Registered number: 06393298

# HYFIRE WIRELESS FIRE SOLUTIONS LIMITED
# (FORMERLY STERLING SAFETY SYSTEMS LIMITED)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2021

# COMPANY INFORMATION

| | |
|---|---|
| **Directors** | C Lombard<br>J L Rudder (appointed 18 November 2020)<br>T S Crane (appointed 23 March 2021)<br>G Koursaris (appointed 23 March 2021) |
| **Company secretary** | H L Batchelor |
| **Registered number** | 06393298 |
| **Registered office** | B12A Holly Farm Business Park<br>Honiley<br>Kenilworth<br>Warwickshire<br>CV8 1NP |
| **Independent auditors** | PricewaterhouseCoopers LLP<br>Chartered Accountants and Statutory Auditors<br>40 Clarendon Road<br>Watford<br>Hertfordshire<br>WD17 1JJ |

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# STRATEGIC REPORT
# FOR THE YEAR ENDED 31 MARCH 2021

## Introduction

The Directors present their Strategic Report for the year ended 31 March 2021 as follows:

## Business review and future developments

Hyfire Wirelss Fire Solutions Limited is a leading supplier in the UK of wireless fire and safety systems.

On 4 March 2021 the company changed its name from Sterling Safety Systems Limited to Hyfire Wireless Fire Solutions Limited.

The company's revenue increased by 4% during the year to £5,968,495 *(2020: £5,734,591)*. Careful control in overheads during the pandemic has resulted in an improvement in profitiabilitiy and profit before taxation increased by 18.7% to £1,528,561 *(2020: £1,287,678)*.

The company finished the year with net assets of £4,571,881 *(2020: £3,337,436)* and a positive cash balance.

The directors expect the current level and type of activity will continue for the foreseeable future. The current year has started strongly and the company's directors have confidence this trend will continue.

## Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the directors have considered the company's business activities, together with the main trends and factors likely to affect its future development, performance and position, and the financial position of the company as at 31 March 2021 and at the approval date of these financial statements, its cash flows, liquidity position and borrowing facilities. The directors have prepared forecasts up to 30 September 2022 and these forecasts show that the company is expected to remain profitable and even in a severe but plausible downside scenario the company is still able to meet its debts as they fall due.

The directors have a high level of confidence that despite the current economic uncertainty and the ongoing COVID-19 pandemic the company has access to the necessary liquid resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations and remain solvent for the foreseeable future even in the event of the severe but plausible downside scenario. Thus, the directors believe there is no material uncertainty in the use of the going concern assumption.

## Principal risks and uncertainties

### Competitive pressure

*Competitive pressure in all the company's markets is a continuing risk for the company, which could result in it* losing sales to its key competitors. The company manages this risk by maintaining strong relationships with customers and by offering fast response times not only in supplying products but in handling all customer queries.

### COVID-19

COVID-19 and the inability of the business to operate as a result of the pandemic, therefore causing financial loss, is an ongoing, albeit minor risk to the business. This risk is managed by implementing operational plans to suit the company and it circumstances.

## Financial key performance indicators

The company's directors believe that further key performance indicators for the company other than those disclosed in the business review are not necessary or appropriate for an understanding of the development, performance or position of the business.

**Financial risk management**

Details of the financial risk management objectives and policies, as well as details of exposure to foreign currency risk, interest rate risk, credit risk, and liquidity risk, can be found in Note 27 to the Halma plc group financial statements. These can be obtained as disclosed in Note 27.

**Directors' statement of compliance with duty to promote the success of the Company**

The Companies (Miscellaneous Reporting) Regulations 2018 require that directors explain how they have had regard to the matters set out in section 172(1) (a) to (f) (S.172(1)) of the Companies Act 2006 when performing their duty to promote the success of the company. Throughout the year, while discharging their S.172(1) duty, the directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of shareholders, and in doing so had regard, amongst other matters, to:

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

The directors also considered the interests of a wider set of stakeholders including its fellow subsidiary undertakings and business partners.

The section below sets out the company's stakeholders, the key issues the directors considered relevant, and the engagement methods of directors and responses during the year.

**Our people**
Developing and attracting high quality talent is a key driver of our success. We strive to build leadership teams which are diverse, effective, and engaged. Our employees are a key resource, dedicated to creating, selling and supporting our products and services. We engage with employees through regular meetings and an annual engagement survey.

