

EMP Technologies Limited

Report and Financial Statements

Year Ended

30 June 2013

Company Number 5302439

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EMP Technologies Limited

Report and financial statements for the year ended 30 June 2013

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Directors

D Z Ting
A G Roy
N Clear

Secretary and registered office

N Clear, Faraday House, Eastern Avenue, Stretton, Burton on Trent, Staffordshire, DE13 0BB

Company number

5302439

Auditors

BDO LLP, Lockton House, Clarendon Road, Cambridge, CB2 8FH

EMP Technologies Limited

Report of the directors for the year ended 30 June 2013

The directors present their report together with the audited financial statements for the year ended 30 June 2013

Results

The profit and loss account is set out on page 5 and shows the profit for the year

Principal activities

The company's principal activity is the design, selling and installation of innovative and patented metal melting and circulation systems, incorporating electro magnetic pumps. The principal activity is based in the non-ferrous metal market, particularly aluminium. The company's product is marketed globally.

Directors

The directors of the company during the year were

D Z Ting
A G Roy
N Clear

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

EMP Technologies Limited

Report of the directors for the year ended 30 June 2013 (continued)

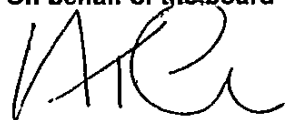
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



30/10/13

**N Clear
Director**

EMP Technologies Limited

Independent auditor's report

To the member of EMP Technologies Limited

We have audited the financial statements of EMP Technologies Limited for the year ended 30 June 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EMP Technologies Limited

Independent auditor's report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime.

 BDO LLP

Piers Hamson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Cambridge
United Kingdom

5 November 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

EMP Technologies Limited

Profit and loss account for the year ended 30 June 2013

	Note	2013 £	2012 £
Turnover	2	3,375,809	3,678,407
Cost of sales		2,382,264	2,499,745
Gross profit		993,545	1,178,662
Distribution costs		416,128	476,486
Administrative expenses		532,996	755,843
Operating profit/(loss)	3	44,421	(53,667)
Interest payable and similar charges	5	(22,894)	(20,876)
Profit/(loss) on ordinary activities before and after taxation for the financial year		21,527	(74,543)

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 15 form part of these financial statements

EMP Technologies Limited

Balance sheet at 30 June 2013

Company number 5302439	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	7		176,061		151,947
Current assets					
Stocks	8	500,216		385,804	
Debtors	9	698,840		1,037,732	
Cash at bank and in hand		470		312	
		<u>1,199,526</u>		<u>1,423,848</u>	
Creditors: amounts falling due within one year	10	<u>1,800,744</u>		<u>2,022,479</u>	
Net current liabilities			<u>(601,218)</u>		<u>(598,631)</u>
Total assets less current liabilities			<u>(425,157)</u>		<u>(446,684)</u>
Creditors: amounts falling due after more than one year	11		<u>5,000</u>		<u>5,000</u>
			<u>(430,157)</u>		<u>(451,684)</u>

The notes on pages 8 to 15 form part of these financial statements

EMP Technologies Limited

Balance sheet at 30 June 2013 (continued)

	Note	2013 £	2013 £	2012 £	2012 £
Capital and reserves					
Called up share capital	12		2		2
Share premium account	13		210,554		210,554
Capital contribution reserve	13		1,255,992		1,255,992
Profit and loss account	13		(1,896,705)		(1,918,232)
Shareholder's deficit	14		(430,157)		(451,684)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on



N Clear
Director

30/10/13

The notes on pages 8 to 15 form part of these financial statements

EMP Technologies Limited

Notes forming part of the financial statements for the year ended 30 June 2013

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Basis of preparation

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £430,157 as of 30 June 2013, based on

- the availability of committed bank borrowing facilities, which management expects to be sufficient to meet the company's cash requirements for the foreseeable future, and
- a commitment from the company's ultimate parent - Pyrotek, Inc - to continue to provide financial support for a minimum period of 12 months from the date of approval of these financial statements

Consequently, the directors are satisfied that it is appropriate to prepare these financial statements on a going concern basis

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006

Goodwill

Goodwill arising on an acquisition of a trade or subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 7 years. Impairment tests on the carrying value of goodwill are undertaken

- at the end of the first full financial year following acquisition,
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes. Revenue is recognised when goods are delivered or services provided.

Revenue on contracts is recognised as work is carried out, after taking into account the company's right to consideration based on the value of goods and services provided to customers, in accordance with the accounting policy on long-term contracts as stated below.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- over the remaining term of the lease
Plant and machinery	- 10% straight line
Motor vehicles	- 20-25% straight line
Office equipment	- 25% straight line

EMP Technologies Limited

Notes forming part of the financial statements for the year ended 30 June 2013 (*continued*)

1 Accounting policies (*continued*)

Stocks and long term contracts

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

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account 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 profit and loss account as the difference between the reported turnover and related costs for that contract.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure.

Deferred taxation

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 the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Operating leases

Annual rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 98% (2012 - 76%).

