Company Registration No. 01966114 (England and Wales)

B T Q LIMITED

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

B T Q LIMITED
COMPANY INFORMATION

Company Registration No. 01966114

Directors	J M Daugherty B W Leenen W J Traynor
Company number	01966114
Registered office	Wathen Street Staple Hill Bristol BS16 5LL
Auditor	Ernst & Young LLP The Paragon 32 Counterslip Bristol BS1 6BX
Bankers	HSBC UK Bank plc 62 George White Street Cabot Circus Bristol BS1 3BA

B T Q LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration No. 01966114

The directors present the strategic report for B T Q Limited (the "Company") and its subsidiaries (together, the "Group") and consolidated financial statements as at, and for the year ended, 31 December 2020

Review of the business

Demand for the Group's products and services continued to be strong during the year with a good spread of overseas and UK customers, and the successful operation of Fully Managed Services ("FMS") contracts External sales increased by 10% to £46 3m (Restated 2019 - £42 2m) The domestic market has seen a 9% decrease in the year, with a larger focus on international sales International sales saw a significant increase of £6 6m still representing a major and important part of our business Profit before tax increased by £2 1m as a result of the strong sales volumes

At the end of the year net assets have increased by 7% to £23 2m (Restated 2019 - £21 7m) Tangible fixed assets have substantially increased as a result of new FMS contracts starting in 2019 and further contracts starting in 2020 Net current assets include £10 5m of stocks, supporting the manufacture of garments for both FMS contracts and our healthy external order book Loan funding has increased as the new FMS contracts have gone live

Financial and Non-financial key performance indicators (KPIs)

Turnover increased £4m or 10% due to large international sales Gross profit margin expanded by 495 basis points ("bps") due to improved pricing While distribution, administrative and other operating costs increased 55 bps to support the increased sales levels

Bristol Uniforms, a subsidiary of the Company, is a highly reputable international brand based on innovation and quality with almost 60 years in the fire sector It has a dominant position within the United Kingdom ("UK"), capturing over 50% market share with an extensive network of distributors in over 50 countries

Principal risks and uncertainties

The board of directors ("Board") considers the principal risks of the business to be as follows

<u>COVID-19 Pandemic</u>

Due to its position as a critical supplier to the emergency services, the Group has continued to provide its products and services as normal during the UK lockdown As such, despite some global supply disruption, the Group continues to fulfil its contractual obligations to its customers and the Board believes that the COVID-19 pandemic does not hinder the Group's ability to operate

<u>Market Conditions</u>

Close working relations are maintained with both the Group's supply chain and customers in order to monitor market and technology changes The directors continually monitor competitor products and services in addition to related markets

The Board believes that the geographical spread and quantity of the Group's customers reduces its risk of dependence in the marketplace Whilst the Group recognises that the current global economic climate is impacting on public sector decision making with regard to expenditure on the Group's products, the Board believes this to be mitigated by the fact that funding for fire service comes from two principal sources a central government grant, and a small levy on local council tax

The Group purchases materials, subcontracts manufacturing and sells products to the European Union, some of which are denominated in Euros The Group also has a globally diverse customer base extending outside of the European Union The Board therefore believes that the UK's withdrawal from the EU at the end of 2020 has presented both risks and opportunities for which it is prepared

<u>Liquidity and Interest Rate Risk</u>

Loan financing has been arranged to cover the initial issue of Personal Protective Equipment ("PPE") to Fully Managed Service ("FMS") customers under the collaborative procurement framework When new FMS Contracts are entered into, long term loans were considered alongside appropriate hedging instruments to mitigate interest rate risk There were no such hedging instruments in place at year end Further, all long-term loans were fully paid down in January 2021, which mitigated this risk on a forward looking basis

<u>Fixed Assets</u>

Authority limits in the form of approval thresholds set by the Board are in place for the purchase of fixed assets together with appropriate physical security arrangements and insurance cover

<u>Debtors and Credit Risk</u>

The principal credit risk arises from trade debtors Credit limits and credit terms are set for customers based on a combination of payment history and third-party credit references To offset overseas debtor risk these are insured by an appropriate policy where possible Credit limits are regularly reviewed in conjunction with debt ageing and collection history The directors regard the scale, spread and type of customers as being a safeguard against the risk of default Due to its position as a critical supplier to the emergency services, the company's primary market is the fire sector, which derives its revenue streams from government grants and small levies on the local council tax These payors have less risk than most commercial payors due to the nature of the brigades Stringent credit control procedures are in place at order entry and dispatch stages

Stocks

Authorisation limits are in place for the purchase of materials together with appropriate minimum and maximum order levels All categories of stock are monitored in relation to market and technology changes and customers' requirements Ageing of stock is closely analysed and due allowance provided for obsolete and slow-moving items Appropriate insurance cover is maintained for stocks

Exchange Rates

Currency exposure is analysed and monitored at least monthly by the Board Appropriate forward contracts are placed to minimise the effect of exchange rate movements, when required

Section 172 (1) statement

In accordance with Section 172 of the Companies Act 2006, the directors of the Company and the Group have acted in a way they consider to be in good faith and would be most likely to promote the success of the Company and the Group for the benefit of its members as a whole In doing so they have regard to the factors noted below

- The likely consequences of any decision in the long term,
- The interests of the Group's employees,
- The need to foster the Group's business relationships with suppliers, customers and others,
- The impact of the Group's operations on the community and the environment,
- The desirability of the Group maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Group

When making decisions, each director ensures that he/she acts in the way he/she considers, in good faith and consequences in the future are considered when decisions are made The majority of long-term strategic decisions are undertaken by the parent company and decisions are usually taken for the long term success of the Group as a whole

- **The likely consequences of any decision in the long term**

  The directors consider that strategic decisions are taken by the Board with due regard to the long-term viability and sustainability of the Group, incorporating the interests of all stakeholders, specifically those of shareholders, customers, suppliers, employees and the wider public affected by the Group's operations Actions taken by the Group to mitigate the principal risks and uncertainties outlined in this Strategic Report are considered at each operating company level in line with this wider view of long-term sustainability

- **The interests of the Group's employees**

  The directors consider that the values and attitudes of the Group and its employees is of paramount importance All operating companies are engaged in the manufacture and provision of safety clothing for people at work and in this regard a high standard of professional behaviour is engendered in induction and training of employees

- **The need to foster the Group's business relationships with suppliers, customers and others**

  Each operating company engages with key customers and suppliers in regular review meetings and engages the workforce through continued formal and informal dialogue, as outlined in the Directors' report, to ensure that the interests of these stakeholders are as closely aligned to the Group as possible

- **The impact of the Group's operations on the community and the environment**

  The Group demonstrates its commitment to responsible behaviour through membership, engagement and involvement in and with international product standards, environmental, quality and safety organisations

- **The desirability of the Group maintaining a reputation for high standards of business conduct**

  The Group actively fosters a culture of fairness, integrity, reliability, safety and teamwork that is guided by the Group's Code of Conduct.