**Customers**
Our customers play an essential role in ensuring the sustainability of the company. By delivering our products and services to the end market where they serve to protect and improve the quality of life, they play a pivotal role in the fulfilment of our purpose.

**Suppliers**
Developing strong relationships with our suppliers is key to the operational success of our businesses and ensures that we have agility to develop new and market competitive solutions to meet our customers' needs.

**Society & Community**
We have a duty to conduct business in a responsible and sustainable way that aligns with our purpose and values and supports the communities in which we operate.

This report was approved by the board on 22 July 2021 and signed on its behalf.

**J L Rudder**
Director

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

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

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,234,445 *(2020 - £1,041,596).*

No interim dividend (2020 - £nil) was paid on ordinary shares during the year. The directors do not propose the payment of a final dividend (2020 - £nil).

**Directors**

The directors who served during the year, and to the date of this report, were:

C Lombard
J L Rudder (appointed 18 November 2020)
S M Brown (resigned 10 March 2021)
P Simmons (resigned 3 June 2020)
G van der Pant (resigned 18 November 2020)
S A Bowles (resigned 7 September 2020)
T S Crane (appointed 23 March 2021)
G Koursaris (appointed 23 March 2021)

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

### Environmental matters

The Halma plc group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the Group's Annual Report, which does not form part of this report. These can be obtained as disclosed in Note 27. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

### Engagement with employees

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings.

### Disabled employees

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

### Matters covered in the strategic report

The directors' statement on going concern, future developments, financial risk management, engagement with suppliers and compliance with duty to promote the success of the company is included in the Strategic Report.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Independent auditors

The auditor, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 July 2021 and signed on its behalf.

JLRudder

**J L Rudder**
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HYFIRE WIRELESS FIRE SOLUTIONS LIMITED (FORMERLY STERLING SAFETY SYSTEMS LIMITED)

# Report on the audit of the financial statements

## Opinion

In our opinion, Hyfire Wireless Fire Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2021; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HYFIRE WIRELESS FIRE SOLUTIONS LIMITED (FORMERLY STERLING SAFETY SYSTEMS LIMITED)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### Responsibilities for the financial statements and the audit

*Responsibilities of the directors for the financial statements*
As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HYFIRE WIRELESS FIRE SOLUTIONS LIMITED (FORMERLY STERLING SAFETY SYSTEMS LIMITED)**

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, Employment regulation and Health and safety regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent journal entries, designed to manipulate the financial performance and/or position of the company and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inquiry with management in respect of potential non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation;
- Testing journal entries meeting specific risk criteria, testing accounting estimates for indication of management bias, and evaluating the business rationale of any significant transactions outside the normal course of business; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HYFIRE WIRELESS FIRE SOLUTIONS LIMITED (FORMERLY STERLING SAFETY SYSTEMS LIMITED)**

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

AEYork

Amy York (Senior Statutory Auditor)

for and on behalf of
**PricewaterhouseCoopers LLP**
Chartered Accountants and Statutory Auditors
Watford

22 July 2021

# STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021<br>£ | 2020<br>£ |
|---|---|---|---|
| Revenue | 4 | **5,968,495** | *5,734,591* |
| Cost of sales | | **(3,904,931)** | *(3,700,196)* |
| **Gross profit** | | **2,063,564** | *2,034,395* |
| Administrative expenses | | **(497,683)** | *(767,120)* |
| **Operating profit** | 5 | **1,565,881** | *1,267,275* |
| Interest receivable and similar income | 9 | **3,890** | *7,325* |
| Interest payable and similar expenses | 10 | **(4,724)** | *(6,705)* |
| Change in fair value of derivative financial instruments | | **(36,486)** | *19,783* |
| **Profit before tax** | | **1,528,561** | *1,287,678* |
| Tax on profit | 11 | **(294,116)** | *(246,082)* |
| **Profit and total comprehensive income for the financial year** | | **1,234,445** | *1,041,596* |

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

The notes on pages 13 to 34 form part of these financial statements.

All amounts relate to continuing operations.

