

Pyrotec Fire Protection Limited

Annual Report and financial statements

for the 12 months to 31 December 2018

Registration number: 03195161

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Pyrotec Fire Protection Limited

Annual Report and financial statements for the 12 months ended 31 December 2018

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Pyrotec Fire Protection Limited

Directors and advisers

Executive directors

D Birtwistle
R J Pollard

Company secretary

R J Pollard

Registered office

Unit 8
Caburn Enterprise Park
Ringmert
East Sussex
BN8 5NP

Pyrotec Fire Protection Limited

Directors' report for the 12 months ended 31 December 2018

The directors present their annual report and the audited financial statements of the company for the 12 month period ended 31 December 2018. The directors' report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Principal activities

The principal activities of the company during the period were the supply of fire extinguishers and extinguishing agents, and the servicing of fire extinguishers.

Review of business and future developments

The profit and loss account for the period is set out on page 4.

The company continued to trade profitably and the company's commitment to quality products and service will continue in 2019. Both the level of business during the period and the period end financial position were considered to be satisfactory.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Dividends

A dividend in the amount of £200,000 was paid during the period (2017: £200,000).

Directors

The directors who served during the period and up to the date of signing the financial statements were as follows:

D Birtwistle Resigned 15 January 2019
R J Pollard

Pyrotec Fire Protection Limited

Directors' report for the 12 months ended 31 December 2018 (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

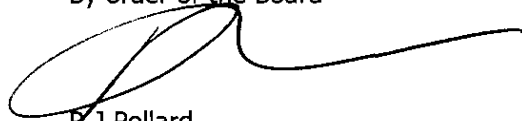
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Exemption from audit under section 479A of the Companies Act 2006

The members have not required the company to obtain an audit of its accounts for the year in accordance with Section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

By order of the Board



R J Pollard
Director
26 April 2019

Pyrotec Fire Protection Limited

Profit and loss account for the 12 months ended 31 December 2018

	Notes	12 months ended 31 December 2018 £	12 months ended 31 December 2017 £
Turnover	1	2,718,369	2,841,724
Cost of sales		(622,141)	(745,386)
Gross profit		2,096,228	2,095,888
Distribution costs		(1,218,713)	(1,274,866)
Administration expenses		(568,409)	(613,568)
Operating profit	2	309,106	207,454
Interest receivable	3	5	-
Profit on ordinary activities before taxation		309,111	207,454
Tax on profit on ordinary activities	7	(61,281)	(42,054)
Profit for the financial period		247,830	165,400

All amounts relate to continuing operations.

There are no differences between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical cost equivalents.

Pyrotec Fire Protection Limited

Balance sheet as at 31 December 2018

	Notes	31 December 2018 £	31 December 2017 £
Fixed assets			
Intangible assets	8	38,500	49,000
Tangible assets	9	43,431	74,273
		81,931	123,273
Current assets			
Stocks	10	111,840	105,546
Debtors	11	432,508	460,908
Cash at bank and in hand		579,123	453,336
		1,123,471	1,019,790
Creditors: amounts falling due within one year	12	(577,725)	(558,501)
Net current assets		545,746	461,289
Total assets less current liabilities		627,677	584,562
Provisions for liabilities and charges	13	(7,383)	(12,098)
Net assets		620,294	572,464
Capital and reserves			
Called up share capital	14	133	133
Profit and loss account		620,161	572,331
Total shareholders' funds		620,294	572,464

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements on pages 4 to 17 were approved by the board of directors on 26 April 2019 and were signed on its behalf by:


R J Pollard
Director
 26 April 2019

Registered number: 03195161

Pyrotec Fire Protection Limited

Statement of Changes in Equity

	Called up Share Capital	Profit and loss account	Total equity
Balance at 31 December 2016	133	606,931	607,064
Total comprehensive income for the period			
Profit for the financial period		165,400	165,400
Dividends		(200,000)	(200,000)
Balance at 31 December 2017	133	572,331	572,464
Total comprehensive income for the period			
Profit for the financial period		247,830	247,830
Dividends		(200,000)	(200,000)
Balance at 31 December 2018	133	620,161	620,294

Pyrotec Fire Protection Limited

Accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. In the transition to FRS 102 from UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's parent undertaking, London Security plc includes the Company in its consolidated financial statements. The consolidated financial statements of London Security plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Premier House, 2 Jubilee Way, Elland, West Yorkshire HX5 9DY. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The financial statements are prepared on the historical cost basis.