- **The need to act fairly as between members of the Group**

  Directors and management operate the business in a responsible manner by maintaining high standards of business conduct and considering all members of the Group equally and fairly.

Future developments

During 2017, the company successfully won a long-term framework contract for the collaborative procurement of PPE open to all UK fire brigades. These are a mix of FMS contracts, each of approximately eight years duration, and direct sale business over the coming years. Each FMS contact has a 12 month implementation period. Contracts under this framework went live beginning in 2018.

The directors are confident that the prospects for future trading remain good. We are pursuing a good spread of national and international opportunities.

On behalf of the board

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J M Daugherty

Director

Date: 20 April 2023

B T Q LIMITED

DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and consolidated financial statements of the Group and Company as at, and for the year ended, 31 December 2020

Events after reporting date activities

During January 2021, BTQ Limited sold 100% interest in BTQ Inc, Topps Safety Apparel Inc, Bristol Fire Apparel Inc and Quaker Safety Products Corporation as presented in Note 14 BTQ Limited paid the owners of these entities a buyout £1,019,424 in January 2021 to demerge these entities from BTQ Limited

On 25 January 2021, the entire issued share capital of the Company was sold to MSA Great Britain Holdings Limited, a UK subsidiary in a group headed by MSA Safety Incorporated, a company incorporated in Pennsylvania, USA The immediate parent company is now MSA Great Britain Holdings Limited The ultimate parent company and the head of the largest group into which the results and financial position of the Company are consolidated is now MSA Safety Incorporated Additionally, as part of this sales transaction, during 2021 all bank loans of the company were paid down (Note 18)

Principal activities

The principal activities of the Group continue to be the design, manufacture and sale of protective clothing and safety equipment, and the provision of FMS which include long term leasing of PPE The principal activity of the company remains that of the holding company for the group The directors consider the results for the year to be satisfactory

Results and dividends

The profit for the year, after taxation, amounted to £2,021,000 (Restated 2019 - £448,000) The Group paid dividends of £290,000 during the years ended 31 December 2020 and 2019 Details of dividends are set out in Note 11 The directors do not recommend payment of a further dividend

Employees

The Group remains compliant with the requirements of the Disability Discrimination Act 1995 in giving full and fair consideration to applications for employment that disabled people make to the Group, the policy for employment, training, career development and promotion of disabled people, and for the continuing employment and training of employees who have become disabled while employed by the Group

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows

A D Dorrell	(Resigned 25 January 2021)
C I Dorrell	(Resigned 25 January 2021)
A C James	(Resigned 25 January 2021)
I P Mitchell	(Resigned 25 January 2021)
J M Daugherty	(Appointed 25 January 2021)
W J Traynor	(Appointed 25 January 2021)
B W Leenen	(Appointed 25 January 2021)
D Thompson (Secretary)	(Resigned 22 July 2021)

Qualifying third-party indemnity provisions

The Group has made qualifying third-party indemnity provisions for the benefit of its directors during the year These provisions remain in force at the reporting date

Auditor

RSM UK Audit LLP resigned as auditor following the change of ownership on 25 January 2021 and Nexia Smith & Williamson were appointed Nexia Smith & Williamson subsequently resigned as auditors and Ernst & Young were appointed to align with the new group Ernst & Young LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

Matters included in the strategic report

The Company has chosen, in accordance with Companies Act 2006, section 414C(11), to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch 7 to be contained in the directors' report It has done so in respect to future developments and events after the reporting date

Engagement with suppliers, customers and others

The directors, together with management, foster the Group and Company's business relationships with suppliers, customers and others by engaging with these stakeholders and listening to their points of view and ideas.

Financial risk management

The group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed. Transactions are only undertaken if they relate to actual underlying exposures and hence cannot be viewed as speculative. Specifically, the company uses financial instruments to manage its interest rate, credit and liquidity risks. The company invoices some of its customers and purchases certain materials and services in foreign currency. The company monitors its exposure to currency fluctuations on an ongoing basis.

Restatement for Prior Period Error

FMS arrangements are contracts where the Group (a) issues PPE to fire brigades at the start of a contract; and (b) provides on-going servicing to the equipment over the agreement term, which is typically 8 years in length. Historically, management had treated these FMS contracts as operating leases. After further evaluation of the contracts and review of the terms in comparison to the requirements of Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), the Group determined that the contracts should have been classified as finance leases. As a result, a correction of this error has been made in the current Group's consolidated financial statements as at, and the year ended 31 December 2020. This correction has been applied retrospectively to all periods presented.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, of which the Group's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the Group's auditor is aware of that information.

Going concern

These financial statements have been prepared on a going concern basis on the grounds that the directors consider that the Company and the Group holds sufficient cash reserves to provide significant headroom to offset any cash flow uncertainties and, therefore, the Company and the Group will be able to continue to meet its debts as they fall due.

In order to assess the going concern assumptions, the directors have considered trading and cash flow projections for a period of 12 months from the date of approval of these financial statements, taking into account the current economic situation and the risks associated with our inability to successfully manage price fluctuations due to inflationary economic and market conditions, energy constraints and material shortages and the uncertainty this presents in drawing their conclusions.

Due to the fact that a large proportion of the Group's revenue is derived from long-term fixed contracts with UK Local Authorities, the directors believe that this income, and the collection of these debtors, provides a strong basis for future forecasts.

On 25 January 2021, the entire issued share capital of the Company was sold to MSA Great Britain Holdings Limited, a UK subsidiary in a group headed by MSA Safety Incorporated, a company incorporated in Pennsylvania, USA. The immediate parent company is now MSA Great Britain Holdings Limited. The ultimate parent company and the head of the largest group into which the results and financial position of the Company are consolidated is now MSA Safety Incorporated. MSA Safety Incorporated is committed to ensuring the subsidiary has adequate working capital to meet its operational demands.

The directors are confident that the steps they have taken to mitigate associated risk, in tandem with future plans for the company, will ensure the Group is well positioned to continue to trade throughout the current uncertain economic environment. They have therefore concluded that there is no material uncertainty about the ability of the Group to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis.