# BALANCE SHEET
## AS AT 31 MARCH 2021

| | Note | | 2021 £ | | 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 12 | | **296,776** | | *281,833* |
| Investments | 13 | | **958,770** | | *958,770* |
| | | | **1,255,546** | | *1,240,603* |
| **Current assets** | | | | | |
| Stocks | 14 | **861,130** | | *552,599* | |
| Debtors: amounts falling due within one year | 15 | **2,629,769** | | *1,957,984* | |
| Cash at bank and in hand | 16 | **907,536** | | *229,784* | |
| | | **4,398,435** | | *2,740,367* | |
| Creditors: amounts falling due within one year | 17 | **(987,272)** | | *(496,870)* | |
| **Net current assets** | | | **3,411,163** | | *2,243,497* |
| **Total assets less current liabilities** | | | **4,666,709** | | *3,484,100* |
| Creditors: amounts falling due after more than one year | 18 | | **(66,633)** | | *(118,316)* |
| | | | **4,600,076** | | *3,365,784* |
| **Provisions for liabilities** | | | | | |
| Deferred taxation | 20 | **-** | | *(921)* | |
| Other provisions | 21 | **(28,195)** | | *(27,427)* | |
| | | | **(28,195)** | | *(28,348)* |
| **Net assets** | | | **4,571,881** | | *3,337,436* |

## BALANCE SHEET (CONTINUED)
## AS AT 31 MARCH 2021

| | Note | 2021<br>£ | *2020*<br>*£* |
|---|---|---|---|
| **Capital and reserves** | | | |
| Called up share capital | 23 | **90** | *90* |
| Capital redemption reserve | 24 | **10** | *10* |
| Profit and loss account | 24 | **4,571,781** | *3,337,336* |
| **Total shareholders' funds** | | **4,571,881** | *3,337,436* |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2021.

**J L Rudder**
Director

**T S Crane**
Director

The notes on pages 13 to 34 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2021

| | Called up share capital | Capital redemption reserve | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At 1 April 2020 | 90 | 10 | 3,337,336 | 3,337,436 |
| Profit for the year | - | - | 1,234,445 | 1,234,445 |
| **Total comprehensive income for the year** | - | - | 1,234,445 | 1,234,445 |
| **At 31 March 2021** | 90 | 10 | 4,571,781 | 4,571,881 |

The notes on pages 13 to 34 form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2020

| | Called up share capital | Capital redemption reserve | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At 1 April 2019 | 90 | 10 | 2,276,780 | 2,276,880 |
| Impact of change in accounting policy | - | - | 18,960 | 18,960 |
| At 1 April 2019 (adjusted balance) | 90 | 10 | 2,295,740 | 2,295,840 |
| Profit for the year | - | - | 1,041,596 | 1,041,596 |
| **Total comprehensive income for the year** | - | - | 1,041,596 | 1,041,596 |
| **At 31 March 2020** | 90 | 10 | 3,337,336 | 3,337,436 |

The notes on pages 13 to 34 form part of these financial statements.

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

### 1. General information

Hyfire Wireless Fire Solutions Limited (formerly Sterling Safety Systems Limited) is a private company limited by shares incorporated and domiciled in England, United Kingdom, under the Companies Act 2006. The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

New standards and interpretations not yet applied are disclosed on page 158 of the consolidated financial statements of the ultimate parent. New standards applied for the first time are disclosed in on page 158 of the consolidated financial statements of the ultimate parent. These statements can be obtained as disclosed in note 27 below.

There was no material impact from new standards in these financial statements.

The following principal accounting policies have been applied:

## 2. Accounting policies (continued)

### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

## 2. Accounting policies (continued)

### 2.3 Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the directors have considered the company's business activities, together with the main trends and factors likely to affect its future development, performance and position, and the financial position of the company as at 31 March 2021 and at the approval date of these financial statements, its cash flows, liquidity position and borrowing facilities. The directors have prepared forecasts up to 30 September 2022 and these forecasts show that the company is expected to remain profitable and even in a severe but plausible downside scenario the company is still able to meet its debts as they fall due.

The directors have a high level of confidence that despite the current economic uncertainty and the ongoing COVID-19 pandemic the company has access to the necessary liquid resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations and remain solvent for the foreseeable future even in the event of the severe but plausible downside scenario. Thus, the directors believe there is no material uncertainty in the use of the going concern assumption.

### 2.4 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

## 2. Accounting policies (continued)

### 2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**Rendering of services**

Revenue from providing services is recognised in the accounting period in which the services are rendered.

## 2. Accounting policies (continued)

### 2.6 Leases

**The Company as a lessee**

*The Company assesses whether a contract is or contains a lease, at inception of a contract.* The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is included in 'Creditors' on the Balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in 'Tangible Fixed Assets' in the Balance sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.11.

