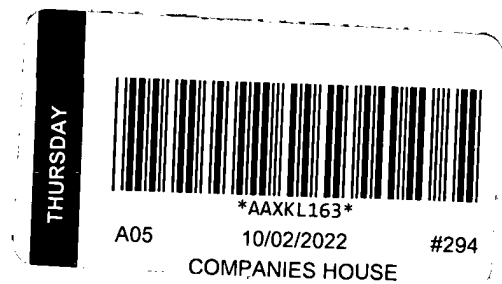


Registered number: 05407505

A-SAFE HQ LTD

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



A-SAFE HQ LTD

COMPANY INFORMATION

Directors	J R Smith L T Smith
Registered number	05407505
Registered office	Habergham Works Ainley Industrial Estate Halifax West Yorkshire HX5 9JP
Bankers	The Royal Bank of Scotland Halifax West Yorkshire HX1 1TA HSBC UK Bank PLC 7 Commercial Street Halifax West Yorkshire HX1 1HN

A-SAFE HQ LTD

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 4
Statement of Comprehensive Income	5
Statement of Financial Position	6 - 7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 25

A-SAFE HQ LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The Directors present their strategic report for A-Safe HQ Limited for the year ended 31 December 2020.

Business review

The Company has continued its principal activity during the year of manufacture and sale of building protection and safety products. It continues to perform strongly and is positive about the future outlook for both the UK.

Principal risks and uncertainties

The Board exercises oversight of the strategic risks that face the business on a continuous basis. The principal risks and uncertainties are as follows:

- Brand reputation – the A Safe brand has significant commercial value. The Board regularly monitors customer satisfaction levels and invests significant resource into on-going research and development.
- Safety every product in the range is strenuously tested up to and beyond the latest Health and Safety standards, and other applicable regulations, and where necessary they are tested and certified as complying with impact loadings stated in relevant British, European and ISO standards. The majority of products are also independently tested by an external third party.
- Intellectual property – A Safe's product range is protected by a series of patents, design rights, copyrights and trademarks.

Financial key performance indicators

Management monitor sales, margin and cash on an ongoing basis.

Sales 2020 £66.5m v Sales 2019 £40.0m
Gross Profit 2020 £38.3m v Gross Profit 2019 £19.2m

This report was approved by the board on 14 December 2021 and signed on its behalf.



J R Smith
Director

A-SAFE HQ LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the group is that of the manufacture and sale of building protection and safety products. The company is a holding entity.

Results and dividends

The profit for the year, after taxation, amounted to £25,141,775 (2019 - £9,577,198).

Dividends of £20,001,210 (2019: £180,0000) were paid during the year and no further dividends have been approved or paid post year end.

Directors

The directors who served during the year were:

J R Smith
L T Smith

Future developments

The Directors are constantly on the lookout for new markets, and fully expect the organic growth in the business to continue into 2021 and beyond.

The Directors continue to monitor brexit closely and currently don't foresee any particular exposure at this stage.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Exposure to foreign exchange, credit, liquidity and cashflow risk

The exposure to foreign exchange risk is relatively limited to A-SAFE HQ Limited due to the high gross margin (58%), and raw materials purchased in Euro or US\$ that partially offset any strengthening or weakening of the GB£.

Credit risk is mitigated by performing credit checks on all our customers and requesting advance payment if they are deemed to have an excessive credit risk. The group debt is reviewed on a monthly basis. The customer base is of a high quality and consists primarily of blue chip companies which are an inherently low risk. Details of the group's debtors are shown in Note 14 to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the group. The Company also manages liquidity risk via revolving credit facilities and long-term debt.

Cash flow risk is mitigated as the payment terms of debtors and creditors are on similar terms. A-SAFE HQ also has a strong cash balance of £4.2m.

A-SAFE HQ LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Research and development activities

The directors will oversee the group's continued commitment and investment in research and development to further develop existing products and launching new products such as RackEye.

Employee involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and company-wide publications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of the members of staff becoming disabled every effort is made to ensure their employment with the group continues and that appropriate training is arranged. It is company policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements 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;
- 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 to 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.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and the Directors acknowledge their responsibilities for complying with the requirements of the act with respect to accounting records and the preparation of accounts.

