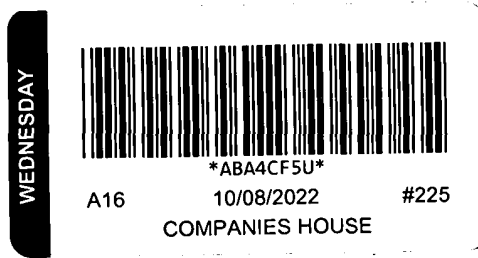


Company Registration No. 03303191 (England and Wales)

PROSPOT LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR



PROSPOT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

PROSPOT LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	5		345,189		310,264
Current assets					
Stocks		1,006,989		907,809	
Debtors	6	1,152,887		1,399,856	
Cash at bank and in hand		1,828,932		1,390,063	
		<u>3,988,808</u>		<u>3,697,728</u>	
Creditors: amounts falling due within one year	7	<u>(739,335)</u>		<u>(821,817)</u>	
Net current assets			<u>3,249,473</u>		<u>2,875,911</u>
Total assets less current liabilities			<u>3,594,662</u>		<u>3,186,175</u>
Creditors: amounts falling due after more than one year	8		(7,744)		(15,488)
Provisions for liabilities	9		<u>(77,609)</u>		<u>(51,275)</u>
Net assets			<u><u>3,509,309</u></u>		<u><u>3,119,412</u></u>
Capital and reserves					
Called up share capital			61		61
Capital redemption reserve			39		39
Profit and loss reserves			<u>3,509,209</u>		<u>3,119,312</u>
Total equity			<u><u>3,509,309</u></u>		<u><u>3,119,412</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered 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 13 May 2022 and are signed on its behalf by:



P D Allen
Director

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Prospot Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Building 81 Bays 1&2, First Avenue, Pensnett Trading Estate, Kingswinford, DY6 7FJ.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The company and group continued to perform well with good order books maintained despite the impacts of COVID-19 and parts shortages. The staggered return from the Coronavirus pandemic saw a growth in turnover but extended parts shortages in the market due to high backlogs and the conflict in Ukraine and has inevitably delayed the completion of some contracts. However the company remains well placed to continue to trade profitably and generate cash particularly due to the success of product and market developments in 2021. The company continues to work with key market players to ensure it adapts and develops opportunities in growth sectors of renewable energy, rail and aerospace markets. After making the above enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis of accounting.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The company uses the percentage-of-completion method of accounting for long-term equipment contracts. Under the percentage-of-completion method, sales and gross profit are recognised as work is performed based on the relationship between actual manufacturing costs incurred and total forecasted costs to complete the equipment. Sales and gross profit are adjusted for revisions in completion estimates and contract values in the period in which the facts giving rise to the revisions become known.

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Contract costs include all direct material and labour costs and those indirect costs related to contract performance such as indirect labour, supplies, tools, depreciation and overhead costs. Losses on uncompleted jobs are recognised in the period such losses become known. Costs and estimated earnings in excess of billings on uncompleted contracts are included in current assets on the accompanying company balance sheets, while billing in excess of costs and estimated earnings on uncompleted contracts in excess of costs and forecasted costs are included in current liabilities on the accompanying company balance sheets.

Revenue relating to joining and welding services is recognised upon completion of such services.

Research and development

Research and development expenditure is written off against profits in the year in which it is incurred.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and machinery	10% straight line
Fixtures and fittings	15% straight line
Computer equipment	10% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets 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.

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. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	37	39

3 Directors' remuneration

	2021 £	2020 £
Remuneration paid to directors	175,372	168,455

4 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	57,268	82,403
Adjustments in respect of prior periods	(101,588)	(39,488)
Total current tax	(44,320)	42,915
Deferred tax		
Origination and reversal of timing differences	10,109	(10,051)
Changes in tax rates	16,200	6,455
Adjustment in respect of prior periods	25	2,233
Total deferred tax	26,334	(1,363)
Total tax (credit)/charge	(17,986)	41,552

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Tangible fixed assets

	Leasehold improvements	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	12,204	1,073,636	1,085,840
Additions	2,245	157,994	160,239
Disposals	-	(522,987)	(522,987)
At 31 December 2021	<u>14,449</u>	<u>708,643</u>	<u>723,092</u>
Depreciation and impairment			
At 1 January 2021	2,569	773,007	775,576
Depreciation charged in the year	2,569	122,745	125,314
Eliminated in respect of disposals	-	(522,987)	(522,987)
At 31 December 2021	<u>5,138</u>	<u>372,765</u>	<u>377,903</u>
Carrying amount			
At 31 December 2021	<u>9,311</u>	<u>335,878</u>	<u>345,189</u>
At 31 December 2020	<u>9,635</u>	<u>300,629</u>	<u>310,264</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2021 £	2020 £
Plant and machinery	49,188	56,688
Motor vehicles	268	9,587
	<u>49,456</u>	<u>66,275</u>
Depreciation charge for the year in respect of leased assets	<u>16,818</u>	<u>21,441</u>

6 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	671,720	1,155,266
Gross amounts owed by contract customers	437,585	153,394
Amounts owed by group undertakings	183	1,903
Other debtors	-	26,650
Prepayments and accrued income	43,399	62,643
	<u>1,152,887</u>	<u>1,399,856</u>

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Creditors: amounts falling due within one year	2021 £	2020 £
Obligations under finance leases	7,744	24,255
Payments received on account	94,172	-
Trade creditors	164,185	278,947
Amounts owed to group undertakings	10,931	2,166
Corporation tax	57,268	82,403
Other taxation and social security	148,481	186,230
Other creditors	41,850	38,523
Accruals and deferred income	214,704	209,293
	<u>739,335</u>	<u>821,817</u>

8 Creditors: amounts falling due after more than one year	2021 £	2020 £
	Notes	
Obligations under finance leases	7,744	15,488
	<u>7,744</u>	<u>15,488</u>

9 Provisions for liabilities	2021 £	2020 £
Deferred tax liabilities	10	77,609
		51,275
		<u>77,609</u>
		<u>51,275</u>

10 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

Balances:	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	79,069	52,214
Short term timing differences	(1,460)	(939)
	<u>77,609</u>	<u>51,275</u>

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Deferred taxation (Continued)

	2021 £
Movements in the year:	
Liability at 1 January 2021	51,275
Charge to profit or loss	26,334
	<u>77,609</u>
Liability at 31 December 2021	<u>77,609</u>

The deferred tax liability set out above is expected to reverse within 5 years and relates to accelerated capital allowances that are expected to mature within the same period.

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	71,123	83,317
Between one and five years	111,530	179,666
	<u>182,653</u>	<u>262,983</u>

12 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases	
	2021 £	2020 £
Other group companies	-	121,504
	<u>-</u>	<u>121,504</u>

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Amounts due to related parties		
Other group companies	-	391
	<u>-</u>	<u>391</u>

Other information

For the year ended 31 December 2020 amounts owed to other group companies related to fellow subsidiaries who were not wholly owned. At 31 December 2021, all fellow subsidiary companies were wholly owned.

PROSPOT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Parent company

The company is controlled by MTI Welding Technologies Limited, a company registered in England and Wales. The smallest group undertaking in which the results are consolidated is that headed by MTI Welding Technologies Limited, registered at Building 81, Bays 1 and 2, First Avenue, The Pensnett Estate, Kingswinford, West Midlands, DY6 7FJ.

The ultimate parent company and the largest group for which consolidated financial statements are prepared is Manufacturing Technology Inc., registered at 1702 West Washington, South Bend, IN 46628 USA.

14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Richard Eccles FCA.
The auditor was RSM UK Audit LLP.