EMP Technologies Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (continued)

3 Operating profit/(loss)

	2013 £	2012 £
This is arrived at after charging/(crediting)		
Research and development - current year's expenditure	87,633	60,587
Depreciation of tangible fixed assets	23,362	20,918
Amortisation of positive goodwill	-	29,518
Hire of plant and machinery - operating leases	5,021	4,341
Hire of other assets - operating leases	-	55,224
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	15,800	15,375
Exchange differences	(36,430)	107,026
Defined contribution pension cost	78,898	70,455
	<u> </u>	<u> </u>

4 Directors' remuneration

	2013 £	2012 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	138,001	148,462
	<u> </u>	<u> </u>

There was 1 director in the company's defined contribution pension scheme during the year (2012 - 1)

5 Interest payable and similar charges

	2013 £	2012 £
Bank loans and overdrafts	1,011	1,372
Loans from group companies	21,883	19,504
	<u> </u>	<u> </u>
	22,894	20,876
	<u> </u>	<u> </u>

EMP Technologies Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (*continued*)

6 Intangible fixed assets

	Purchased goodwill £
<i>Cost</i>	
At 1 July 2012 and 30 June 2013	206,625
<i>Amortisation</i>	
At 1 July 2012 and 30 June 2013	206,625
<i>Net book value</i>	
At 30 June 2012 and 30 June 2013	-

7 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
<i>Cost</i>			
At 1 July 2012	62,260	252,796	315,056
Additions	-	47,476	47,476
At 30 June 2013	62,260	300,272	362,532
<i>Depreciation</i>			
At 1 July 2012	35,099	128,010	163,109
Provided for the year	7,721	15,641	23,362
At 30 June 2013	42,820	143,651	186,471
<i>Net book value</i>			
At 30 June 2013	19,440	156,621	176,061
At 30 June 2012	27,161	124,786	151,947

Included within Plant and machinery is £116,064 (2012 - £74,182) relating to assets in the course of construction. No depreciation has been charged on these assets during the year.

EMP Technologies Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (*continued*)

8 Stocks

	2013 £	2012 £
Stocks	449,752	276,911
Work in progress	50,464	108,893
	<u>500,216</u>	<u>385,804</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

9 Debtors

	2013 £	2012 £
Trade debtors	244,420	715,447
Amounts owed by group undertakings	37,090	70,381
Other debtors	205,977	52,966
Amounts recoverable on contracts	211,353	198,938
	<u>698,840</u>	<u>1,037,732</u>

All amounts shown under debtors fall due for payment within one year

10 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts (secured)	32,116	744,129
Payments received on account	263,775	94,092
Trade creditors	693,329	212,312
Amounts owed to group undertakings	685,417	772,265
Taxation and social security	29,311	77,779
Accruals and deferred income	96,796	121,902
	<u>1,800,744</u>	<u>2,022,479</u>

The bank overdraft of £32,116 (2012 - £744,129) arises within a group pooling facility which is secured by a cross-guarantee with other group companies. The total liabilities of other group companies under this facility at 30 June 2013 were £319,405 (2012 - £1,414,152), and the group's net position across the facility as a whole was a credit of £674,225 (2012 - borrowings of £368,404)

EMP Technologies Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (*continued*)

11 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Other creditors	5,000	5,000

12 Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2

13 Reserves

	Share premium account £	Capital contribution reserve £	Profit and loss account £
At 1 July 2012	210,554	1,255,992	(1,918,232)
Profit for the year	-	-	21,527
At 30 June 2013	210,554	1,255,992	(1,896,705)

EMP Technologies Limited

Notes forming part of the financial statements
for the year ended 30 June 2013 (*continued*)

14 Reconciliation of movements in shareholder's deficit

	2013 £	2012 £
Profit/(loss) for the year	21,527	(74,543)
Opening shareholder's deficit	(451,684)	(377,141)
Closing shareholder's deficit	(430,157)	(451,684)

15 Pensions

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 £78,898 (2012 - £70,455). Contributions amounting to £6,684 (2012 - £5,956) were payable to the fund and are included in creditors.

16 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2013 £	Other 2013 £	Land and buildings 2012 £	Other 2012 £
Operating leases which expire				
In two to five years	66,000	7,287	62,000	7,287

17 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the group headed by Pyrotek, Inc. on the grounds that the company (and the group companies that it has transacted with) is a wholly owned subsidiary of Pyrotek, Inc. and all these companies are included in consolidated financial statements.

18 Ultimate parent company and parent undertaking of larger group

At 30 June 2013, 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 largest groups for which group accounts are drawn up. The group accounts of Pyrotek, Inc. are available from 9503 East Montgomery Ave, Spokane, WA99206, USA.

EMP Technologies Limited

**Notes forming part of the financial statements
for the year ended 30 June 2013 (*continued*)**

19 Contingent liabilities

At the balance sheet date the company has outstanding bank guarantees in favour of customers of £759,110 (2012 - £275,034) These guarantees form part of the group facility as disclosed per note 10 to these financial statements