The directors have prepared these statements on the fundamental assumption that the company is a going concern and will continue to trade for the 12 months following the date of approval of these financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Turnover represents amounts invoiced, net of returns, discounts and value added tax.

The company derives its revenue from three major sources - outright sale of fire fighting equipment, servicing of this equipment, and providing fire-fighting equipment under rental contracts. The revenue recognition policies for each of these sources is as follows:

- Revenue from the outright sale of equipment is recognised upon delivery to a customer;
- Revenue from the servicing of equipment is recognised when the service has been performed.

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost or internal production cost, together with any incremental costs of acquisition.

Depreciation is calculated on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less their estimated residual values, over the estimated useful lives of the assets concerned. The principal annual rates are as follows:

Reducing balance method:

Plant and equipment	20%
Fixtures and fittings	20%
Improvements to property	15%
Motor vehicles	25%

Pyrotec Fire Protection Limited

Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

Straight line method:
Computer equipment 33%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account.

Intangible assets

Contracts

The cost of service contracts is consideration paid, plus any directly attributable transaction costs and an estimated value of contingent consideration. Consideration which is contingent on future events is recognised based on the estimated amount of the contingent consideration payable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of acquisition. Contracts are amortised on a straight line basis over their estimated useful life of 5 years based on information available to the Directors on average attrition rates.

Goodwill

Goodwill is recognised as the difference between the fair value of consideration paid, plus any directly attributable transaction costs and an estimated value of contingent consideration, less the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. Consideration which is contingent on future events is recognised based on the estimated amount of the contingent consideration payable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of acquisition. Goodwill is amortised on a straight line basis over its estimated useful life of 20 years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of 3 years using the straight line method.

Pyrotec Fire Protection Limited

Accounting policies (continued)

Leases

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Investments

Investments in subsidiary undertakings are held at cost less any provision for impairment.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at cost, less any impairment losses in the case of trade debtors.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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Notes to the financial statements for the 12 months ended 31 December 2018

1 Turnover

The turnover consists entirely of sales made in the United Kingdom.

2 Operating profit

	12 months ended 31 December 2018	12 months ended 31 December 2017
	£	£
Operating profit is stated after charging :		
Depreciation charge for the year – owned tangible fixed assets	20,097	27,858
Amortisation charge for the year – owned intangible fixed assets	10,500	10,500
Auditor's remuneration for audit services	3,000	2,850
(Profit) on disposal of fixed assets	-	394

3 Interest receivable

	12 months ended 31 December 2018	12 months ended 31 December 2017
	£	£
Bank interest	5	-

4 Dividends

	12 months ended 31 December 2018	12 months ended 31 December 2017
	£	£
Dividends paid	200,000	200,000

Pyrotec Fire Protection Limited

Notes to the financial statements for the 12 months ended 31 December 2018

5 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the period (2017 : £nil), as they were remunerated by other group companies.

6 Employee information

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

	12 months ended 31 December 2018 £	12 months ended 31 December 2017 £
By activity:		
Sales and service	22	22
Administration	9	9
	31	31

	12 months ended 31 December 2018 £	13 months ended 31 December 2017 £
Wages and salaries	949,433	1,087,677
Social security costs	97,529	109,880
Pension costs (note 15)	30,483	28,113
	1,077,445	1,225,670

Pyrotec Fire Protection Limited

Notes to the financial statements for the 12 months ended 31 December 2018 (continued)

7 Tax on profit

(a) Analysis of tax charge in the period

	12 months ended 31 December 2018 £	12 months ended 31 December 2017 £
Current tax charge	65,996	42,845
Deferred tax credit (note 13)	(4,715)	(791)
Total tax on profit on ordinary activities	61,281	42,054

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences will reverse, based on tax rates and laws substantively enacted at the Balance Sheet date, being a rate of 17% at 31 December 2018.

(b) Factors affecting tax charge for the period

The total tax charge for the period is higher (2017: higher) than the charge calculated at the standard rate of corporation tax in the United Kingdom of 19.00% (2017: 19.25%). The differences are explained below:

	12 months ended 31 December 2018 £	12 months ended 31 December 2017 £
Profit on ordinary activities before taxation	309,111	207,454
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19.00% (2017: 19.25%)	58,731	39,935
Effects of:		
Capital allowances less than depreciation	2,550	2,119
Total tax charge	61,281	42,054

Pyrotec Fire Protection Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Intangible assets