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

## 2. Accounting policies (continued)

### 2.6 Leases (continued)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

### 2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.9 Pensions

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

## 2. Accounting policies (continued)

### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|---|---|
| Plant and machinery | - 20-50% on costs per annum |
| Right-of-use assets | - Over the period of the lease |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## 2. Accounting policies (continued)

### 2.12 Investments in associates

Associates and Joint Ventures are held at cost less impairment.

### 2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.16 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.17 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

## 2. Accounting policies (continued)

### 2.18 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

***Fair value through profit or loss***

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Impairment of financial assets**

The Company always recognises lifetime Expected Credit Losses (ECL) for trade receivables and amounts due on contracts with customers. The ECL on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**Financial liabilities**

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

## 2. Accounting policies (continued)

### 2.18 Financial instruments (continued)

#### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

## 3. *Judgements in applying accounting policies and key sources of estimation uncertainty*

In the application of the company's accounting policies, which are described in note 2 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the company's accounting policies**
The directors do not consider that there are critical judgements that have been made in the process of applying the company's accounting policies and that have a significant effect on the amounts recognised in financial statements.

**Key sources of estimation uncertainty**
The key assumption concerning the future, and other key source of estimation uncertainty at the balance sheet date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

**Recoverability of trade receivables**
In determining the recoverability of trade receivables the company makes an estimation of the expected future cash flows that will be received. Such estimates are based on the current knowledge and prior experience in relation to each customer along with the outcome of the company credit assessment procedures. Despite this unforeseen events could result in the ultimate outcome differing from the company's assessment and could result in a material adjustment to the financial statements.

## 4. Revenue

The whole of the revenue is attributable to the supply of fire and safety equipment.

Analysis of revenue by country of destination:

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| United Kingdom | **5,572,625** | *5,430,214* |
| Rest of Europe | **395,870** | *304,377* |
| | **5,968,495** | *5,734,591* |

Revenue derived from the rendering of services was £17,225 (2020: £6,372).

## 5. Operating profit

The operating profit is stated after charging/(crediting):

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Depreciation of tangible fixed assets | **121,062** | *129,664* |
| Exchange differences | **(29,061)** | *34,494* |
| Staff costs | **958,645** | *1,188,890* |
| Cost of stocks recognised as an expense | **3,092,959** | *2,884,762* |
| Including: | | |
| - write-down of stocks to net realisable value | **-** | *1,232* |
| - reversals of impairments in stock | **(5,238)** | *-* |

## 6. Auditors' remuneration

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Fees payable to the Company's auditors for the audit of the Company's annual financial statements | **6,559** | *7,963* |

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

## 7. Employees

Staff costs, including directors' remuneration, were as follows:

| | **2021** | *2020* |
|---|---|---|
| | **£** | *£* |
| Wages and salaries | **832,744** | *1,030,788* |
| Social security costs | **102,853** | *117,075* |
| Cost of defined contribution scheme | **23,048** | *41,027* |
| | **958,645** | *1,188,890* |

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

| | **2021** | *2020* |
|---|---|---|
| | **No.** | **No.** |
| Sales | **9** | *10* |
| Admin | **5** | *8* |
| | **14** | *18* |

## 8. Directors' remuneration

| | **2021** | *2020* |
|---|---|---|
| | **£** | *£* |
| Directors' emoluments | - | *62,582* |
| Company contributions to defined contribution pension schemes | - | *6,752* |
| | - | *69,334* |

During the year retirement benefits were accruing to no directors *(2020 - 1)* in respect of defined contribution pension schemes.

Eight (2020: five) directors were remunerated by other group companies. The amount relating to their services to the company was £Nil (2020: £Nil).

