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**A-SAFE HQ LTD**

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**UNAUDITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**A-SAFE HQ LTD**

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**COMPANY INFORMATION**

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

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**A-SAFE HQ LTD**

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**CONTENTS**

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	Page
<b>Strategic Report</b>	1
<b>Directors' Report</b>	2 - 4
<b>Statement of Comprehensive Income</b>	5
<b>Statement of Financial Position</b>	6 - 7
<b>Statement of Changes in Equity</b>	8
<b>Notes to the Financial Statements</b>	9 - 27

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**A-SAFE HQ LTD**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Introduction**

The Directors present their strategic report for A-Safe HQ Limited for the year ended 31 December 2021.

**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 2021 £70.1m v Sales 2020 £66.5m  
Gross Profit 2021 £21.4m v Gross Profit 2020 £38.3m

This report was approved by the board on 22 December 2022 and signed on its behalf.



**J R Smith**  
Director

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## A-SAFE HQ LTD

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### **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.

#### **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 £9,671,641 (2020 - £25,141,775).

Dividends of £3m (2020: £40m) 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

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## A-SAFE HQ LTD

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **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 £1.1m.

#### **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.

#### **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.

#### **Engagement with employees**

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.

#### **Post balance sheet events**

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

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**A-SAFE HQ LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Auditor**

For the year ending 31 December 2021 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 22 December 2022 and signed on its behalf.



J R Smith  
Director

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A-SAFE HQ LTD

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021

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	Note	2021 £	2020 £
Turnover	3	70,113,680	66,516,847
Cost of sales		(48,743,801)	(28,247,621)
<b>Gross profit</b>		<u>21,369,879</u>	<u>38,269,226</u>
Administrative expenses		(10,717,913)	(9,785,048)
Other operating income	4	-	222,751
<b>Operating profit</b>		<u>10,651,966</u>	<u>28,706,929</u>
Interest receivable and similar income		-	11
Interest payable and expenses	7	(15)	(213)
<b>Profit before tax</b>		<u>10,651,951</u>	<u>28,706,727</u>
Tax on profit	8	(980,310)	(3,564,952)
<b>Profit for the financial year</b>		<u>9,671,641</u>	<u>25,141,775</u>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<u>9,671,641</u>	<u>25,141,775</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 9 to 27 form part of these financial statements.

**A-SAFE HQ LTD**  
**REGISTERED NUMBER: 05407505**

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

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	10	1,107,260	1,279,581
Tangible assets	11	24,600,145	16,521,232
Investments	12	1,840,141	290,482
		<u>27,547,546</u>	<u>18,091,295</u>
<b>Current assets</b>			
Stocks	13	1,920,890	7,434,540
Debtors	14	128,531,290	68,245,716
Cash at bank and in hand	15	1,135,211	4,214,248
		<u>131,587,391</u>	<u>79,894,504</u>
Creditors: amounts falling due within one year	16	132,572,202)	(80,101,538)
		<u>(984,811)</u>	<u>(207,034)</u>
<b>Net current liabilities</b>			
		<u>(984,811)</u>	<u>(207,034)</u>
<b>Total assets less current liabilities</b>		<u>26,562,735</u>	<u>17,884,261</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(3,347,498)	(1,341,669)
		<u>(3,347,498)</u>	<u>(1,341,669)</u>
<b>Net assets</b>		<u>23,215,237</u>	<u>16,542,592</u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account	20	23,215,137	16,542,492
		<u>23,215,237</u>	<u>16,542,592</u>

For the period ended 31 December 2021 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.

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

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**A-SAFE HQ LTD**  
**REGISTERED NUMBER: 05407505**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2022.



**J R Smith**  
Director

The notes on pages 9 to 27 form part of these financial statements.

**A-SAFE HQ LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	100	31,403,137	31,403,237
<b>Comprehensive income for the year</b>			
Profit for the year	-	25,141,775	25,141,775
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	25,141,775	25,141,775
Dividends: Equity capital	-	(40,002,420)	(40,002,420)
<b>Total transactions with owners</b>	-	(40,002,420)	(40,002,420)
<b>At 1 January 2021</b>	100	16,542,492	16,542,592
<b>Comprehensive income for the year</b>			
Profit for the year	-	9,671,641	9,671,641
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	9,671,641	9,671,641
Dividends: Equity capital	-	(2,998,996)	(2,998,996)
<b>Total transactions with owners</b>	-	(2,998,996)	(2,998,996)
<b>At 31 December 2021</b>	100	23,215,137	23,215,237

The notes on pages 9 to 27 form part of these financial statements.

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## A-SAFE HQ LTD

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

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#### 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.

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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 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.

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

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**2. Accounting policies (continued)**

**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.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss 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.

**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 profit or loss 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 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.

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## A-SAFE HQ LTD

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

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## 2. Accounting policies (continued)

### 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 profit or loss 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.