	Goodwill £	Total £
Cost		
At 1 January 2018	210,000	210,000
Additions	-	-
Disposals	-	-
At 31 December 2018	210,000	210,000
Accumulated Amortisation		
At 1 January 2018	161,000	161,000
Additions during the period	10,500	10,500
Disposals	-	-
At 31 December 2018	171,500	171,500
Net book amount		
At 31 December 2018	38,500	38,500
At 31 December 2017	49,000	49,000

9 Tangible assets

	Plant and machinery £	Motor vehicles £	Fixtures, and fittings £
Cost or valuation			
At 1 January 2018	19,908	114,454	135,048
Additions	-	-	-
Disposals	-	(51,530)	-
At 31 December 2018	19,908	62,924	135,048
Accumulated depreciation			
At 1 January 2018	10,956	77,971	110,237
Charge for the period	1,790	7,549	9,277
Disposals	-	(40,785)	-
At 31 December 2018	12,746	44,735	119,514
Net book amount			
At 31 December 2018	7,162	18,189	15,534
At 31 December 2017	8,952	36,483	24,811

Pyrotec Fire Protection Limited

Notes to the financial statements for the 12 months ended 31 December 2018 (continued)

9 Tangible assets (continued)

	Improvements to Property £	Total £
Cost or valuation		
At 1 January 2018	25,247	294,657
Additions	-	-
Disposals	-	-
At 31 December 2018	25,247	294,657
Accumulated depreciation		
At 1 January 2018	21,220	220,384
Charge for the period	1,481	20,097
Disposals	-	(40,785)
At 31 December 2018	22,701	199,696
Net book amount		
At 31 December 2018	2,546	43,431
At 31 December 2017	4,027	74,273

10 Stocks

	31 December 2018 £	31 December 2017 £
Finished goods and goods for resale	111,840	105,546

Pyrotec Fire Protection Limited

Notes to the financial statements for the 12 months ended 31 December 2018 (continued)

11 Debtors

	31 December 2018 £	31 December 2017 £
Trade debtors	410,933	430,724
Amounts owed by group undertakings	8,487	-
Other debtors	-	-
Prepayments	13,088	30,184
	432,508	460,908

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

12 Creditors – amounts falling due within one year

	31 December 2018 £	31 December 2017 £
Trade creditors	78,557	102,662
Amounts owed to group undertakings	98,812	39,268
Corporation tax payable	65,996	42,845
Other taxation and social security	106,687	122,216
Other creditors	1,906	3,634
Accruals and deferred income	225,767	217,876
	577,725	558,501

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Pyrotec Fire Protection Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

13 Deferred taxation

There was no unprovided deferred tax liability or unrecognised deferred tax asset at 31 December 2018 (2017 : £nil). The movement in the deferred tax liability can be analysed as follows:

	Deferred tax liability £
At 1 December 2017	12,098
Credit to profit and loss account	(4,715)
At 31 December 2018	7,383

The deferred tax liability recognised at 31 December 2018 can be analysed as follows:

	2018 £	2017 £
Depreciation in excess of capital allowances	7,383	12,098

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences will reverse based on tax rates and laws substantively enacted at the balance sheet date and being at a rate of 17% at 31 December 2018.

14 Called up share capital

	31 December 2018 £	31 December 2017 £
Authorised, allotted, called up and fully paid		
133 ordinary shares of £1 each	133	133

15 Pension obligations

The company operates a defined contribution pension arrangement which is open to all employees and to which the company contributes a fixed amount after a qualifying period of service.

Total contributions payable by the company into the above scheme in which the company participates are disclosed in note 6.

Pyrotec Fire Protection Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

16 Commitments and contingent liabilities

The future aggregate minimum lease payments due under non-cancellable operating leases are as follows:

	31 December 2018 £	31 December 2017 £
Within one year	31,050	31,050
Between two and five years inclusive	25,875	56,925
	56,925	87,975

17 Parent undertakings

The immediate parent undertaking is LS UK Fire Group Limited. The directors regard EOI Fire S.à.r.l., a company registered in Luxembourg, as the ultimate parent undertaking.

The largest group in which the results of the company are consolidated is the London Security plc group, a company quoted on the Alternative Investment Market. Copies of the London Security plc consolidated financial statements may be obtained from the Company Secretary at Premier House, Jubilee Way, Elland, West Yorkshire, HX5 9DY.

The directors regard Eden and Arianne Trust as the ultimate controlling party through its controlling interest in EOI Fire S.à.r.l. and Tristar Fire Corp.

18 Related party transactions

The company has taken advantage of the exemption available under FRS 102 1.12(d) 'Related party disclosures' from disclosing transactions with related parties within the London Security plc group.