By order of the Board

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J M Daugherty

Director

Date: 20 April 2023

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") 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 group and the company and of the profit or loss of the group and the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance,
- in respect of the financial statements, state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and/ or the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report that comply with that law and those regulations The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website

B T Q LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF B T Q LIMITED

Qualified Opinion

We have audited the financial statements of B T Q Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group statement of comprehensive income, the group and parent statement of financial position, the group and parent statement of changes in equity, the group statement of cash flows and the related notes 1 to 31, including a summary of significant accounting policies The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for qualified opinion

B T Q Limited ('the Company') was acquired by MSA Great Britain Holdings Limited on 25 January 2021, a UK subsidiary in a group headed by MSA Safety Incorporated, a company incorporated in Pennsylvania, USA As part of the acquisition, an investment held by B T Q Limited in BTQ Inc and its subsidiaries was sold to a third-party buyer Due to the acquisition and change in administrative staff, the Company does not have records pertaining to its investment held in BTQ Inc and its subsidiaries Therefore, we were unable to complete audit procedures on the income statement and balance sheet amounts, and general audit procedures including journal entry testing, pertaining to this investment and its subsidiaries The amounts included in the financial statements for the year ended 31 December 2020 are disclosed in Note 1 and are considered material but not pervasive to the consolidated financial statements of the group as BTQ Inc does not represent a substantial portion of the group Our opinion on the current period's financial statements is therefore modified because of the possible effect of this matter on the current period's figures In addition, were any adjustment to the balances to be required, the strategic report would also need to be amended

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue until 30 April 2024

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon The directors are responsible for the other information contained within the annual report

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact

As described in the basis for qualified opinion section of our report, we were unable to complete audit procedures on the income statement and balance sheet amounts, and general audit procedures including journal entry testing, pertaining to BTQ Inc and its subsidiaries We have concluded that where the other information refers to balances, it may be materially misstated for the same reason

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report

Arising solely from the limitation on the scope of our work relating to BTQ Inc and its subsidiaries, referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records have been kept

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion

- returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion The extent to which our

procedures are capable of detecting irregularities, including fraud is detailed below However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management
Our approach was as follows

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, Income Tax Act 2007, VAT legislation and employment legislation
- We understood how B T Q Limited is complying with those frameworks by performing inquiries with management and performing journal entry testing to ensure that there are no unusual legal or penalty expenses incurred during the year In addition, the company utilises a code of conduct which has a central communication line through which regulations, both domestically and globally, are followed and enforced We also evaluated the company's overall entity level controls, through discussions, inspections and observations, in the areas of control environment, monitoring, risk assessment and communications, and noted no significant issues
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by inquiring with management and performing a walkthrough of the financial statement close process We consider revenue recognition to be a fraud risk due to management override of controls, therefore we tested manual journal entries posted to revenue and also performed year end cut off procedures Further, we performed overall analytical procedures to assess the fairness of the overall financial performance and the position as at and for the year ended We have also performed journal entry testing to identify unusual transactions
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations Our procedures involved inquiries with management, performing tests of details such as checking for unusual legal or penalty expenses, and performing journal entry testing to identify unusual transactions We performed procedures, including reading minutes of board meetings and making inquiries with the management for any correspondence of non-compliance with the tax authorities, and noted no significant issues

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https //www frc org uk/auditorsresponsibilities This description forms part of our auditor's report

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

DocuSigned by:
Ernst & Young LLP
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Sarah Pocock (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
Date 20 April 2023

B T Q LIMITED

Company Registration No. 01966114

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

	Notes	2020 £'000	Restated 2019 £'000
Turnover	3	46,302	42,214
Cost of sales		(30,544)	(29,938)
Gross profit		**15,758**	**12,276**
Distribution costs		(854)	(1,156)
Administrative expenses		(12,153)	(10,164)
Share of profits distributed to employees		(15)	(373)
Other Operating expenses	4	(61)	-
Operating profit	4	**2,675**	**583**
Interest receivable and similar income	8	836	547
Interest payable and similar expenses	9	(821)	(543)
Profit before taxation		**2,690**	**587**
Taxation	10	(669)	(139)
Profit for the financial year		**2,021**	**448**
Other comprehensive expense			
Currency translation differences		(100)	(192)
Total comprehensive income for the year		**1,921**	**256**

The notes on page 18 to 42 form part of these financial statements

Total comprehensive income for the year is fully attributable to the owners of the parent company

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes

See Note 1 for details of restatement applied to the prior year consolidated statement of comprehensive income for the year ended 31 December 2019

B T Q LIMITED Company Registration No. 01966114

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020		Restated 2019	
		£'000	£'000	£'000	£'000
Fixed assets					
Goodwill			-		4
Other Intangible assets	12		85		113
Total intangible assets			86		117
Tangible assets	13		7,692		5,009
			7,777		5,126
Current assets					
Stocks	15	10,479		21,404	
Debtors: amounts falling due within one year	16	5,584		7,392	
Debtors: amounts falling due after more than one year	16	20,031		16,064	
Cash at bank and in hand		12,500		2,028	
		48,594		46,888	
Current liabilities					
Creditors: amounts falling due within one year	17	(16,276)		(13,691)	
Net current assets			32,318		33,197
Total assets less current liabilities			40,095		38,323
Long-term liabilities					
Creditors: amounts falling due after more than one year	17		(16,326)		(16,610)
Provisions for liabilities	20		(494)		(69)
Net assets			23,275		21,644
Capital and reserves					
Called up share capital	23		26		26
Share premium account	24		48		48
Capital redemption reserve	24		1		1
Capital reserve	24		226		226
Profit and loss reserves	24		22,974		21,343
Total equity			23,275		21,644

The notes on page 18 to 42 form part of these financial statements.

See Note 1 for details of restatement applied to the prior year consolidated statement of financial position as at 31 December 2019.

The financial statements were approved by the board of directors and authorised for issue on 20 April 2023 and are signed on its behalf by:

J M Daugherty
Director

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	14		7,377		8,930
Current assets					
Debtors: amounts falling due within one year	16	1,003		2,299	
Cash at bank and in hand		2,297		287	
		3,300		2,586	
Current liabilities					
Creditors: amounts falling due within one year	17	(1,568)		(1,279)	
Net current assets			1,732		1,307
Total assets less current liabilities			9,109		10,237
Net assets			9,109		10,237
Capital and reserves					
Called up share capital	23		26		26
Share premium account	24		48		48
Capital redemption reserve	24		1		1
Profit and loss reserves	24		9,034		10,162
Total equity			9,109		10,237

The financial statements were approved by the board of directors and authorised for issue on 20 April 2023 and are signed on its behalf by:

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J M Daugherty
Director

B T Q LIMITED

Company Registration No. 01966114

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

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Profit reserves £'000	Total £'000
Balance at 1 January 2019 (as restated)		26	48	1	226	21,377	21,678
Year ended 31 December 2019							
Profit for the year (as restated)		–	–	–	–	448	448
Other comprehensive income.							
Currency translation differences on overseas subsidiaries		–	–	–	–	(192)	(192)
Total comprehensive income for the year		–	–	–	–	256	256
Dividends	11	–	–	–	–	(290)	(290)
Balance at 31 December 2019 (as restated)		26	48	1	226	21,343	21,644
Year ended 31 December 2020							
Profit for the year		–	–	–	–	2,021	2,021
Other comprehensive income							
Currency translation differences on overseas subsidiaries		–	–	–	–	(100)	(100)
Total comprehensive income for the year		–	–	–	–	1,921	1,921
Dividends	11	–	–	–	–	(290)	(290)
Balance at 31 December 2020		26	48	1	226	22,974	23,275

See Note 1 for details of restatement applied to the prior year consolidated statement of changes in equity for the year ended 31 December 2019