A-SAFE HQ LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Auditor

For the year ending 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

This report was approved by the board on 14 December 2021 and signed on its behalf.



J R Smith
Director

A-SAFE HQ LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	66,516,847	39,974,082
Cost of sales		(28,247,621)	(20,808,770)
Gross profit		38,269,226	19,165,312
Administrative expenses		(9,785,048)	(8,690,286)
Other operating income		222,751	-
Operating profit		28,706,929	10,475,026
Interest receivable and similar income		11	1,853
Interest payable and expenses	7	(213)	(902)
Profit before tax		28,706,727	10,475,977
Tax on profit	8	(3,564,952)	(898,779)
Profit for the financial year		25,141,775	9,577,198
Total comprehensive income for the year		25,141,775	9,577,198

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 9 to 25 form part of these financial statements.

A-SAFE HQ LTD
REGISTERED NUMBER: 05407505

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	1,279,581	1,102,951
Tangible assets	11	16,521,233	13,213,891
Investments	12	290,482	290,482
		<u>18,091,296</u>	<u>14,607,324</u>
Current assets			
Stocks	13	7,434,540	7,789,741
Debtors	14	68,245,716	34,356,682
Cash at bank and in hand	15	4,214,248	1,659,595
		<u>79,894,504</u>	<u>43,806,018</u>
Creditors: amounts falling due within one year	16	(60,100,329)	(26,086,337)
		<u>19,794,175</u>	<u>17,719,681</u>
Net current assets		<u>19,794,175</u>	<u>17,719,681</u>
Total assets less current liabilities		<u>37,885,471</u>	<u>32,327,005</u>
Provisions for liabilities			
Deferred tax	18	(1,341,669)	(923,768)
		<u>(1,341,669)</u>	<u>(923,768)</u>
Net assets		<u><u>36,543,802</u></u>	<u><u>31,403,237</u></u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account	20	36,543,702	31,403,137
		<u>36,543,802</u>	<u>31,403,237</u>

For the period ended 31 December 2020 the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

For the period ended 31 December 2020 the members have not required the Company to obtain an audit for the year in question in accordance with section of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 December 2021.

A-SAFE HQ LTD
REGISTERED NUMBER: 05407505

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

J R Smith
Director



The notes on pages 9 to 25 form part of these financial statements.

A-SAFE HQ LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	100	22,005,939	22,006,039
Comprehensive income for the year			
Profit for the year	-	9,577,198	9,577,198
Total comprehensive income for the year	-	9,577,198	9,577,198
Dividends: Equity capital	-	(180,000)	(180,000)
Total transactions with owners	-	(180,000)	(180,000)
At 1 January 2020	100	31,403,137	31,403,237
Comprehensive income for the year			
Profit for the year	-	25,141,775	25,141,775
Total comprehensive income for the year	-	25,141,775	25,141,775
Dividends: Equity capital	-	(20,001,210)	(20,001,210)
Total transactions with owners	-	(20,001,210)	(20,001,210)
At 31 December 2020	100	36,543,702	36,543,802

The notes on pages 9 to 25 form part of these financial statements.

A-SAFE HQ LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

A-Safe HQ Limited is a company limited by shares, domiciled and incorporated in England with the registration number 05407505.

The address of the Company's registered office and principle place of business is Habergham Works, Ainley Industrial Estate, Elland, Halifax, HX5 9JP.

The Company's principal activities and the nature of the Company's operations are described in the Directors' Report on page 1 of this report.

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

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 financial statements are presented in Pound Sterling (£) which is the functional currency of the Company and Group.

The Company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

The financial statements of the Company are consolidated in the financial statements of Three Smith Group Holdings Limited. The consolidated financial statements of Three Smith Group Holdings Limited are available from its registered office, Habergham Works, Ainley Industrial Estate, Elland, West Yorkshire, HX5 9JP.

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:

A-SAFE HQ LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Three Smith Group Holdings Limited as at 31 December 2020 and these financial statements may be obtained from Habergham Works, Ainley Industrial Estate, Elland, West Yorkshire, HX5 9JP.

