

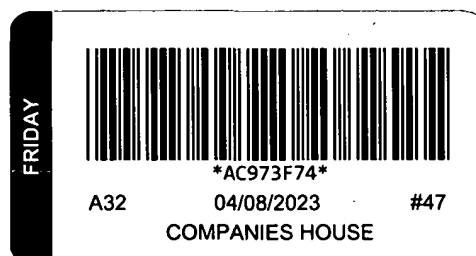
Registered number: 05302439

**EMP TECHNOLOGIES LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 JUNE 2023**



**EMP TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER: 05302439**

**BALANCE SHEET**  
**AS AT 30 JUNE 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	4	113,857	112,116
<b>Current assets</b>			
Stocks	5	848,607	569,368
Debtors: amounts falling due within one year	6	1,834,173	1,659,038
Cash at bank and in hand	7	207,748	1,033,504
		<u>2,890,528</u>	<u>3,261,910</u>
Creditors: amounts falling due within one year	8	(910,658)	(1,842,135)
<b>Net current assets</b>		<u>1,979,870</u>	<u>1,419,775</u>
<b>Total assets less current liabilities</b>		<u>2,093,727</u>	<u>1,531,891</u>
<b>Provisions for liabilities</b>			
Deferred tax	9	(12,490)	(9,101)
Other provisions	10	(64,966)	(28,667)
		<u>(77,456)</u>	<u>(37,768)</u>
<b>Net assets</b>		<u>2,016,271</u>	<u>1,494,123</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Share premium account	12	210,554	210,554
Capital contribution reserve	12	1,255,992	1,255,992
Profit and loss account	12	549,723	27,575
		<u>2,016,271</u>	<u>1,494,123</u>

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 August 2023.



**J D Midgley**  
Director

**EMP TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER: 05302439**

**BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2023**

The notes on pages 3 to 12 form part of these financial statements.

## **EMP TECHNOLOGIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

#### **1. General Information**

The Company is a private company limited by shares and incorporated in England and Wales. The Company's registered office is Faraday House Eastern Avenue, Stretton, Burton On Trent, Staffordshire, DE13 0BB. The Company's registration number is 05302439. The nature of the Company's operations and principal activities is the design, selling and installation of innovative and patented metal melting and circulation systems, incorporating electro magnetic pumps. The principal activity is based in the non-ferrous metal market, particularly aluminium. The Company's product is marketed globally.

#### **2. Accounting policies**

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The directors have prepared trading and cashflow forecasts covering a period of at least 12 months from the date of approval of these financial statements. The directors have reviewed the company's working capital requirements.

The Company is part of the Pyrotek Inc Group and note 14 explains that there is a group pooling facility with certain other group companies which is secured by a cross guarantee with certain other group companies and on the freehold property of one of the group companies that is party to the facility. At the year end the net position was a positive cash balance of £3,834,187 (2022: £3,721,566). In addition there is a group cross guarantee in place with other group companies in respect of outstanding bank guarantees. In performing their going concern assessment the directors have reviewed the trading and cash flow forecasts for the group entities included within the group pooling facility, to determine the level of funds and headroom available under the share facilities and to assess the likelihood of any guarantee events arising.

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

## **EMP TECHNOLOGIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

##### **2.3 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

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

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

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

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

##### **2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

## **EMP TECHNOLOGIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

##### **2.5 Operating leases**

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

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

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

##### **2.6 Research and development**

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

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

##### **2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

##### **2.8 Finance costs**

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

##### **2.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### **2.10 Warranty provision**

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

## **EMP TECHNOLOGIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

##### **2.11 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.12 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the 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:

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

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

##### **2.13 Tangible fixed assets**

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

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

## **EMP TECHNOLOGIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

##### **2.13 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

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

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

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

##### **2.14 Stocks and long term contracts**

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

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

##### **2.15 Debtors**

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

##### **2.16 Cash and cash equivalents**

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

##### **2.17 Creditors**

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

##### **2.18 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.



## EMP TECHNOLOGIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

#### 2. Accounting policies (continued)

##### 2.18 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans 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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