B T Q LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration No 01966114

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2019		26	48	1	9,782	9,857
Year ended 31 December 2019						
Total comprehensive income for the year		–	–	–	670	670
Dividends	11	–	–	–	(290)	(290)
Balance at 31 December 2019		26	48	1	10,162	10,237
Year ended 31 December 2020						
Total comprehensive (loss) for the year		–	–	–	(838)	(838)
Dividends	11	–	–	–	(290)	(290)
Balance at 31 December 2020		26	48	1	9,034	9,109

B T Q LIMITED
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration No. 01966114

	Notes	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Cash flows from operating activities					
Cash generated from/(used in) operations	26	13,981			(8,347)
Change in onerous contracts provision		494			-
Interest paid		(756)			(543)
Income taxes paid		(1,068)			(252)
Net cash inflow/(outflow) from operating activities			**12,661**		**(9,142)**
Investing activities					
Purchase of intangible assets		(25)		(33)	
Purchase of tangible fixed assets		(4,043)		(1,658)	
Proceeds on disposal of tangible fixed assets		-		2	
Net cash used in investing activities			**(4,068)**		**(1,689)**
Financing activities					
Increase in bank loans		2,318		9,753	
Repayment of non-recourse financing		(231)		(266)	
Increases in finance leases		-		8	
Dividends paid to equity shareholders		(290)		(290)	
Net cash inflow from financing activities			**1,797**		**9,205**
Net increase/(decrease) in cash and cash equivalents			**10,380**		**(1,626)**
Cash and cash equivalents at beginning of year			2,028		3,691
Effect of foreign exchange rates			92		(37)
Cash and cash equivalents at end of year			**12,500**		**2,028**

1 Accounting policies

Company information

B T Q Limited (the "Company") is a limited company domiciled and incorporated by shares in England and Wales The registered office and principal place of business is Wathen Street, Staple Hill, Bristol, BS16 5LL

B T Q Limited and a list of its wholly owned subsidiaries (together, the "Group") are disclosed in the notes to the financial statements in Note 14 The principal activities of the Company and its subsidiaries are disclosed in the Directors' Report

On 25 January 2021, the entire issued share capital of the Company was sold to MSA Great Britain Holdings Limited, a UK subsidiary in a group headed by MSA Safety Incorporated, a company incorporated in Pennsylvania, USA The immediate parent company is now MSA Great Britain Holdings Limited The ultimate parent company and the head of the largest group into which the results and financial position of the Company are consolidated is now MSA Safety Incorporated

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

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 whole £1,000, except where otherwise indicated

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

Restatement for prior period error

Fully Managed Service ("FMS") arrangements are contracts where the company (a) issues personal protective equipment ("PPE") to fire brigades at the start of a contract and (b) provides on-going servicing to the equipment over the agreement terms, which are typically 8 years in length Historically, management had treated these FMS contracts as operating leases After further evaluation of the contracts and review of the terms in comparison to the requirements under FRS 102, the company determined that the contracts should have been classified as finance leases As a result, a correction of this error was required and was made during the current period financial statements This correction was applied retrospectively to all periods presented

Under the historic operating lease treatment, revenue was recognized rateably across the contract term Subsequent to the correction, revenue was recognized as both a sale of goods (for the finance lease) and a rendering of services (For the ongoing servicing of the PPE), resulting in restated turnover of £5,369,000 recognised in 2019 The rendering of services component was recognized using the stage of completion method (See Note 2)

Under the historic operating lease treatment, the fixed assets representing the PPE provided to the customer were capitalised as tangible assets and depreciated over the lease term Subsequent to the restatement, the fixed assets were removed from the statement of financial position and recorded to the statement of comprehensive income as cost of sales Additionally, a Lease receivable account balance was established representing the company's rights to the payments from the customer over the remaining finance lease term together with related interest (See Note 16)

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

1 Accounting policies

Company information

B T Q Limited (the "Company") is a limited company domiciled and incorporated by shares in England and Wales. The registered office and principal place of business is Walkern Street, Staple Hill, Bristol, BS16 5LL.

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Under the historic operating lease treatment, the fixed assets representing the PPE provided to the customer were capitalised as tangible assets and depreciated over the lease term. Subsequent to the restatement, the fixed assets were removed from the statement of financial position and recorded to the statement of comprehensive income as cost of sales. Additionally, a Lease receivable account balance was established representing the company's rights to the payments from the customer over the remaining finance lease term together with related interest (See Note 16).

	January 1, 2019		
	As originally stated	As adjusted	Effect of change
	£'000	£'000	£'000
Statement of Financial Position			
Capital and reserves			
Profit and loss reserves	23,453	21,377	(2,076)

	2019		
	As originally stated	As adjusted	Effect of change
	£'000	£'000	£'000
Statement of Comprehensive Income			
Turnover	36,845	42,214	5,369
Cost of sales	(22,240)	(29,938)	(7,698)
Interest income	12	547	535
Tax on profit	(483)	(139)	344

	2019		
	As originally stated	As adjusted	Effect of change
	£'000	£'000	£'000
Statement of Financial Position			
Fixed assets			
Tangible assets	29,854	5,009	(24,845)
Non-current assets			
Debtors amounts falling due after one year (Lease receivable adjustment)	-	16,064	16,064
Current assets			
Stock	15,165	21,404	6,239
Debtors amounts falling due within one year (Lease receivable adjustment)	5,448	7,392	1,944
Current liabilities			
Creditors amounts falling due within one year (Deferred Income)	(10,779)	(13,691)	(2,912)
Long-term liabilities			
Provision for liabilities	(53)	(69)	(16)
Capital and reserves			
Profit and loss reserves	24,869	21,343	(3,526)

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings up to 31 December

A subsidiary is an entity controlled by the Group Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation

The Company sold its full interests, during January 2021, in BTQ Inc, Topps Safety Apparel Inc, Bristol Fire Apparel Inc and Quaker Safety Products Corporation (Note 31) As a result of this sale, the Company had limited access to the financial and supporting records of these entities The table below summarises the material line items impacted by the limitation for the year ended 31 December 2020

Statement of Comprehensive Income	**£'000**
Turnover	3,691
Cost of sales	(3,053)

Statement of Financial Position	**£'000**
Tangible assets	1,805
Debtors amounts falling due within one year	760
Cash at bank and in hand	801
Creditors amounts falling due within one year	(353)

Going concern

These financial statements have been prepared on a going concern basis on the grounds that the directors consider that the Company and the Group holds sufficient cash reserves to provide significant headroom to offset any cash flow uncertainties and, therefore, the Company and the Group will be able to continue to meet its debts as they fall due

In order to assess the going concern assumptions, the directors have considered trading and cash flow projections for a period of 12 months from the date of approval of these financial statements, taking into account the current economic situation and the risks associated with our inability to successfully manage price fluctuations due to inflationary economic and market conditions, energy constraints and material shortages and the uncertainty this presents in drawing their conclusions

Since a large proportion of the Group's revenue is derived from long-term fixed contracts with UK Local Authorities, the directors believe that this income, and the collection of these debtors, provides a strong basis for future forecasts