2.3 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. A budget process is undertaken at the end of each financial year for the following period (and beyond) which includes extensive discussions with senior management across the business. Regular reviews and reforecast are also undertaken to ensure projections remain accurate and feasible. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods sold during the year, exclusive of Value Added Tax and trade discounts. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer. This is deemed to occur at point of despatch for tangible products or upon completion of services rendered such as installation.

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.8 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

A-SAFE HQ LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

2.10 Foreign currencies

Transactions in currencies other than the functional currency of Pound Sterling (foreign currencies) 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.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency of Pound Sterling at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

A-SAFE HQ LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated Impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	-	33 % Straight line
----------	---	--------------------

2.12 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.

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:

Freehold property	-	2% Straight line
Plant and machinery	-	10% Straight line
Motor vehicles	-	20% Straight line
Fixtures and fittings	-	10% & 33% Straight line
Computer equipment	-	33% Straight line
Other fixed assets	-	

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 the Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

A-SAFE HQ LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock 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.

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 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 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 non-puttable ordinary shares.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.21 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Provision for stock obsolescence

The stock obsolescence provision is calculated as:

- 25% of the cost for any items with a stock-holding 26-52 weeks
- 75% of the cost for any items with a stock-holding >52 weeks.

Exclusions to the obsolescence policy are made for new stock items that have not started being sold yet.

3. Turnover

	2020 £	2019 £
Manufacture and sale of building protection and safety products	66,516,847	39,974,082
	<u>66,516,847</u>	<u>39,974,082</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
Overseas	60,215,786	33,932,487
United Kingdom	6,301,061	6,041,595
	<u>66,516,847</u>	<u>39,974,082</u>

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Other operating income

	2020 £	2019 £
Other operating income	222,751	-
	<u>222,751</u>	<u>-</u>

The above relates to government economic support (furlough scheme) received in the United Kingdom.

5. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	7,182,949	6,367,316
Social security costs	690,416	613,049
Cost of defined contribution scheme	180,174	129,006
	<u>8,053,539</u>	<u>7,109,371</u>

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

	2020 No.	2019 No.
Production	188	121
Admin	62	103
	<u>250</u>	<u>224</u>

6. Directors' remuneration

There are 2 (2019: 2) Directors accruing pension contributions under defined contribution schemes.

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Interest payable and similar expenses

	2020 £	2019 £
Finance leases and hire purchase contracts	213	902
	<u>213</u>	<u>902</u>

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	3,485,745	869,130
Adjustments in respect of previous periods	(338,694)	(251,903)
	<u>3,147,051</u>	<u>617,227</u>
Total current tax	<u>3,147,051</u>	<u>617,227</u>
Deferred tax		
Origination and reversal of timing differences	452,904	147,259
Adjustment in respect of previous periods	(128,557)	149,794
Effect of changes in tax rates	93,554	(15,501)
	<u>417,901</u>	<u>281,552</u>
Total deferred tax	<u>417,901</u>	<u>281,552</u>
Taxation on profit on ordinary activities	<u>3,564,952</u>	<u>898,779</u>

A-SAFE HQ LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	28,706,727	10,475,977
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	5,454,278	1,990,436
Effects of:		
Expenses not deductible for tax purposes	53,628	45,874
Non deductible/(taxable) amounts from OCI	-	128,597
Fixed asset differences	99,406	-
Adjustments to tax charge in respect of prior periods	(338,694)	(102,109)
Adjustments to tax charge in respect of previous periods (deferred tax)	(128,557)	-
Additional deduction for R&D	(296,755)	(395,390)
Tax rate changes	93,554	(15,501)
Patent box deduction	(1,322,323)	(714,178)
Effects of group relief/ other reliefs	(49,585)	(38,950)
Total tax charge for the year	3,564,952	898,779

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. Dividends

	2020 £	2019 £
Final dividend paid	20,001,210	180,000
	20,001,210	180,000

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Intangible assets

	Brand Name £	Computer software £	Total £
Cost			
At 1 January 2020	22,074	1,871,225	1,893,299
Additions	12,740	268,242	280,982
At 31 December 2020	<u>34,814</u>	<u>2,139,467</u>	<u>2,174,281</u>
Amortisation			
At 1 January 2020	853	789,495	790,348
Charge for the year	2,038	102,314	104,352
At 31 December 2020	<u>2,891</u>	<u>891,809</u>	<u>894,700</u>
Net book value			
At 31 December 2020	<u>31,923</u>	<u>1,247,658</u>	<u>1,279,581</u>
At 31 December 2019	<u>21,221</u>	<u>1,081,730</u>	<u>1,102,951</u>