### 2.9 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 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.

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

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**2. Accounting policies (continued)**

**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.

**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
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**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.

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**A-SAFE HQ LTD**

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

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**2. Accounting policies (continued)**

**2.12 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:

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 profit or loss.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**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.

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

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**2. Accounting policies (continued)**

**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 profit or loss 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 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.

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**A-SAFE HQ LTD**

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

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**2. Accounting policies (continued)**

**2.19 Financial instruments (continued)**

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.

**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.

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**A-SAFE HQ LTD**

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

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**3. Turnover**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Manufacture and sale of building protection and safety products	70,113,680	66,516,847
	<u>70,113,680</u>	<u>66,516,847</u>

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
United Kingdom	70,113,680	60,215,786
United Kingdom	-	6,301,061
	<u>70,113,680</u>	<u>66,516,847</u>

**4. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other operating income	-	222,751
	<u>-</u>	<u>222,751</u>

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

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**A-SAFE HQ LTD**

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

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**5. Employees**

Staff costs were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,774,928	7,182,949
Social security costs	299,851	690,416
Cost of defined contribution scheme	109,652	180,174
	<u>3,184,431</u>	<u>8,053,539</u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Production	-	188
Admin	96	62
	<u>96</u>	<u>250</u>

**6. Directors' remuneration**

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

**7. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Finance leases and hire purchase contracts	15	213
	<u>15</u>	<u>213</u>

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A-SAFE HQ LTD

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

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8. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	60,811	3,485,745
Adjustments in respect of previous periods	(1,086,330)	(338,694)
	<u>(1,025,519)</u>	<u>3,147,051</u>
<b>Total current tax</b>	<u>(1,025,519)</u>	<u>3,147,051</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,362,680	452,904
Adjustment in respect of previous periods	166,792	(128,557)
Effect of changes in tax rates	476,357	93,554
<b>Total deferred tax</b>	<u>2,005,829</u>	<u>417,901</u>
<b>Taxation on profit on ordinary activities</b>	<u>980,310</u>	<u>3,564,952</u>

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**A-SAFE HQ LTD**

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

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**8. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is **\*\*\*select\*\*\*** (2020 - **\*\*\*select\*\*\***) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	10,651,951	28,706,727
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	2,023,871	5,454,278
<b>Effects of:</b>		
Expenses not deductible for tax purposes	18,932	53,628
Fixed asset differences	(218,651)	99,406
Adjustments to tax charge in respect of prior periods	(1,086,330)	(338,694)
Adjustments to tax charge in respect of previous periods (deferred tax)	166,792	(128,557)
Additional deduction for R&D	-	(296,755)
R&D expenditure credits	47,663	-
Tax rate changes	803,400	93,554
Patent box deduction	(775,367)	(1,322,323)
Effects of group relief/ other reliefs	-	(49,585)
<b>Total tax charge for the year</b>	<b>980,310</b>	<b>3,564,952</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**9. Dividends**

	2021 £	2020 £
Final dividend paid	2,998,996	40,002,420
	<b>2,998,996</b>	<b>40,002,420</b>

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A-SAFE HQ LTD

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

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10. Intangible assets

	Brand Name £	Computer software £	Total £
<b>Cost</b>			
At 1 January 2021	34,814	2,139,466	2,174,280
Additions	-	119,564	119,564
Intra-group transfers	(20,074)	-	(20,074)
At 31 December 2021	<u>14,740</u>	<u>2,259,030</u>	<u>2,273,770</u>
<b>Amortisation</b>			
At 1 January 2021	2,891	891,809	894,700
Charge for the year on owned assets	(1,621)	273,431	271,810
At 31 December 2021	<u>1,270</u>	<u>1,165,240</u>	<u>1,166,510</u>
<b>Net book value</b>			
At 31 December 2021	<u>13,470</u>	<u>1,093,790</u>	<u>1,107,260</u>
At 31 December 2020	<u>31,923</u>	<u>1,247,658</u>	<u>1,279,581</u>

A-SAFE HQ LTD

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

11. Tangible fixed assets	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £
<b>Cost or valuation</b>					
At 1 January 2021	8,809,531	5,962,266	784,808	982,889	682,574
Additions	2,894,948	6,314,113	-	-	75,250
Transfers intra group	-	-	-	-	-
At 31 December 2021	<u>11,704,479</u>	<u>12,276,379</u>	<u>784,808</u>	<u>982,889</u>	<u>757,824</u>
<b>Depreciation</b>					
At 1 January 2021	486,938	25,538	500,518	223,016	494,202
Charge for the year on owned assets	209,523	167,808	147,641	118,435	85,038
Transfers intra group	-	-	-	-	-
At 31 December 2021	<u>696,461</u>	<u>193,346</u>	<u>648,159</u>	<u>341,451</u>	<u>579,240</u>
<b>Net book value</b>					
At 31 December 2021	<u>11,008,018</u>	<u>12,083,033</u>	<u>136,649</u>	<u>641,438</u>	<u>178,584</u>
At 31 December 2020	<u>8,322,593</u>	<u>5,936,728</u>	<u>284,289</u>	<u>759,873</u>	<u>188,372</u>