On 25 January 2021, the entire issued share capital of the Company was sold to MSA Great Britain Holdings Limited, a UK subsidiary in a group headed by MSA Safety Incorporated, a company incorporated in Pennsylvania, USA The immediate parent company is now MSA Great Britain Holdings Limited The ultimate parent company and the head of the largest group into which the results and financial position of the Company are consolidated is now MSA Safety Incorporated MSA Safety Incorporated is committed to ensuring the subsidiary has adequate working capital to meet its operational demands

The directors are confident that the steps they have taken to mitigate associated risk, in tandem with future plans for the company, will ensure the Group is well positioned to continue to trade throughout the current uncertain economic environment They have therefore concluded that there is no material uncertainty about the ability of the Group to continue as a going concern and that it remains appropriate to prepare the financial statements on a going concern basis

Reduced disclosures

The Company is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the exemptions from the following disclosure requirements in respect of its individual financial statements

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' - Compensation for key management personnel
- Section 11 'Basic financial instruments' - Financial instrument disclosures paragraphs 11 42, 11 44, 11 45, 11 47, 11 48(a)(iii), 11 48(a)(iv), 11 48(b) and 11 48(c)

The Group is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the exemptions from the following disclosure requirements in respect of its consolidated financial statements

- Section 33 'Related Party Disclosures' - Compensation for key management personnel
- Section 11 'Basic financial instruments' - Financial instrument disclosures paragraphs 11 42, 11 44, 11 45, 11 47, 11 48(a)(iii), 11 48(a)(iv), 11 48(b) and 11 48(c)

Business Combinations and Goodwill

Business combinations are accounted for by applying the purchase method

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination Where control is achieved in stages the cost is the consideration at the date of each transaction

Contingent consideration is initially recognised at an estimated amount where the consideration is probable and can be measured reliably Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill Intangible assets are only recognised separately from goodwill where they are separable and arise from contractual or other legal rights Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities

Goodwill represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired

Goodwill is amortised over its expected useful life which is estimated to be between 10 and 20 years Goodwill is assessed for impairment at the end of the first full financial year following an acquisition and in subsequent reporting periods when there are indicators of impairment and any impairment is charged to the consolidated statement of comprehensive income No reversals of impairment are recognised

If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on that acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure

Turnover

The turnover shown in the consolidated statement of comprehensive income includes the sale of goods and the rendering of services, as well as amounts invoiced for leased assets exclusive of Value Added Tax, as adjusted for deferred income at the year-end where invoicing is in advance of the supply of goods and services The following criteria must be met before revenue is recognized

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, 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 with respect of the transaction can be measured reliably

Rendering of services

Revenue from the rendering of services is recognized by the stage of completion Stage of completion is measured by reference to actual service costs incurred as a percentage of the total estimated costs for each contract Forecasted future costs are developed using performance of similar contracts coupled with future expected inflationary impacts Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable If total estimated forecast contract costs exceed total estimated revenue, an onerous loss provision is recognized

Fully managed service ("FMS") contracts

FMS arrangements are contracts where the Company (a) issues PPE to fire brigades at the start of a contract and (b) provides on-going servicing to the equipment over the agreement terms, which are typically 8 years in length

Such arrangements provide for monthly payments covering equipment provided, maintenance and interest These arrangements meet the criteria to be accounted for as sales-type leases and contain both lease and non-lease components For a component to be separate, the customer would be able to benefit from the right of use of the component separately or with other resources readily available to the customer and the right of the use is not highly dependent or highly interrelated with the other rights to use the other underlying assets or components

- Revenue from equipment provided is considered a lease component and recognized with point in time revenue recognition upon lease commencement Upon the recognition of such revenue, an asset is established for the lease receivable Maintenance revenue, which is considered a non-lease component, and interest are recognized monthly over the lease term

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably

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

Goodwill	10-20 years straight line
Software	3-7 years straight line
Brand name	10 years straight line
Customer relationships	10 years straight line

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 or valuation of assets less their residual values over their useful lives on the following bases

Freehold land	Not depreciated
Freehold buildings	40-50 years straight line
Plant, equipment and vehicles	3-10 years 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 recognised in the consolidated statement of comprehensive income

Operating leases

Assets owned by the Group for which the Group retains substantially all the risks and rewards of ownership throughout the duration of the arrangement are classified as operating leases Rental income received from customers is recognised on a straight-line basis

Finance leases

Assets owned by the Group are provided to fire brigades through FMS fire service contracts The customer obtains substantially all the risks and rewards of ownership of these assets throughout the duration of the arrangement, which typically is 8 years Accordingly these arrangements meet the criteria of a finance lease under FRS 102 Upon lease commencement, a debtor amount for the lease is recorded at the fair value of the future minimum discounted lease payments (the net investment in finance lease) on the statements of financial position Lease payments are received from fire brigades, typically monthly, and are apportioned between the reduction of the lease related debtors accounts, interest and the portion representing maintenance services performed on the equipment Interest is recorded as interest income on the statement of comprehensive income

Impairment of fixed assets

At each reporting end date, the Group 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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

Investment in subsidiaries

Investment in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses Should any indicators of impairment or reversal of impairment be identified by the directors, any impairment losses or reversals of impairment losses are recognised immediately in profit or loss

Stocks

Raw materials and finished goods

Stocks are recognised and measured on a standard cost basis Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items Stocks are reviewed on a line by line basis, and a provision for a percentage of the cost is made for any slow moving items

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity Provision is made for any foreseeable losses where appropriate No element of profit is included in the valuation of work in progress

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts Bank overdrafts are presented within borrowings under current liabilities

Provisions

Provisions are recognised where an event has taken place that gives the Group 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 Group 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 comprehensive income

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments Financial instruments are recognised when the Group 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 Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and 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 Financial liabilities are derecognised when, and only when, the Company's contractual obligations are discharged, cancelled, or they expire

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' Loans and receivables are measured at amortised cost using the effective interest method, less any impairment

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate The impairment loss is recognised in profit or loss

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third-party

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire

Share capital

Share capital issued by the Group is recorded at the proceeds received, net of direct issue costs Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group

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 is based on taxable profit for the year Taxable profit differs from total comprehensive income because it excludes items of income or expense that are not taxable or deductible, or that are taxable or deductible in other periods Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of comprehensive income date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of comprehensive income date Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of comprehensive income date 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 Deferred tax is measured on a non-discounted basis

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

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

The Group operates Group Personal Pension Plans for employees These Plans are 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 The assets of these Plans are held separately from those of the Company

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 or the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined

2 Judgements and key sources of estimation uncertainty

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 and assumptions

The Company makes estimates and assumptions concerning the future The resulting accounting estimates 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 addressed below

a) Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies Further details are contained in Note 10

b) Finance lease commitments

The Company enters into FMS arrangements where equipment is provided to fire brigades (Note 1) The classification of such agreements as finance or operating leases requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it transfers the risk and rewards of ownership of these assets and accordingly whether the leased assets should remain on the Company's statement of financial position

c) Stage of completion for rendering of FMS services

The Company provides on-going servicing to equipment as part of its FMS arrangements This on-going servicing is considered to be a rendering of services which is provided over the contract term, typically 8 years Revenue associated with these services is recognised by reference to the stage of completion Stage of completion is measured by reference to costs incurred to date as a percentage of total estimated costs for each contract Estimated future costs for each contract are developed using historical results of similar contracts coupled with future expected inflationary impacts

d) Provision for onerous contracts

The Company enters into FMS arrangements which are long term agreements to provide both PPE and service that equipment on an on-going basis, typically 8 years Management assesses the profitability of these contracts on a continuous basis If total estimated contract cost exceeds total estimated contract revenue on a contract, the expected loss is recognized immediately within cost of sales on the statement of comprehensive income with a corresponding provision for an onerous contract on the statement of financial position

3 Turnover and other revenue

An analysis of the Group's turnover is as follows

	Group 2020 £'000	*Restated* Group 2019 £'000
Analysis of turnover by geography		
United Kingdom	25,763	28,277
Rest of the world	20,539	13,937
	46,302	42,214

Analysis of Group's turnover by category

	Group 2020 £'000	*Restated* Group 2019 £'000
Analysis of turnover by category		
Sale of goods	35,798	27,363
Rendering of services	10,504	14,851
	46,302	42,214

During the year the Company received £7,731,091 (Restated 2019 - £11,224,455) of income related to leased assets

The directors have not provided a segmental analysis of the results for the year on the basis that the segmental results are not considered materially significant

4 Operating profit

	Group 2020 £'000	*Restated* Group 2019 £'000
Operating profit for the year is stated after charging/(crediting)		
Exchange losses/(gains)	113	(322)
Depreciation of owned tangible fixed assets	420	743
Depreciation of tangible fixed assets held under finance leases	863	367
Operating lease charges	743	599
Amortisation of intangible assets	57	49
Impairment / (reversal of impairment) of trade debtors	(18)	35

5 Auditor's remuneration

	Group 2020 £'000	*Group* 2019 £'000
For audit services		
Fees paid to group auditor and affiliates for the audit of the parent company's annual accounts	13	9
Audit of the accounts of subsidiaries	89	47
	102	56
For other services		
Taxation compliance services	-	21
All other non-audit services	-	14
	-	35
For services in respect of associated pension schemes		
Overseas pension scheme audit	-	9

6 Employees

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

	Group 2020 Number	Group 2019 Number	Company 2020 Number	Company 2019 Number
Production staff	187	261	-	-
Sales and administration staff	21	47	3	4
	208	308	3	4

Their aggregate remuneration comprised

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Wages and salaries	5,964	7,649	148	109
Social security costs	544	789	17	12
Pension costs	274	270	-	-
Share of profits distributed to employees	-	373	-	-
	6,782	9,081	165	121

7 Directors' remuneration

	Group 2020 £'000	Group 2019 £'000
Remuneration for qualifying services	909	438
Employer's national insurance contributions	41	38
	950	476

No directors accrued retirement benefits under defined contribution schemes in the current or previous year Remuneration disclosed above includes the following amounts paid to the highest paid director

	Group 2020 £'000	Group 2019 £'000
Remuneration for qualifying services	297	240

The information presented in Notes 6 and 7 reflects consolidated BTQ Limited where group figures are presented As discussed in Note 30, BTQ Limited sold entities in January 2021 The staff count and associated renumeration for these sold entities was not presented in the figures above as information related to employee records has been limited after the sales transaction Figures reflected for 2019 are as originally presented within the company's 2019 filing and include staff and associated renumeration for these sold entities

Where company figures are presented, this reflects the standalone entity of BTQ Limited

8 Interest receivable and similar income

	Group 2020 £'000	*Restated* Group 2019 £'000
Interest income		
Interest from finance leases	833	535
Interest on bank deposits	3	12
	836	547

9 Interest payable and similar expenses

	Group 2020 £'000	Group 2019 £'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	(821)	(543)

10 Taxation

	Group 2020 £'000	Restated Group 2019 £'000
Current tax		
UK corporation tax on profits for the current period	860	387
Adjustments in respect of prior periods	-	(77)
Total UK current tax	860	310
Foreign current tax on profits for the current period	16	73
Total current tax	876	383
Deferred tax		
Origination and reversal of timing differences	(207)	(244)
Total deferred tax	(207)	(244)
Total tax charge	669	139

Taxation (continued)

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows

	Group 2020 £'000	Restated Group 2019 £'000
Profit before taxation	2,690	587
Expected tax charge based on the standard rate of corporation tax in the UK of 19 00% (2019 – 19 00%)	511	112
Expenses not deductible for tax purposes	133	16
Adjustments in respect of prior years	-	(77)
Fixed asset differences	(11)	(4)
Adjust deferred tax to reconciliation rate	1	13
Timing differences not recognised in the computation	35	79
Tax charge for the year	669	139

Tax rate changes

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted) This new law was substantively enacted on 24 May 2021 This will increase the Company's future effective tax rate accordingly

11 Dividends

	Group 2020 £'000	Group 2019 £'000
Final paid in respect of the previous year	261	225
Interim paid in respect of the current year	29	65
	290	290

In addition to the dividends disclosed above, since the balance sheet date the directors have proposed final dividends in respect of the year ended 31 December 2020 of £nil (2019 - £178,080) on Ordinary shares and £nil (2019 - £83,200) on Ordinary A shares No final dividend was declared in respect of the year ended 31 December 2021

12 Intangible fixed assets

	Group				
	Goodwill	**Brand name**	**Customer relationships**	**Software**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 January 2020	1,222	37	46	513	1,818
Additions	–	–	–	25	25
Exchange adjustments	(25)	–	–	-	(25)
At 31 December 2020	1,197	37	46	538	1,818
Amortisation					
At 1 January 2020	1,218	19	20	444	1,701
Charge for the period	4	4	3	46	57
Exchange adjustments	(25)	–	–	–	(25)
At 31 December 2020	1,197	23	23	490	1,733
Carrying amount					
At 31 December 2020	–	14	23	48	85
At 31 December 2019	4	18	26	69	117

The amortisation of intangible assets is included within operating costs

13 Tangible fixed assets

	Group			
	Freehold land and buildings	Leasehold improvements	Restated Plant, equipment & motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2020 (as restated)	3,861	344	11,457	15,662
Additions	5	14	4,024	4,043
Disposals	–	–	(4,089)	(4,089)
Exchange adjustments	–	–	–	–
At 31 December 2020	3,866	358	11,392	15,616
Depreciation				
At 1 January 2020 (as restated)	1,248	75	9,330	10,653
Charge for the period	168	38	1,077	1,283
Eliminated in respect of disposals	–	–	(4,073)	(4,073)
Exchange adjustments	–	–	61	61
At 31 December 2020	1,416	113	6,395	7,924
Carrying amount				
At 31 December 2020	2,450	245	4,997	7,692
At 31 December 2019 (as restated)	2,613	269	2,127	5,009

Freehold land and buildings include £678,000 (2019 - £678,000) in respect of land which is not depreciated

