
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 10-K/A

(Amendment No. 1)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2020
Commission File No. 1-07109

SERVOTRONICS, INC.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

16-0837866

*(I. R. S. Employer
Identification No.)*

**1110 Maple Street
Elma, New York 14059**

(Address of principal executive offices) (zip code)

(716) 655-5990

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Common Stock	SVT	NYSE American

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Securities Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Based on the closing price of the Common Stock on June 30, 2020 \$7.56 (the last day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the voting stock held by non-affiliates of the registrant was \$12,053,718.

As of March 1, 2021, the number of \$.20 par value common shares outstanding was 2,478,507

Explanatory Note

Servotronics, Inc. (the “Company”) is filing this Amendment No. 1 to Form 10-K for the year ended December 31, 2020, as filed with the Securities and Exchange Commission on April 6, 2021 (“Original Filing”) to amend and restate in its entirety Item 9A, Controls and Procedures.

The Company determined that management’s evaluation of the effectiveness of internal control over financial reporting was not based on a suitable, recognized control framework in accordance with Exchange Act Rule 13a-15(c). While the Company has designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, the Company has determined that it did not use a recognized control framework to conduct management’s evaluation since at least December 31, 2017. Subsequent to the filing date of the Original Filing, an evaluation of the Company’s internal control over financial reporting was conducted based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. This Amendment No. 1 includes management’s assessment on the effectiveness of the Company’s internal control over financial reporting as of December 30, 2020.

Notwithstanding the existence of the material weakness described in Part II. Item 9A – “Controls and Procedures,” the Company believes that the consolidated financial statements in the Original Filing fairly present, in all material respects, the Company’s financial position, results of operations and cash flows as of the dates, and for the periods, presented, in conformity with U.S. generally accepted accounting principles.

This Amendment No. 1 also amends Item 15 of Part IV of the Original Filing solely to include as exhibits the certifications required by Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended. Because no financial statements have been included in this Amendment No. 1, paragraph 3 of the certifications has been omitted. The Company is not including the certifications under Section 906 of the Sarbanes-Oxley Act of 2002 as no financial statements are being filed with this Amendment No. 1.

Except as expressly stated, this Amendment No. 1 does not reflect events occurring after the filing of the Original Filing or modify or update in any way any of the other items or disclosures contained in the Original Filing, including, without limitation, the consolidated financial statements and the related footnotes. Accordingly, this Amendment No. 1 should be read in conjunction with the Original Filing and the Company’s other filings with the SEC subsequent to the filing of the Original Filing.

Item 9A. Controls and Procedures

(i) Disclosure Controls and Procedures

Based on the evaluation of the Company’s disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) required by Exchange Act Rule 13a-15(e), the Company’s principal executive officer and principal financial officer have concluded that as of December 31, 2020 the Company’s disclosure controls and procedures were not effective as a result of the inaccurate disclosure in the Original Filing with respect to the Company’s evaluation of internal control over financial reporting.

(ii) Management’s Report on Internal Control over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal controls over financial reporting (as defined in Exchange Act Rule 13a-15(f)). The Company determined that its previous disclosure regarding management’s evaluation of the effectiveness of internal control over financial reporting was inaccurate as such evaluation was not based on a suitable, recognized control framework in accordance with Exchange Act Rule 13a-15(c). Subsequent to the filing date of the Original Filing, under the supervision and with the participation of management, including the principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (“COSO”). For effective internal control, each of the five COSO components and the underlying 17 principles must be present and functioning and operate together in an integrated manner. The COSO components are (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication and (5) monitoring activities. Management’s initial evaluation of the Company’s internal control over financial reporting, which included transactional testing performed by a third-party as well as ongoing observation and evaluation of controls by management in connection with the audit of the Company’s financial statements, identified significant deficiencies relating to inventory and the accounting for post retirement benefit obligations, however such significant deficiencies were not considered to be material weaknesses. The subsequent evaluation using the COSO framework indicated that the Company did not fully consider and document the COSO components and principles on a timely basis. Management has concluded that the combination of the failure to monitor whether the components of internal control were present and functioning at December 31, 2020 and the previously identified significant deficiencies, in aggregate, constitute a “major deficiency” and a material weakness. Under the COSO framework, when a major deficiency exists a company cannot conclude that it has met the requirement for an effective system of internal control. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected in a timely basis by the Company’s internal controls. As a result, management has concluded that the Company’s internal control over financial reporting was not effective at December 31, 2020.

Management has begun implementing a remediation plan which includes the development of enhanced internal control review procedures and documentation standards aligned with the COSO components and principles. The Company anticipates having those procedures and standards in place in the third and fourth quarters of 2021 to allow management to fully evaluate the Company’s internal control over financial reporting at December 31, 2021.

Notwithstanding the existence of the above-mentioned material weakness, the Company believes that the consolidated financial statements in the Original Filing fairly present, in all material respects, the Company’s financial position, results of operations and cash flows as of the dates, and for the periods, presented, in conformity with U.S. generally accepted accounting principles.

(iii) Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal controls over financial reporting during the fourth quarter of 2020 that have materially affected, or are reasonably likely to affect, the Company’s internal controls over financial reporting.

Item 15. Exhibits and Financial Statement Schedules

[31.1 Certification of Principal Executive Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(Filed herewith\)](#)

[31.2 Certification of Principal Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(Filed herewith\)](#)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SERVOTRONICS, INC.

July 6, 2021

By /s/ Lisa F. Bencel

Lisa F. Bencel

Chief Financial Officer

CERTIFICATION

I, James C. Takacs, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of Servotronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. [Intentionally omitted];
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 6, 2021

/s/ James C. Takacs
James C. Takacs
Chief Operating Officer
(Principal Executive Officer)

CERTIFICATION

I, Lisa F. Bencel, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of Servotronics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. [Intentionally omitted];
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 6, 2021

/s/ Lisa F. Bencel
Lisa F. Bencel
Chief Financial Officer
(Principal Financial Officer)
