Registered number: 06737753

FIRE GLASS UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

FIRE GLASS UK LIMITED

COMPANY INFORMATION

Directors	S C P Haynes N A Tilsley M R Buxton
Company secretary	M R Buxton
Registered number	06737753
Registered office	One St Peter's Square Manchester England M2 3DE
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	Natwest Bank plc 309 High Street West Bromwich West Midlands B70 8LX
Solicitors	Addleshaw Goddard LLP One St. Peter's Square Manchester M2 3DE

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STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

Business review

The Company has seen turnover of £23.9m this year compared to £18.1m for the year ended 31 December 2020. This is an increase of 31.9% on the previous year.

Operating profit (pre-exceptional items) has more than trebled to £2,882,304 compared to £1,218,808 for the previous year driven by increased gross margin and a nominal increase in overhead.

During the period, the Company suffered exceptional charges of £159,173. Refer to note 13 for a breakdown of these charges.

Principal risks and uncertainties

The UK market continues to demonstrate resilience in the period post Covid-19 disruption and the Board are confident that the Company will continue to trade strongly in pursuit of its strategic objectives.

The Board believes that uncertainty in the UK and European economy following the UK's decision to exit the European Union continues to represent a small risk to the Company's results. Minimal sales are generated outside of the UK within this Company.

The Company finances its operations through retained profits and is satisfied that there is no current liquidity risk. The Board also monitors credit risk and price risk on an ongoing basis and considers there to be no material risks to future trading owing to the Company's established relationships with its key customers and suppliers.

Financial key performance indicators

The company considers a wide range of key performance indicators in the operation of our business. Ultimately it considers Sales and Operating Profit as the two principal financial measures. In comparison with the previous accounting period these are as follows:

Key Performance Indicator	Year ended 31 December 2021	Year ended 31 December 2020
Sales	£23,920,974	£18,132,101
Operating Profit (pre-exceptional)	£2,882,304	£1,218,808

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

M R Buxton
Director

Date: 18/8/2022

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

Principal activity

The company's principal activity during the period was the supply of glazing products to the construction industry.

Results and dividends

The profit for the period, after taxation, amounted to £2,407,000 *(2020: £1,081,660).*

The directors have not recommended any dividends during the period *(2020: £Nil).*

Directors

The directors who served during the period were:

S C P Haynes
N A Tilsley
M R Buxton

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Group has reviewed, and continues to review, risks to the business and stakeholders presented by the markets after the Covid-19 outbreak, including any other potential uncertainties surrounding the macro-economic environment, and to develop strategies to mitigate these risks. The Group is committed to following all government and public health guidelines across the regions where we operate, above all to keep our employees, customers and suppliers safe.

The business has continues to perform strongly and to out-perform the general construction marketplace.

In making their going concern assessment, in conjunction with other general risks noted above, the directors have considered updated internal financial forecasts and budgeted results for the new financial year. Furthermore, the directors have reviewed the assets of the business and do not believe that any impairments of value are necessary.

The directors have performed sensitivity analyses and modelled what they believe to be worst case scenarios, and these continue to show that there will be sufficient funds available to meet obligations as they fall due. Based on these analyses and accompanying cash projections, the directors believe that there are no reasons why the going concern convention should not be adopted.

Principal risks and uncertainties

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to principle risks and uncertainties.

Future developments

The business continues to improve its range of fire glass solutions provided to customers in the UK. The Company has also undertaken further expansion in the period after the balance sheet date, with the opening of new South-West UK facility to further support customers in that area.

Post balance sheet events

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

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

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

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

M R Buxton
Director

Date: 18/8/2022

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRE GLASS UK LIMITED

Opinion

We have audited the financial statements of Fire Glass UK Limited (the 'company') for the period, which comprise the Statement of income and retained earnings, the Statement of financial position 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 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 'Auditor's 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRE GLASS UK LIMITED (CONTINUED)

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report 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 Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

GrantThornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRE GLASS UK LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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 Strategic report or the Directors' report.

Matters on which we are required to report by exception

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

- 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of 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 and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's responsibilities for the audit of the financial statements

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

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 Auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company, and the industry in which it operates. We determined the Companies Act 2006 to be the most significant laws and regulations to the entity. We enquired of management whether there were any instances of noncompliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquiries to supporting documentation such as board minute reviews. From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - evaluation of the processes and controls established to address the risks related to irregularities and fraud;
  - testing journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement and
  - the company's control environment including the adequacy of procedures for authorisation of transactions.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRE GLASS UK LIMITED (CONTINUED)