Included in plant and equipment are assets available for lease with a cost of £7,338,000 (2019 Restated - £3,550,000) and net book value of £5,046,456 (2019 Restated - £2,121,299)

14 Fixed asset investments

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Investments in subsidiaries January 1,	–	–	8,930	8,930
Impairment in BTQ Inc	–	–	(1,553)	–
December 31,	–	–	7,377	8,930

The Company recorded an impairment for the year ended 31 December 2020 The impairment reflected the full write-off of the fixed asset investment value of BTQ Inc, Topps Safety Apparel Inc, Bristol Fire Apparel Inc and Quaker Safety Products Corporation at the year ended 31 December 2020 (Note 31)

Company name	Country	Holding	Type	Business
B T Q Limited	England & Wales	100 00%	Ordinary	Holding company
BTQ Holdings Limited*	England & Wales	100 00%	Ordinary	Dormant
Bristol Managed Services Limited*	England & Wales	100 00%	Ordinary	Managed services
Bristol Uniforms Limited*	England & Wales	100 00%	Ordinary	Garment supply
Bell Apparel Limited*	England & Wales	100 00%	Ordinary	Garment supply
Bufire Overseas Limited **	England & Wales	100 00%	Ordinary	Dormant
Bristol Care Ltd **	England & Wales	100 00%	Ordinary	Dormant
BTQ Inc*	Kentucky, USA	100 00%	Common	Holding company
Topps Safety Apparel Inc ***	Kentucky, USA	100 00%	Common	Garment supply
Bristol Fire Apparel Inc ***	Indiana, USA	100 00%	Common	Garment supply
Quaker Safety Products Corporation ***	Pennsylvania, USA	100 00%	Common	Garment supply

* Held by B T Q Limited

** Held by Bristol Uniforms Limited

*** Held by BTQ Inc

The registered office of the England and Wales companies is Wathen Street, Staple Hill, Bristol, BS16 5LL The registered office of BTQ Inc, Topps Safety Apparel Inc and Bristol Fire Apparel Inc is 2516 E State Road 14, PO Box 750, Rochester, Indiana 46975 USA The registered office of Quaker Safety Products Corporation is 1121 Richland Commerce Drive, Suite A, Quakertown, PA 18951-2518 USA

15 Stocks

	Group 2020 £'000	Restated Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Raw materials and consumables	3,554	6,318	–	–
Work in progress	1,027	2,740	–	–
Finished goods	5,898	12,335	–	–
Demonstration stock	-	11	–	–
	10,479	21,404	–	–

16 Debtors

Amounts falling due within one year:	Group 2020 £'000	Restated Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade debtors	3,340	3,315	–	–
Net investment in finance lease	1,311	2,302	–	–
Amounts due from group undertakings	–	–	1,003	2,276
Other debtors	466	1,288	–	–
Prepayments and accrued income	467	487	–	23
	5,584	7,392	1,003	2,299
Amounts falling due after more than one year:				
Net investment in finance lease	19,892	16,064	–	–
Deferred tax asset (Note 21)	139	–	–	–
	20,031	16,064	–	–
Total Debtors	25,615	23,456	1,003	2,299

There are no fixed repayment terms associated with the amount due from group undertakings, and the directors consider that the majority of this balance will be recovered in more than one year These amounts are repayable on demand

17 Creditors: amounts falling due within one year

	Group 2020 £'000	Restated Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loans (Note 18)	4,736	3,393	–	–
Obligations under finance leases (Note 19)	2	2	–	–
Trade creditors	2,328	4,754	–	–
Deferred Income	5,315	2,863	–	–
Amounts due to group undertakings	–	–	1,425	1,257
Corporation tax payable	–	213	2	6
Other taxation and social security	198	218	–	–
Other creditors	1,565	463	–	–
Accruals	2,132	1,785	141	16
	16,276	13,691	1,568	1,279

Bank loans are secured by a fixed and floating charge dated 8 June 2018 over the assets of the group All bank loans were voluntarily paid by a parent of BTQ Limited upon acquisition of the group in 2021

Other creditors falling due within one year include non-recourse financing arrangements of £1,308,000 (2019 - £281,000) These non-recourse financing arrangements were voluntarily paid by a parent of BTQ Limited upon acquisition of the group in 2021 As repayment occurred after the date of these financial statements, the full amount of non-recourse financing of £1,308,000 was included as falling due within one year (Note 18)

Deferred income is associated with the deferral of revenue from the restatement described in Note 1 This deferral of revenue was classified as amounts falling due within one year as the amount recognized each year varies due to the updated stage of completion of services Due to this variability in recognition timing listing this activity as current creditors was deemed to be the most appropriate presentation by management

Creditors: amounts falling due after more than one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loans (Note 18)	16,321	15,346	–	–
Obligations under finance leases (Note 19)	5	6	–	–
Other creditors (Note 18)	–	1,258	–	–
	16,326	16,610	–	–

Other creditors falling due after more than one year include non-recourse financing arrangements Further details are given in Note 18

18 Borrowings

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loans	21,057	18,739	–	–
Non-recourse financing arrangements	1,308	1,539	–	–
	22,365	20,278	–	–

Bank loans

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Payable within one year	4,736	3,393	–	–
Payable after one year	16,321	15,346	–	–
	21,057	18,739	–	–

Bank loans comprise asset loans relating to equipment provided under certain contracts held by the group The loans were drawn down on commencement of each individual contract and are repayable in equal monthly instalments over six year terms The loans bear interest at annual rates of between 3 6% - 4 0% and are secured by a debenture dated 24 July 2018 giving fixed and floating charges over the company's assets After acquisition, in January 2021, the parent of the group which owns BTQ Limited paid down bank loan balances in full As such, no balances will remain outstanding for more than five years from the date of these statements

Non-recourse financing arrangements

Other creditors due within one year and after more than one year include balances due under non-recourse financing arrangements with commercial lenders in respect of sales contracts which are secured on the assets available for lease The balances mature over the following periods

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Due within one year	1,308	281	–	–
Due within two to five years	–	1,124	–	–
Due after more than five years	–	134	–	–
	1,308	1,539	–	–

After acquisition, in January 2021, the parent of the group which owns BTQ Limited paid down bank loan balances in full As such, no balances will remain outstanding for more than one year from the date of these statements

19 Finance lease obligations

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Future minimum lease payments due under finance leases:				
Less than one year	2	2	–	–
Between one and five years	5	6	–	–
	7	8	–	–

Finance lease payments represent rentals payable by the Group for certain items of plant and machinery Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets Finance lease agreements are secured on the assets to which they relate The average lease term is 5 years All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments

20 Provisions for liabilities

	Group 2020 £'000	Restated Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Onerous contracts provision	494	–	–	–
Deferred tax liabilities (Note 21)	–	69	–	–

Management assesses the profitability of FMS contracts on a continuous basis (Note 1) Based on the review performed for the year ended 2020, total estimated FMS contract costs through 2028 for the rendering of services exceeded expected service revenue The amount of the expected loss not yet recognized within results was recorded as the provision for onerous contracts and was recognized within cost of sales on the statement of comprehensive income