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A-SAFE HQ LTD

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

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11. Tangible fixed assets (continued)

	Other fixed assets £	Total £
<b>Cost or valuation</b>		
At 1 January 2021	1,541,751	18,763,819
Additions	-	9,284,311
Transfers intra group	(970,057)	(970,057)
At 31 December 2021	<u>571,694</u>	<u>27,078,073</u>
<b>Depreciation</b>		
At 1 January 2021	512,374	2,242,586
Charge for the year on owned assets	-	728,445
Transfers intra group	(493,103)	(493,103)
At 31 December 2021	<u>19,271</u>	<u>2,477,928</u>
<b>Net book value</b>		
At 31 December 2021	<u>552,423</u>	<u>24,600,145</u>
<i>At 31 December 2020</i>	<u>1,029,377</u>	<u>16,521,232</u>

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

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A-SAFE HQ LTD

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

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12. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	290,482
Additions	1,549,659
At 31 December 2021	<u>1,840,141</u>
<b>Net book value</b>	
At 31 December 2021	<u>1,840,141</u>
At 31 December 2020	<u>290,482</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Enter subsidiary 1	Ordinary	100%
Enter subsidiary 2	Ordinary	90%
Enter subsidiary 3	Ordinary	90%
Enter subsidiary 4	Ordinary	100%
Enter subsidiary 5	Ordinary	100%
Enter subsidiary 6	Ordinary	100%
Enter subsidiary 7	Ordinary	100%
Enter subsidiary 8	Ordinary	100%
Enter subsidiary 9	Ordinary	100%
Enter subsidiary 10	Ordinary	75%
Enter subsidiary 11	Ordinary	100%
Enter subsidiary 12	Ordinary	100%
Enter subsidiary 13	Ordinary	100%
Enter subsidiary 14	Ordinary	100%
Enter subsidiary 15	Ordinary	100%
Enter subsidiary 16	Ordinary	100%
Enter subsidiary 17	Ordinary	100%

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**A-SAFE HQ LTD**

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

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**12. Fixed asset investments (continued)**

**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

**Name**

Enter subsidiary 1  
Enter subsidiary 2  
Enter subsidiary 3  
Enter subsidiary 4  
Enter subsidiary 5  
Enter subsidiary 6  
Enter subsidiary 7  
Enter subsidiary 8  
Enter subsidiary 9  
Enter subsidiary 10  
Enter subsidiary 11  
Enter subsidiary 12  
Enter subsidiary 13  
Enter subsidiary 14  
Enter subsidiary 15  
Enter subsidiary 16  
Enter subsidiary 17

**13. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	(3)	2,711,687
Finished goods and goods for resale	1,920,893	4,722,853
	<u>1,920,890</u>	<u>7,434,540</u>

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A-SAFE HQ LTD

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

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**14. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	3,918,576	193,300
Amounts owed by group undertakings	122,104,453	64,869,902
Other debtors	1,601,033	2,718,079
Prepayments and accrued income	907,228	464,435
	<u>128,531,290</u>	<u>68,245,716</u>

**15. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,135,211	4,214,248
	<u>1,135,211</u>	<u>4,214,248</u>

**16. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,054,460	6,585,593
Amounts owed to group undertakings	126,810,003	68,860,489
Corporation tax	552,844	2,341,542
Other taxation and social security	70,252	160,413
Other creditors	321,328	320,153
Accruals and deferred income	763,315	1,833,348
	<u>132,572,202</u>	<u>80,101,538</u>

A-SAFE HQ LTD

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

**17. Financial instruments**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	1,135,211	1,135,211
Financial assets that are debt instruments measured at amortised cost	127,624,061	127,624,061
	<u>128,759,272</u>	<u>128,759,272</u>
 <b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	131,949,105)	131,949,105)
	<u>131,949,105)</u>	<u>131,949,105)</u>

**18. Deferred taxation**

	<b>2021</b>
	£
At beginning of year	(1,341,669)
Charged to profit or loss	(2,005,829)
<b>At end of year</b>	<u>(3,347,498)</u>

The provision for deferred taxation is made up as follows:

	<b>2021</b>	<b>2020</b>
	£	£
Fixed asset timing differences	(3,352,496)	(1,345,426)
Other short-term timing differences	4,998	3,757
	<u>(3,347,498)</u>	<u>(1,341,669)</u>

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**A-SAFE HQ LTD**

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

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**19. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Authorised, allotted, called up and fully paid</b>		
100 (2020 - 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 £109,651 (2020 - £180,174).

**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.