Use of our report

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

Grant Thornton UK LLP

Gary Jones
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
Date: 18/8/2022

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Turnover	4	**23,920,974**	*18,132,101*
Cost of sales		**(15,041,683)**	*(12,201,897)*
Gross profit		**8,879,291**	*5,930,204*
Administrative expenses		**(6,008,510)**	*(4,913,104)*
Exceptional administrative expenses	13	**(159,173)**	*(44,315)*
Other operating income	5	**11,523**	*201,708*
Operating profit	6	**2,723,131**	*1,174,493*
Interest receivable and similar income	10	**18**	*-*
Interest payable and expenses	11	**(28,349)**	*(7,019)*
Profit before tax		**2,694,800**	*1,167,474*
Tax on profit on ordinary activities	12	**(287,800)**	*(85,814)*
Profit after tax		**2,407,000**	*1,081,660*
Retained earnings at the beginning of the period		**2,570,948**	*1,489,288*
Profit for the period		**2,407,000**	*1,081,660*
Retained earnings at the end of the period		**4,977,948**	*2,570,948*

There were no other comprehensive income for 2021 *(2020: £Nil)*

All results were derived from the company's continuing activities.

The notes on pages 12 to 28 form part of these financial statements.

FIRE GLASS UK LIMITED
REGISTERED NUMBER:06737753

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	14		**1,986**		*5,886*
Tangible assets	15		**1,381,955**		*1,233,937*
			1,383,941		*1,239,823*
Current assets					
Stocks	16	**1,384,213**		*902,460*	
Debtors: amounts falling due within one year	17	**5,668,300**		*3,149,513*	
Cash at bank and in hand	18	**2,444,033**		*2,231,310*	
		9,496,546		*6,283,283*	
Creditors: amounts falling due within one year	19	**(5,553,200)**		*(4,741,831)*	
Net current assets			**3,943,346**		*1,541,452*
Total assets less current liabilities			**5,327,287**		*2,781,275*
Creditors: amounts falling due after more than one year	20		**(174,711)**		*(106,708)*
Provisions for liabilities					
Deferred tax	22	**(134,628)**		*(63,619)*	
			(134,628)		*(63,619)*
Net assets			**5,017,948**		*2,610,948*
Capital and reserves					
Called up share capital	23		**24,000**		*24,000*
Share premium account	24		**16,000**		*16,000*
Profit and loss account	24		**4,977,948**		*2,570,948*
Shareholders funds			**5,017,948**		*2,610,948*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M R Buxton
Director

Date: 18/8/2022

The notes on pages 12 to 28 form part of these financial statements.

1. General information

Fire Glass UK Limited is a private company limited by shares and is incorporated in England and Wales. Its registered head office is located at One St. Peter's Square, Manchester, England, M2 3DE.

The company's principal activity during the period was the supply of glazing products to the construction industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The financial statements are presented in Pounds Sterling (£), the Company's functional currency.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Technical Fire Safety Group Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Going concern

The Group has reviewed, and continues to review, risks to the business and stakeholders presented by the Covid-19 outbreak and to develop strategies to mitigate these risks. The Group is committed to following all government and public health guidelines across the regions where we operate, above all to keep our employees, customers and suppliers safe.

In making their going concern assessment, in conjunction with other general risks noted above, the directors have considered updated internal financial forecasts and budgeted results for the new financial year. Furthermore, the directors have reviewed the assets of the business and do not believe that any impairments of value are necessary.

The directors have performed sensitivity analyses and modelled what they believe to be worst case scenarios, and these continue to show that there will be sufficient funds available to meet obligations as they fall due. Based on these analyses and accompanying cash projections, the directors believe that there are no reasons why the going concern convention should not be adopted.

2.4 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 when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

This is usually at the point when the goods have left for delivery.

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Development expenditure is amortised over 3 years on a straight line basis.

Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher.

2.6 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is de-recognised. Repairs and maintenance are charged to the Statement of Income and Retained Earnings during the period in which they are incurred.

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:

Land and buildings	-	5% on cost
Plant and machinery	-	10% on cost
Motor vehicles	-	25% on cost
Fixtures and fittings	-	20% on cost

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.

Tangible assets are de-recognised on disposal or when no future economic benefits are expected.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher.

2. Accounting policies (continued)

2.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 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 standard cost basis. Work in progress and finished goods include labour and attributable overheads.

At each Statement of Financial Position 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 the Statement of Income and Retained Earnings.

2.9 Debtors

Short term debtors are initially measured at transaction price (usually the invoice price), less any impairment losses for bad and doubtful debts. They are then subsequently measured at amortised cost less impairment.

2.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

2. Accounting policies (continued)

2.11 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price (usually the invoice price). Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.14 Interest payable

Interest payable is charged to the Statement of Income and Retained Earnings 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.

2.15 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 the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.17 Taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; 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 reporting date.