A-SAFE HQ LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation							
At 1 January 2020	3,710,627	11,757,848	736,918	642,839	577,227	899,671	18,325,130
Additions	5,190,815	9,249,084	47,890	340,050	105,347	642,080	15,575,266
Disposals	(91,911)	(15,044,666)	-	-	-	-	(15,136,577)
At 31 December 2020	8,809,531	5,962,266	784,808	982,889	682,574	1,541,751	18,763,819
Depreciation							
At 1 January 2020	381,970	3,537,307	371,357	133,973	376,858	309,773	5,111,238
Charge for the year on owned assets	156,585	1,120,973	129,161	89,043	117,344	202,601	1,815,707
Disposals	(51,617)	(4,632,742)	-	-	-	-	(4,684,359)
At 31 December 2020	486,938	25,538	500,518	223,016	494,202	512,374	2,242,586
Net book value							
At 31 December 2020	8,322,593	5,936,728	284,290	759,873	188,372	1,029,377	16,521,233
At 31 December 2019	3,328,657	8,220,541	365,560	508,866	200,369	589,898	13,213,891

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	290,482
At 31 December 2020	<u>290,482</u>
Net book value	
At 31 December 2020	<u>290,482</u>
At 31 December 2019	<u>290,482</u>

13. Stocks

	2020 £	2019 £
Raw materials and consumables	2,711,687	2,333,825
Finished goods and goods for resale	4,722,853	5,455,916
	<u>7,434,540</u>	<u>7,789,741</u>

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Debtors

	2020 £	2019 £
Trade debtors	193,300	202,289
Amounts owed by group undertakings	64,869,902	31,785,876
Other debtors	2,718,079	1,566,479
Prepayments and accrued income	464,435	802,038
	<u>68,245,716</u>	<u>34,356,682</u>

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	4,214,248	1,659,595
	<u>4,214,248</u>	<u>1,659,595</u>

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	6,585,593	5,277,381
Amounts owed to group undertakings	48,859,279	18,227,921
Corporation tax	2,341,542	167,227
Other taxation and social security	160,413	183,857
Obligations under finance lease and hire purchase contracts	-	26,105
Other creditors	320,153	333,268
Accruals and deferred income	1,833,349	1,870,578
	<u>60,100,329</u>	<u>26,086,337</u>

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Financial instruments

	2020	2019
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>67,781,281</u>	<u>34,356,682</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(57,598,374)</u>	<u>(26,086,377)</u>

18. Deferred taxation

	2020
	£
At beginning of year	(923,768)
Charged to profit or loss	(417,901)
At end of year	<u>(1,341,669)</u>

The provision for deferred taxation is made up as follows:

	2020	2019
	£	£
Fixed asset timing differences	(1,345,426)	(929,048)
Other short-term timing differences	3,757	5,280
	<u>(1,341,669)</u>	<u>(923,768)</u>

A-SAFE HQ LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Share capital

	2020	2019
	£	£
Authorised, allotted, called up and fully paid		
100 (2019 - 100) Ordinary Shares shares of £1.00 each	100	100

20. Reserves

Profit and loss account

Cumulative profit and loss net of distributions to owners.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £180,174 (2019 - £129,006).

22. Related party transactions

Per FRS 102 section 33.1A the company has taken advantage of the exemption from disclosing transactions with wholly owned group companies.

23. Ultimate parent undertaking and controlling party

A-Safe HQ Limited is a wholly owned subsidiary of Three Smith Group Limited and is incorporated in the UK. Three Smith Group Limited is a wholly owned subsidiary of Three Smith Group Holdings Limited and is the smallest and largest group in which the company is consolidated. The directors consider Three Smith Group Holdings to be the ultimate parent undertaking and controlling party and the consolidated financial statements are available from its registered office, Habergham Works, Ainley Industrial Estate, Elland, West Yorkshire, HX5 9JP.