wales. Copies of the group financial statements of Volution Group plc are available from Fleming Way, Crawley, West Sussex RH10 9YX.

The directors consider the ultimate parent and controlling party of the Company to be Volution Group plc.

### 12 Restructuring of the business

On 31 July 2018, the trade and assets of the company were transferred to Volution Ventilation UK Limited, a newly created company within the group. Volution Ventilation UK Limited is wholly owned by Volution Ventilation Group Limited and the ultimate parent is Volution Group plc.

A distribution of the following trade and assets to Volution Ventilation UK Limited took place:

	<b>Transfer to Group company £'000</b>
Amounts owed by group companies	145
Cash and cash equivalents	5
Trade payables	(19)
<b>Total</b>	<b>131</b>

The restructuring also resulted in the following:

A capital reduction where the share capital of the company was reduced from 2,723,566 shares at £0.10 per share to 1 ordinary share at £0.10 per share. A resolution passed to cancel the share premium account and the capital redemption reserve of the Company. The amount arising from the capital reduction was credited to the Company's profit and loss account;

ET Environmental Limited declared a dividend of £502,000 per share to the Company in order to offset the intercompany account.

ET Environmental Limited distributed their intercompany receivable of £4,046,000 due from Volution Ventilation UK Limited to the Company to offset the investment held in ET Environmental Limited. The balance of £1,918,000 was credited to the Company's profit and loss account.

The receivable balance of £4,177,000, due from Volution Ventilation UK Limited, was distributed to Volution Group plc. The distribution was made from the Company's profit and loss account.