21 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or company has a legally enforceable right to do so The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes

	Group 2020 £'000	Restated Group 2019 £'000
Balances		
Fixed asset timing differences	127	(69)
Short-term timing differences	12	–
Deferred tax asset/(liability)	139	(69)

Presented as follows:		
Included in assets	139	–
Included in liabilities	–	(69)
	139	(69)

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes

	Group 2020 £'000	Restated Group 2019 £'000
Movements in the year:		
Liability at start of year	(69)	(312)
Charge to profit	208	243
Asset/(Liability) at end of year	139	(69)

It is not possible to estimate reliably the extent to which the deferred tax assets and liabilities set out above are expected to reverse within the next twelve months

The Company has no deferred tax assets or liabilities

22 Retirement benefit schemes

The Group operates two pension schemes In the UK a defined contribution scheme is operated The assets of the scheme are held separately from those of the Group The contributions to the scheme are charged to the statement of comprehensive income as they become payable A US trading subsidiary operates an elective contribution plan, in which the subsidiary contributes an amount of 25% of the employees' contributions up to 5% of their compensation The contributions to the scheme are charged to the statement of comprehensive income as they become payable

23 Share capital

	Group and company		Group and company	
	2020 Number	2019 Number	2020 £'000	2019 £'000
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	25,440	25,440	25	25
Ordinary A shares of £1 each	800	800	1	1
	26,240	26,240	26	26

The Company's Ordinary shares and Ordinary A shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company

24 Reserves

Share premium

The share premium account reflects the consideration received for shares issued above their nominal value, net of transaction costs

Capital redemption reserve

The capital redemption reserve reflects the nominal value of own shares which have been repurchased and subsequently cancelled

Capital reserve

The capital reserve reflects the value of negative goodwill arising upon a historic business combination

Profit and loss reserves

The profit and loss reserves reflect cumulative profits and losses net of distributions to shareholder

25 Analysis of changes in net debt – group

	Group			
	1 January 2020 £'000	Cash flows £'000	Interest and finance charges £'000	31 December 2020 £'000
Cash at bank and in hand	2,028	10,472	-	12,500
Borrowings excluding overdrafts	20,278	2,087	-	22,365
Obligations under finance leases	8	-	-	8

26 Notes to the statement of cash flows

Cash generated from operations	2020	Restated 2019
	£'000	£'000
Profit for the year after tax	2,021	448
Adjustments for		
Taxation charged	669	139
Finance costs	821	543
Gain on disposal of tangible fixed assets	-	(2)
Amortisation and impairment of intangible assets	57	64
Depreciation and impairment of tangible fixed assets	1,283	1,110
Exchange differences	(61)	(85)
Movements in working capital		
Decrease/(increase) in stocks	10,925	(3,782)
Increase in debtors	(2,010)	(9,294)
Decrease in creditors	(2,175)	(352)
Increase in deferred income	2,451	2,864
Cash generated from/(used in) operations	13,981	(8,347)

27 Financial commitments, guarantees and contingent liabilities

A US subsidiary has had two product liability lawsuits brought against it specifying an asbestos related liability As the company has never manufactured any product containing asbestos, management believes these claims are without merit and therefore has not provided any sums with regard to these claims This was divested as part of the BTQ Limited sales transaction (Note 31)

The US subsidiary has a product liability lawsuit brought against it specifying personal injuries caused by the defective manufacture of bunker pants Management believes the claim is without merit and therefore has not provided any sums regarding this claim This was divested as part of the BTQ Limited sales transaction (Note 31)

The Group enters into agreements whereby purchases of materials within a fixed period will be at a fixed price The value of the outstanding, unprovided commitments at 31 December 2020 was £2,904,327 (2019 - £4,554,000) Also, at the year-end there was a commitment of £nil (2019 - £7,000) to purchase machinery

The value of capital commitments at the year-end, reflecting amounts contracted for the purchase of tangible fixed assets but not provided for in the financial statements, was £nil (2019 - £7,000)

The Company is party to the B T Q Limited Group banking arrangement whereby group entities are jointly and severally liable for certain group borrowings Group borrowings in the Company covered by this arrangement at the year-end were £20,836,000 (2019 - £18,739,000) At 31 December 2020, the Company also maintained a £400,000 guarantee facility on which nothing had been borrowed

The Company is a member of a group VAT registration and is jointly and severally liable for the Group VAT liability The members of the VAT group are Bristol Uniforms Limited, Bristol Managed Services Limited and B T Q Limited

Operating Lease Commitments

Lessee

At 31 December 2020 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Within one year	644	650	–	–
Between two and five years	1,778	1,874	–	–
In over five years	918	1,314	–	–
	3,340	3,838	–	–

Lessor

As noted above, the Group receives lease income under FMS contracts Lease terms typically 8 years in length

At the reporting end date the Group had contracted with customers for the following minimum income under equipment leasing arrangements

	Group 2020 £'000	Restated Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Within one year	1,311	2,302	–	–
Between two and five years	14,102	9,053	–	–
In over five years	5,790	7,011	–	–
	21,203	18,366	–	–

28 Related party transactions

The Company has taken advantage of the exemption available under Section 33 of FRS 102 and has not disclosed details of transactions with other wholly owned companies in the Group headed by B T Q Limited

In the opinion of the directors there were no other related party transactions in the current or previous year requiring disclosure under FRS 102

29 Directors' transactions

During the year dividends were paid to the following directors

	Group 2020 £'000	Group 2019 £'000
A D Dorrell	75	86
C I Dorrell	22	26
A C James	27	31
I P Mitchell	56	43
	180	186

30 Ultimate controlling party

At 31 December 2020, and throughout the current and previous period, the Company was the ultimate parent company of the Group

On 25 January 2021, the entire issued share capital of the Company's parent B T Q Limited was sold to MSA Great Britain Holdings Limited, a UK subsidiary in a group headed by MSA Safety Incorporated, a company incorporated in Pennsylvania, USA The immediate parent company and the head of the smallest group into which the results and financial position of the Company are consolidated remains B T Q Limited The ultimate parent company and the head of the largest group into which the results and financial position of the Company are consolidated is now MSA Safety Incorporated

31 Events after the reporting date

During January 2021, BTQ Limited sold 100% interest in BTQ Inc, Topps Safety Apparel Inc, Bristol Fire Apparel Inc and Quaker Safety Products Corporation as presented in Note 14 BTQ Limited paid the owners of these entities a buyout £1,019,424 in January 2021 to demerge these entities from BTQ Limited

On 25 January 2021, the entire issued share capital of the Company was sold to MSA Great Britain Holdings Limited, a UK subsidiary in a group headed by MSA Safety Incorporated, a company incorporated in Pennsylvania, USA The immediate parent company is now MSA Great Britain Holdings Limited The ultimate parent company and the head of the largest group into which the results and financial position of the Company are consolidated is now MSA Safety Incorporated Additionally, as part of this sales transaction, during 2021 all bank loans of the company were paid down (Note 18)