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

## 9. Interest receivable and similar income

| | 2021 £ | 2020 £ |
|---|---|---|
| Interest receivable from group companies | **3,878** | *7,160* |
| Bank interest receivable | **12** | *165* |
| | **3,890** | *7,325* |

## 10. Interest payable and similar expenses

| | 2021 £ | 2020 £ |
|---|---|---|
| Other loan interest payable | **768** | - |
| Interest on lease liabilities | **3,956** | *6,705* |
| | **4,724** | *6,705* |

## 11. Taxation

| | 2021 £ | 2020 £ |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profits for the year | **301,127** | *244,524* |
| Adjustments in respect of previous periods | **(847)** | *2,949* |
| **Total current tax** | **300,280** | *247,473* |
| **Deferred tax** | | |
| Origination and reversal of timing differences | **(8,161)** | *(1,361)* |
| Adjustments in respect of previous periods | **1,997** | *(30)* |
| **Total deferred tax** | **(6,164)** | *(1,391)* |
| **Taxation on profit** | **294,116** | *246,082* |

## 11. Taxation (continued)

### Factors affecting tax charge for the year

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

| | 2021<br>£ | *2020*<br>*£* |
|---|---|---|
| Profit before tax | **1,528,561** | *1,287,678* |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | **290,427** | *244,659* |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **1,148** | *2,457* |
| Adjustments to tax charge in respect of previous periods | **1,150** | *2,919* |
| Other differences | **1,224** | *(3,953)* |
| Group relief | **-** | *(1,206)* |
| Transfer pricing adjustments | **167** | *1,206* |
| **Total tax charge for the year** | **294,116** | *246,082* |

### Factors that may affect future tax charges

The UK government announced in the Budget on 3 March 2021 an intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This change will impact the value of our deferred tax balances as well as the tax charged on profits from the effective date.

## 12. Tangible assets

| | Plant and machinery £ | Right-of-use assets £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2020 | 250,667 | 369,054 | 619,721 |
| Additions | 122,000 | 14,005 | 136,005 |
| Disposals | - | (103,657) | (103,657) |
| At 31 March 2021 | 372,667 | 279,402 | 652,069 |
| Accumulated depreciation | | | |
| At 1 April 2020 | 162,241 | 175,647 | 337,888 |
| Charge for the year on owned assets | 39,274 | - | 39,274 |
| Charge for the year on right-of-use assets | - | 81,788 | 81,788 |
| Disposals | - | (103,657) | (103,657) |
| At 31 March 2021 | 201,515 | 153,778 | 355,293 |
| **Net book value** | | | |
| At 31 March 2021 | 171,152 | 125,624 | 296,776 |
| *At 31 March 2020* | *88,426* | *193,407* | *281,833* |

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

| | 2021 £ | 2020 £ |
|---|---|---|
| Tangible fixed assets owned | 171,152 | *88,426* |
| Right-of-use tangible fixed assets | 125,624 | *193,407* |
| | 296,776 | *281,833* |

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

## 12. Tangible assets (continued)

Information about right-of-use assets is summarised below:

**Net book value**

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Property | **125,624** | *181,473* |
| Motor vehicles | **-** | *11,934* |
| | **125,624** | *193,407* |

**Depreciation charge for the year ended**

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Property | **(55,850)** | *(56,003)* |
| Motor vehicles | **(25,938)** | *(36,824)* |
| | **(81,788)** | *(92,827)* |

## 13. Investments

| | Investments in associates<br>£ |
|---|---|
| **Cost** | |
| At 1 April 2020 | **958,770** |
| At 31 March 2021 | **958,770** |

**Associate**

The following was an associate of the Company:

| Name | Registered office | Class of shares | Holding |
|---|---|---|---|
| Argus Security S.R.L | Via Maurizio Gonzaga no.7, Milan, 20123, Italy | Quotas | 28.8% |

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

## 14. Stocks

| | 2021 £ | 2020 £ |
|---|---|---|
| Finished goods and goods for resale | **861,130** | *552,599* |
| | **861,130** | *552,599* |

Stock is stated after provision for impairment of £9,771 (2020: £15,009).

**Replacement costs of stock**

The difference between purchase price or production cost of stocks and their replacement cost is not material.

## 15. Debtors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|---|---|
| Trade debtors | **1,692,252** | *979,226* |
| Amounts owed by group undertakings | **881,295** | *928,059* |
| Other debtors | **8,905** | *1,166* |
| Prepayments and accrued income | **42,074** | *40,945* |
| Deferred taxation | **5,243** | - |
| Financial instruments | **-** | *8,588* |
| | **2,629,769** | *1,957,984* |

Trade debtors are stated after provision for impairment of £Nil (2020: £1,185).

