

Report of the Directors and
Financial Statements
for the Year Ended 31 December 2018
for
CAPITAL SAFETY LIMITED



CAPITAL SAFETY LIMITED

Contents of the Financial Statements
for the year ended 31 December 2018

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

CAPITAL SAFETY LIMITED
Company Information
for the year ended 31 December 2018

Directors: D J Ashley
S Semerciyan

Secretary: I R Brown

Registered office: 3M Centre Cain Road
Bracknell
Berkshire
RG12 8HT

Registered number: 03525150 (England and Wales)

Auditors: Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

CAPITAL SAFETY LIMITED

Report of the Directors for the year ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

Principal activity

The principal activity of the company is that of a holding company, as part of which it provides management services to the Capital Safety Group SA group of companies, of which it is a part.

Directors

D J Ashley has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

M Chambers - resigned 31 May 2018
S Semerciyan - appointed 1 May 2018

Going concern

The current economic environment creates uncertainty particularly over the level of demand for the Group's products and the fluctuations in the exchange rates amongst the major currencies.

The financial statements have not been prepared on the going concern basis which the Directors believe to be appropriate as it is the intention for the company to be wound up within 12 months of the approval of these financial statements.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Haines Watts Birmingham LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

CAPITAL SAFETY LIMITED

Report of the Directors
for the year ended 31 December 2018

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board of directors:



.....
S Semerciyan - Director

Date: 23/9/2019

Report of the Independent Auditors to the Members of
Capital Safety Limited

Opinion

We have audited the financial statements of Capital Safety Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended; and
- 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 opinion

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Report of the Independent Auditors to the Members of
Capital Safety Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 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 company or to cease operations, or have no realistic alternative but to do so.

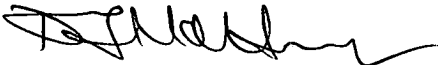
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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.

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

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 a Report of the Auditors 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.



Darren Holdway FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Birmingham LLP
5-6 Greenfield Crescent
Edgbaston
Birmingham
B15 3BE

27 September 2019

CAPITAL SAFETY LIMITED

Statement of Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Turnover		-	-
Administrative expenses		<u>(21)</u>	<u>(27)</u>
Operating loss	4	(21)	(27)
Interest receivable and foreign exchange gains	5	584	35
Amounts written off intercompany balances	6	(3,448)	-
Interest payable and foreign exchange losses	7	<u>-</u>	<u>(856)</u>
Loss before taxation		(2,885)	(848)
Tax on loss	8	<u>(107)</u>	<u>28</u>
Loss for the financial year		(2,992)	(820)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(2,992)</u>	<u>(820)</u>

The notes form part of these financial statements

CAPITAL SAFETY LIMITED (REGISTERED NUMBER: 03525150)

Statement of Financial Position
31 December 2018

	Notes	£'000	2018 £'000	£'000	2017 £'000
Fixed assets					
Investments	9		95,856		95,856
Current assets					
Debtors	10	8,994		14,007	
Cash at bank				14	
		8,994		14,021	
Creditors					
Amounts falling due within one year	11	27,120		29,155	
Net current liabilities			(18,126)		(15,134)
Total assets less current liabilities			<u>77,730</u>		<u>80,722</u>
Capital and reserves					
Called up share capital	12		22,500		22,500
Share premium	13		44,117		44,117
Retained earnings	13		11,113		14,105
Shareholders' funds			<u>77,730</u>		<u>80,722</u>

The financial statements were approved by the Board of Directors on 23.9.2019 and were signed on its behalf by:


S Semerciyan - Director

The notes form part of these financial statements

CAPITAL SAFETY LIMITED

Statement of Changes in Equity
for the year ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
Balance at 1 January 2017	22,500	14,925	44,117	81,542
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(820)</u>	<u>-</u>	<u>(820)</u>
Balance at 31 December 2017	<u>22,500</u>	<u>14,105</u>	<u>44,117</u>	<u>80,722</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(2,992)</u>	<u>-</u>	<u>(2,992)</u>
Balance at 31 December 2018	<u>22,500</u>	<u>11,113</u>	<u>44,117</u>	<u>77,730</u>

The notes form part of these financial statements

CAPITAL SAFETY LIMITED

Notes to the Financial Statements for the year ended 31 December 2018

1. **Statutory information**

Capital Safety Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going Concern

The financial statements have not been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons.