#### 3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Employees	20	18

**EMP TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**4. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 July 2022	95,861	612,544	708,405
Additions	4,935	54,266	59,201
Disposals	(22,181)	(178,061)	(200,242)
At 30 June 2023	78,615	488,749	567,364
<b>Depreciation</b>			
At 1 July 2022	86,353	509,936	596,289
Charge for the year on owned assets	4,008	53,452	57,460
Disposals	(22,181)	(178,061)	(200,242)
At 30 June 2023	68,180	385,327	453,507
<b>Net book value</b>			
At 30 June 2023	10,435	103,422	113,857
At 30 June 2022	9,508	102,608	112,116

**5. Stocks**

	2023 £	2022 £
Raw materials	502,257	348,826
Work in progress	346,350	220,542
	848,607	569,368

# **EMP TECHNOLOGIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

### **6. Debtors**

	2023 £	2022 £
Trade debtors	590,459	338,880
Amounts owed by group undertakings	58,749	399,187
Other debtors	166,112	30,530
Prepayments and accrued income	1,018,853	890,441
	<u>1,834,173</u>	<u>1,659,038</u>

### **7. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	207,748	1,033,504
	<u>207,748</u>	<u>1,033,504</u>

### **8. Creditors: Amounts falling due within one year**

	2023 £	Restated 2022 £
Trade creditors	276,849	310,792
Amounts owed to group undertakings	294,987	292,152
Corporation tax	-	98,408
Other taxation and social security	38,046	31,825
Accruals and deferred income	300,776	1,108,958
	<u>910,658</u>	<u>1,842,135</u>

In the 2022 comparative figures, an amount of £88,370 relating to goods received but not yet invoiced has been reclassified from trade creditors to accruals and deferred income.

**EMP TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**9. Deferred taxation**

	<b>2023 £</b>
At beginning of year	(9,101)
Charged to profit or loss	(3,389)
<b>At end of year</b>	<b>(12,490)</b>

The provision for deferred taxation is made up as follows:

	<b>2023 £</b>	<b>2022 £</b>
Accelerated capital allowances	(15,525)	(11,495)
Short term timing differences	3,035	2,394
	<b>(12,490)</b>	<b>(9,101)</b>

**10. Provisions**

	<b>Warranty provision £</b>
At 1 July 2022	28,667
Charged to profit or loss	36,299
<b>At 30 June 2023</b>	<b>64,966</b>

**11. Share capital**

	<b>2023 £</b>	<b>2022 £</b>
<b>Allotted, called up and fully paid</b>		
2 (2022 - 2) Ordinary shares of £1.00 each	<b>2</b>	<b>2</b>

## **EMP TECHNOLOGIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

#### **12. Reserves**

##### **Share premium account**

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

##### **Capital contribution reserve**

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

##### **Profit and loss account**

This reserve records the cumulative distributable reserves of the entity.

#### **13. Contingent liabilities**

At the balance sheet date, the company has outstanding bank guarantees in favour of customers of £51,803 (2022: £79,677). There is a group guarantee facility in place which forms part of the group banking arrangement. At the year end, the outstanding bank guarantees under this group facility in respect of other group companies totalled £217,173 (2022: £329,241).

The bank overdraft of £NIL (2022: £NIL) arises within a group pooling facility which is secured on freehold property owned by the group and by a cross-guarantee with other group companies. The group's net position across the facility as a whole was a positive cash balance of £3,834,187 (2022: £2,121,662).

#### **14. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £153,756 (2022: £124,558). Contributions amounting to £12,141 (2022: £9,577) were payable to the fund and are included in creditors.

#### **15. Related party transactions**

The Company has taken advantage of the exemptions available with FRS 102 not to disclose details of any transactions between itself and fellow Group undertakings on the basis that it is a subsidiary undertaking where 100% of the voting rights are controlled within the Group whose consolidated financial statements are publicly available.

#### **16. Controlling party**

At 30 June 2023, the ultimate parent company and the ultimate controlling party was Pyrotek, Inc. which is incorporated in the state of Washington, United States of America. Pyrotek, Inc. is the parent undertaking of both the smallest and the largest groups for which group accounts are drawn up. The registered office of Pyrotek, Inc. is 705 W 1st Avenue, Spokane, WA99201, USA.

#### **17. Auditors' information**

The auditors' report on the financial statements for the year ended 30 June 2023 was unqualified.

The audit report was signed on 1 August 2023 by James Delve (Senior statutory auditor) on behalf of PKF Smith Cooper Audit Limited.