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

## 16. Cash and cash equivalents

| | 2021 £ | 2020 £ |
|---|---|---|
| Cash at bank and in hand | **907,536** | *229,784* |

## 17. Creditors: Amounts falling due within one year

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Trade creditors | **54,989** | *38,178* |
| Amounts owed to group undertakings | **453,620** | *38,297* |
| Corporation tax | **79,626** | *2,550* |
| Other taxation and social security | **74,398** | *217,547* |
| Lease liabilities | **51,683** | *63,277* |
| Other creditors | **13,642** | *11,992* |
| Accruals and deferred income | **231,416** | *125,029* |
| Financial instruments | **27,898** | - |
| | **987,272** | *496,870* |

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

## 18. Creditors: Amounts falling due after more than one year

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| Lease liabilities | **66,633** | *118,316* |

## 19. Financial instruments

| | 2021<br>£ | 2020<br>£ |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through profit or loss | - | *8,588* |
| Financial assets measured at amortised cost | **3,489,988** | *2,138,235* |
| | **3,489,988** | *2,146,823* |
| **Financial liabilities** | | |
| Financial liabilities measured at fair value through profit or loss | **(27,898)** | - |
| Financial liabilities measured at amortised cost | **(871,983)** | *(395,089)* |
| | **(899,881)** | *(395,089)* |

Financial assets measured at fair value through profit or loss comprise derivative financial instruments.

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at fair value through profit or loss comprise derivative financial instruments.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors, accruals and lease liabilities.

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

## 20. Deferred taxation

| | Accelerated capital allowances £ | Other timing differences £ | Total £ |
|---|---|---|---|
| At 1 April 2019 | (547) | 1,903 | 1,356 |
| Impact of change in accounting policy: IFRS 16 leases | - | (3,668) | (3,668) |
| Credited/(charged) to profit and loss | 3,927 | (2,536) | 1,391 |
| **At 31 March 2020** | 3,380 | (4,301) | (921) |

| | Accelerated capital allowances £ | Other timing differences £ | Total £ |
|---|---|---|---|
| At 1 April 2020 | 3,380 | (4,301) | (921) |
| Credited to profit and loss | 100 | 6,064 | 6,164 |
| **At 31 March 2021** | 3,480 | 1,763 | 5,243 |

## 21. Other provisions

| | Dilapidations £ |
|---|---|
| At 1 April 2020 | 27,427 |
| Unwind of discount to profit and loss | 768 |
| **At 31 March 2021** | 28,195 |

The dilapidations provision is held to recognise the future cost of returning the rented premises in a suitable condition at the end of the lease term. The expenditure related to these obligations is expected to be incurred in 2023.

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

## 22. Leases

### Company as a lessee

The company leases premises on a five year lease running until 2023 and several car leases which expire in less than one year.

Lease liabilities are due as follows:

| | 2021<br>£ | *2020*<br>*£* |
|---|---|---|
| Not later than one year | **51,683** | *63,277* |
| Between one year and five years | **66,633** | *118,316* |
| | **118,316** | *181,593* |

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

| | 2021<br>£ | *2020*<br>*£* |
|---|---|---|
| Interest expense on lease liabilities | **3,956** | *6,705* |

During the year payments in respect of leases amounted to £67,233 (2020: £85,336).

## 23. Called up share capital

| | 2021<br>£ | *2020*<br>*£* |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 180 *(2020 - 180)* Ordinary shares of £0.50 each | **90** | *90* |

## 24. Reserves

### Capital redemption reserve

The capital redemption reserve was created when the company bought its own shares and reduced its share capital.

## 25. Pension commitments

The company operates the Sterling pension plan, a defined contribution plan. The assets of the plans are held separately from those of the company in funds under the control of trustees.

The cost charged to income of £23,048 *(2020 - £41,027)* in respect of the pension plan represents contributions payable to the scheme by the company at rates specified in the rules of the plans. As at 31 March 2021 there were no contributions in respect of the current year that had not been paid over to the schemes *(2020 - £nil)*.

## 26. Related party transactions

The company is exempt under the terms of FRS 101 from disclosing related party transactions entered into between two or more members of a group, provided any subsidiary that is party to the transaction is wholly owned by such a member.

## 27. Controlling party

The immediate and ultimate parent company of Hyfire Wireless Fire Solutions Limited (formerly Sterling Safety Systems Limited) and the parent company of the only group for which consolidated financial statements are prepared which include this company is Halma plc, which is incorporated in England and Wales. The financial statements of Halma plc can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Buckinghamshire, HP7 0DE or at www.halma.com.