It is the intention for the company to be wound up within 12 months of the approval of these financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

These financial statements present information about the company as an individual undertaking and not about its group. The company is not required to prepare group accounts under Section 400 of the Companies Act 2006 because the company itself is a wholly owned subsidiary undertaking of a company registered in the United States of America, 3M Company, which prepares consolidated financial statements.

Investments in subsidiaries

Investments in subsidiary undertakings, which are all unlisted entities, are recognised at cost less any provisions for impairment in value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

CAPITAL SAFETY LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

2. Accounting policies - continued

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Financial instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

3. Employees and directors

There were no staff costs for the year ended 31 December 2018 nor for the year ended 31 December 2017.

The average number of persons employed by the Company during the period was nil (31 December 2017: nil).

	2018	2017
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. Operating loss

The operating loss is stated after charging:

	2018	2017
	£'000	£'000
Auditors' remuneration	<u>21</u>	<u>17</u>

The company bears the audit fees of other dormant group companies. The amount paid to Haines Watts Birmingham LLP for the audit of this entity during the year was £3,000 (31 December 2017: £2,900). The amount paid to Haines Watts Birmingham LLP for non-audit services for this entity during the year was £600 (31 December 2017: £600).

5. Interest receivable and foreign exchange gains

	2018	2017
	£'000	£'000
Interest receivable from group undertakings	34	35
Gain on foreign exchange	<u>550</u>	<u>-</u>
	<u><u>584</u></u>	<u><u>35</u></u>

CAPITAL SAFETY LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

6.	Amounts written off intercompany balances	2018	2017
		£'000	£'000
	Amounts written off intercompany loans	<u>3,448</u>	<u>-</u>
7.	Interest payable and foreign exchange losses	2018	2017
		£'000	£'000
	Loss on foreign exchange	<u>-</u>	<u>856</u>
8.	Taxation		
	Analysis of the tax charge/(credit)		
	The tax charge/(credit) on the loss for the year was as follows:	2018	2017
		£'000	£'000
	Current tax:		
	UK corporation tax	107	-
	Over provision in prior period	<u>-</u>	<u>(28)</u>
	Tax on loss	<u>107</u>	<u>(28)</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£'000	£'000
Loss before tax	<u>(2,885)</u>	<u>(848)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	(548)	(163)
Effects of:		
Expenses not deductible for tax purposes	655	-
Utilisation of tax losses	-	(7)
Adjustments to tax charge in respect of previous periods	-	(28)
Current year losses	<u>-</u>	<u>170</u>
Total tax charge/(credit)	<u>107</u>	<u>(28)</u>

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £24,000 (31 December 2017: £28,000). The asset would be recovered if sufficient suitable tax profits are to arise in the future against which it could be offset.

CAPITAL SAFETY LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2018

9. **Fixed asset investments**

	Shares in group undertakings £'000
Cost	
At 1 January 2018 and 31 December 2018	<u>95,856</u>
Net book value	
At 31 December 2018	<u>95,856</u>
At 31 December 2017	<u>95,856</u>

CAPITAL SAFETY LIMITED

Notes to the Financial Statements - continued for the year ended 31 December 2018

9. **Fixed asset investments - continued**

The principal investments in group companies at 31 December 2018 are as follows:

Name of company	Country of incorporation	Proportion of ordinary shares held Directly	Indirectly	Principal activity
Barrow Hepburn Group Ltd (1)	UK	100%		Intermediate parent company
Barrow Hepburn International Ltd (1)	UK		100%	Intermediate parent company
Sala Group Ltd (1)	UK		100%	Dormant
T.A.G. Ltd (1)	UK		100%	Dormant
Uniline Safety Systems Ltd (1)	UK		100%	Dormant
Capital Safety Group (NE) Ltd (1)	UK		100%	Operating
ITFH SA (2)	France		100%	Operating
Capital Safety Group - EMEA (3)	France		100%	Operating
Capital Safety Group Banska Bystrica s.r.o. (4)	Slovakia		100%	Operating
Capital Safety MEA FZE (United Arab Emirates) (5)	UAE		100%	Operating
Capital Safety Products Ltd (6)	India		100%	Operating
Capital Safety Group (Asia) Ltd (7)	Singapore		100%	Operating
Northbay Invest SL (8)	Spain		100%	Intermediate parent company
Northbay Invest SAS (9)	Colombia		100%	Intermediate parent company
Articulos de Seguridad SAS (9)	Colombia		100%	Operating
Campania Latinoamericana de Seguridad Industrial SAS (9)	Colombia		100%	Operating
Prevencionistas en Ambiente Saludy Seguridad SAS (9)	Colombia		100%	Operating

The registered offices of the above companies are as follows:

- (1) 3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT
- (2) Parc d'Activité des Chanteraines, 7 Rue du Commandant d'Estienne d'Orves, 92390 Villeneuve la Garenne, France
- (3) Le Broc Center, Z.I. 1ère avenue, Carros le Broc, BP 15, Cedex, Carros, 06511, France
- (4) Jegorovova 35, Banska Bystrica 97401, Slovakia
- (5) P.O Box 17769, Jebel Ali Free Zone, Office N° 15315, 3rd floor, Dubai, UAE
- (6) 2-D, 2nd Floor, Shyam Gardens No-10, Kadhar Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN
- (7) 46 East Coast Road, #07-03, Eastgate, Singapore 428766
- (8) Calle Principe de Vergara 131, 1st Floor, Madrid
- (9) CRA 37 a No. 7-20, Bogota, Colombia

All operating companies are involved in the manufacture, assembly and distribution of safety products and systems.

T.A.G. Limited, Uniline Safety Systems Limited and Sala Group Limited were put into liquidation during the year.

10. **Debtors: amounts falling due within one year**

	2018 £'000	2017 £'000
Amounts owed by group undertakings	8,994	13,989
Corporation tax	-	18
	<u>8,994</u>	<u>14,007</u>

CAPITAL SAFETY LIMITED

Notes to the Financial Statements - continued **for the year ended 31 December 2018**

11. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Amounts owed to group undertakings	27,031	29,134
Corporation tax	68	-
Accrued expenses	21	21
	<u>27,120</u>	<u>29,155</u>

12. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£'000	£'000
22,500,001	A ordinary shares	1	<u>22,500</u>	<u>22,500</u>

Class rights

Rights to dividend:	None
Voting rights:	One vote per share
Winding up rights:	After repayment of preference share capital

13. Reserves

	Retained earnings	Share premium	Totals
	£'000	£'000	£'000
At 1 January 2018	14,105	44,117	58,222
Deficit for the year	<u>(2,992)</u>		<u>(2,992)</u>
At 31 December 2018	<u>11,113</u>	<u>44,117</u>	<u>55,230</u>

14. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries and their investees within the group.

Key management personnel compensation in the period totalled £nil (31 December 2017: £nil).

15. Ultimate parent company

The ultimate parent company is 3M Company. 3M Company is incorporated in the United States of America and is the largest, and also the smallest, group of which the company is a member and for which group financial statements are prepared. Copies of the group financial statements of the ultimate parent company may be obtained from 3M Investor Relations, 3M Center, Buildings 225-SN-04 St Paul, MN 55144-1000, USA.

The immediate parent company is Capital Safety Group Limited, a company registered in the United Kingdom