2.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

(a) Useful economic lives of property, plant and equipment and intangible assets
The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 14 and 15 for the carrying amounts and notes 2.5 and 2.6 for the useful economic lives for each class of assets.

(b) Inventory provisioning
The company manufactures Fire Resistant glass for sale to distributors and fabricators for the Project market. Fire Glass does not have a use by date and as such there is no requirement for provisioning in relation to stock going out of date. Glass manufactured for distribution customers has a high turnover and as such the company does not hold high levels of old stock. Glass manufactured for use in the Project market is made to order and therefore has no risk of obsolescence. Management reviews the inventory provision on a regular basis and considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

4. Turnover

Turnover, which is stated net of value added tax, represent amounts invoiced to third parties and is attributable to the company's principal activity, as stated in the Directors' report.

Analysis of turnover by country of destination:

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
United Kingdom	**23,423,430**	*17,868,422*
Rest of Europe	**497,544**	*263,679*
	23,920,974	*18,132,101*

5. Other operating income

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Government grants receivable	-	*201,708*
Sales of assets	8,777	-
Miscellaneous income	2,746	-
	11,523	*201,708*

In the prior year, government grants relate to Covid-19 furlough income.

6. Operating profit

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

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Depreciation of owned fixed assets	413,016	*345,529*
Depreciation of assets held under finance leases and hire purchase contracts	108,604	*124,934*
Amortisation of intangible assets	3,900	*3,900*
Operating lease charge for land and buildings	237,117	*269,450*
Pension costs	100,990	*85,401*
Profit on disposal of fixed assets	(8,777)	*(9,873)*

7. Auditor's remuneration

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Fees payable to the company's auditor and its for the audit of the company's annual financial statements	16,000	*16,000*

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the Parent company.

8. Employees

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

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Wages and salaries	**4,189,301**	*3,659,117*
Social security costs	**419,085**	*344,647*
Other pension costs	**100,990**	*85,401*
	4,709,376	*4,089,165*

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

	Year ended 31 December 2021 No.	*Year ended 31 December 2020 No.*
Management and administration	**63**	*52*
Distribution	**89**	*75*
	152	*127*

9. Directors' remuneration

	2021 £	*2020 £*
Directors' emoluments	**162,101**	*138,851*
Company contributions to defined contribution pension schemes	**7,038**	*6,680*
	169,139	*145,531*

During the period retirement benefits were accruing to 1 directors *(2020: 1)* in respect of defined contribution pension schemes.

10. Interest receivable

	2021 £	2020 £
Interest receivable	18	-

11. Interest payable and similar expenses

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Bank interest	27,167	5,651
Finance leases and hire purchase contracts	1,182	1,368
	28,349	7,019

12. Taxation

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Corporation tax		
Current tax on profits for the year	261,891	198,495
Adjustments in respect of previous periods	(45,100)	(102,743)
	216,791	95,752
Total current tax	216,791	95,752
Deferred tax		
Origination and reversal of timing differences	71,009	(16,753)
Changes to tax rates	-	6,815
Total deferred tax	71,009	(9,938)
Taxation on profit on ordinary activities	287,800	85,814

12. Taxation (continued)

Factors affecting tax charge for the period/year

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

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Profit on ordinary activities before tax	**2,694,800**	*1,167,474*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2020: 19%)*	**512,012**	*221,820*
Effects of:		
Expenses not deductible for tax purposes	**98,181**	*4,360*
Fixed asset differences	**(86,890)**	*6,544*
Remeasurement of deferred tax for changes in tax rates	**-**	*6,814*
Tax losses utilised	**-**	*(50,982)*
Adjustment to tax charge in respect of previous periods	**-**	*(102,742)*
Adjustment to prior period	**(45,100)**	*-*
Group relief	**(190,403)**	*-*
Total tax charge for the period/year	**287,800**	*85,814*

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period by £68,490 and to increase the deferred tax liability to £42,514.

13. Exceptional items

	Year ended 31 December 2021 £	*Year ended 31 December 2020 £*
Professional fees and costs associated with buyout	-	*2,893*
Covid-19 related costs	**70,158**	*34,842*
Other professional fees	**25,387**	*6,580*
Factory set up costs	**63,628**	-
	159,173	*44,315*

14. Intangible assets

	Development expenditure £
Cost	
At 1 January 2021	**11,700**
At 31 December 2021	**11,700**
Amortisation	
At 1 January 2021	**5,814**
Charge for the period	**3,900**
At 31 December 2021	**9,714**
Net book value	
At 31 December 2021	**1,986**
At 31 December 2020	*5,886*

Amortisation on intangible assets is charged to Administrative expenses.

15. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2021	**744,428**	**1,320,025**	**720,205**	**354,532**	**3,139,190**
Additions	**51,839**	**241,233**	**283,809**	**93,032**	**669,913**
Disposals	**-**	**(40,392)**	**(33,204)**	**(20,084)**	**(93,680)**
At 31 December 2021	**796,267**	**1,520,866**	**970,810**	**427,480**	**3,715,423**
Depreciation					
At 1 January 2021	**214,432**	**968,332**	**516,586**	**205,903**	**1,905,253**
Charge for the period on owned assets	**77,800**	**208,107**	**144,964**	**90,751**	**521,622**
Disposals	**-**	**(40,393)**	**(32,930)**	**(20,084)**	**(93,407)**
At 31 December 2021	**292,232**	**1,136,046**	**628,620**	**276,570**	**2,333,468**
Net book value					
At 31 December 2021	**504,035**	**384,820**	**342,190**	**150,910**	**1,381,955**
At 31 December 2020	*529,996*	*351,693*	*203,619*	*148,629*	*1,233,937*

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

	2021 £	*2020 £*
Plant and machinery	**320,271**	*227,834*
Motor vehicles	**227,478**	*-*

16. Stocks

	2021 £	*2020 £*
Raw materials and consumables	**143,040**	*47,111*
Work in progress	**82,202**	*60,082*
Finished goods and goods for resale	**1,158,971**	*795,267*
	1,384,213	*902,460*

An impairment loss of £Nil *(2020: £Nil)* was recognised in cost of sales against stock during the year.

17. Debtors

	2021 £	*2020 £*
Trade debtors	**3,452,099**	*2,852,499*
Amounts owed by group undertakings	**2,001,290**	*155,052*
Other debtors	**96,692**	*23,515*
Prepayments and accrued income	**118,219**	*118,447*
	5,668,300	*3,149,513*

An impairment loss of £Nil *(2020: £Nil)* was recognised against trade debtors.

Included in other debtors, due after more than one year is an amount totaling £Nil *(2020: £5,034).*

18. Cash

	2021 £	*2020 £*
Cash at bank and in hand	**2,444,033**	*2,231,310*

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	**2,276,881**	*1,977,714*
Amounts owed to group undertakings	**1,255,327**	*932,292*
Corporation tax	**415,286**	*198,495*
Other taxation and social security	**406,777**	*725,684*
Obligations under finance lease and hire purchase contracts	**99,901**	*70,543*
Other creditors	**11,192**	*416,233*
Accruals and deferred income	**1,087,836**	*420,870*
	5,553,200	*4,741,831*

The obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

20. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Obligations under finance leases and hire purchase contracts	**174,711**	*106,708*

The obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	**99,901**	*70,543*
Between 1-2 years	**93,246**	*56,217*
Between 2-5 years	**81,466**	*50,491*
	274,613	*177,251*

22. Deferred taxation

	2021 £	*2020 £*
At beginning of year	**(63,619)**	*(73,557)*
Charged to profit or loss	**(71,009)**	*9,938*
At end of year	**(134,628)**	*(63,619)*

The provision for deferred taxation is made up as follows:

	2021 £	*2020 £*
Accelerated capital allowances	**(134,628)**	*(63,619)*

23. Share capital

	2021 £	*2020 £*
Allotted, called up and fully paid		
24,000 *(2020: 24,000)* Ordinary shares of £1 each	**24,000**	*24,000*

There is a single class of ordinary share. There are no restrictions on dividends and the repayment of capital.

24. Reserves

Called up share capital

Represents the nominal value of the shares that have been issued in previous years.

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior periods retained profits and losses.

25. Contingent liabilities

There were no contingent liabilities at 31 December 2021 and 31 December 2020.

26. Pension commitments

The company operates a defined contribution pension scheme. During the period contributions of £100,990 *(2020: £85,401)* were made. As at 31 December 2021, contributions payable by the company to the fund amounted to £Nil *(2020: £Nil)*.

27. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	**335,331**	*290,107*
Later than 1 year and not later than 2 years	**319,734**	*297,250*
Later than 2 years and not later than 5 years	**335,847**	*594,000*
	990,912	*1,181,357*

28. Related party transactions

The company has taken advantage of the exemption under FRS 102 (section 33) Related Party Disclosure and has not disclosed transactions with group undertakings.

29. Controlling party

The directors consider the ultimate parent undertaking to be Technical Fire Safety Group Limited, a company which is incorporated in England and Wales and its registered office is International House, Millfield Lane, Haydock, Merseyside, United Kingdom, WA11 9GA.

The small and largest group of undertakings for which consolidated financial statements have been drawn up is that headed by Technical Fire Safety Group Limited. Copies of the consolidated financial statements of the group can be obtained from Companies House.