

Registered number  
11007525

Safety Topco Limited

*Revised Annual Report and Financial Statements*  
For the year ended  
31 December 2020



**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**  
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**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Company Information**

**Registered number**

11007525

**Registered office**

Unit A2 Cradley Business Park  
Overend Road  
Cradley Heath  
West Midlands  
B64 7DW

**Directors**

D Tracey  
C Milburn  
N Russ  
J Pfeifer (Resigned 31 March 2021)  
A Davis (Resigned 31 March 2021)  
B Marino (Resigned 31 March 2021)  
M Newbold (Resigned 31 March 2021)

**Auditor**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditors  
The Colmore Building  
20 Colmore Circus  
Birmingham  
B4 6AT

**Bankers**

Lloyds Bank  
114-116 Colmore Row  
Birmingham  
B3 3BD

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**Group's strategic report**

**Principal activities**

The principal activity of the company is that of an investment holding company.

The principal activities of the group comprise:

- Global design, manufacture, selling, marketing and distributing of own branded safety components used mostly to construct safety railings and barriers to separate people from hazards and roof edge and associated fall protection safety solutions; and
- Design, installation and recertification of roof edge and associated personal and collective fall protection systems together with training, risk assessment for the safe use access at height equipment;
- Specialised fabrication services for safe access platforms plus a variety of other safety railing and barrier constructions for temporary and permanent installations;
- Global design, manufacture, selling, marketing and distribution of safe steelwork fixings used in secondary steelwork connections and the hanging of services in place of onsite welding therefore providing a safer working environment.

**Business review**

The key performance indicators of the group comprise the following and are compared year on year to highlight performance in way that is consistent with previous published accounts.

	<b>31 Dec 2020</b>	<b>31 Dec 2019</b>
Turnover	£105,292,000	£102,605,000
Gross margin	65.8%	67.4%
Operating profit (before amortisation of intangibles)	£25,951,000	£25,930,000
Operating profit %	24.6%	25.3%
Net Cash Generated from Operating Activities	£18,855,000	£13,069,000

The group made a loss on ordinary activities before tax in the year of £68,899,000 (2019: £58,157,000) which is primarily driven by the amortisation of intangible assets and goodwill in the year amounting to £61,652,000 (2019: £56,479,000) and an interest charge of £25,789,000 (2019: £23,099,000) related to investor loan notes.

Despite the global Covid-19 Pandemic the Group continued to grow with sales increasing by 3.0% and operating profit increasing (before the amortisation of intangibles) fractionally by 0.08%. During 2020 the growth seen by the Group was delivered by the acquisitions completed in 2019 and 2020 offset by a reduction in organic turnover. The acquisitions amounted to a turnover increase of £11.80m delivering £3.00m of increased Operating profit (before the amortisation of intangibles) offset by a fall in organic turnover of £8.70m and operating profit fall by £2.98m. The Group saw an impact to its Turnover from Covid-19 from late March to July with turnover returning to broadly normal levels by August. The group traded at all times through the year, ensuring it complied with all Covid-19 regulations in all countries in which it operates and at all times ensured the safety of its employees whilst maintaining full pay, even in the period April to June when the Group had employees who were furloughed. During this period the Group utilised the UK Government's Coronavirus Job Retention Scheme and received in total £661,000. During the year this approach, the groups wide regional and geographical spread and the groups compliance led safety related products ensured that the group traded profitably in all months of the year with return on sales never falling below a double digit percentage. Against the background of the global pandemic the Directors see the performance of the group led by its employees as an outstanding achievement. Despite the global pandemic we have not reduced the level of investment being made into the business to underpin the future growth of the business. Our acquired sales growth came from the drag of our 2019 investments in North America and Europe which were then complemented by further acquisitions completed during 2020. Despite the global pandemic we continued to invest in new businesses completing five further acquisitions in the year.

## **Safety Topco Limited**

### **Revised Financial statements**

### **for the year ended 31 December 2020**

#### **Group's strategic report**

##### **Business review (continued)**

In addition the group continued to expand its geographical reach in terms of new and existing territories, completing the five acquisitions and opening a new company in India. The group completed two acquisitions in North America adding a significant safe access product range and expanding its ground based safety range. In Europe the group acquired a key supplier which both expanded our internal supply chain and in addition increased our position in the Dutch market. In the UK the Group acquired two companies who are focussed on safe access and safety related training alongside health and safety consultancy and safe access system certification. In India the group opened its first office and warehouse in Bangalore as it seeks to build on the emerging Indian market. In our existing businesses we continued to make strategic investments in resources as opportunities arose.

Through the year we have continued to develop our low cost supply chain investing in new suppliers across the wider Asian space, alongside acquiring our single largest supplier increasing the volumes under our control in our own supply chain. Despite the pandemic we remained operationally efficient which allowed us to react to the changing landscape around the world ensuring we could continue to meet our high availability and delivery standards. Alongside these investments we have continued to develop and invest in our product ranges and digital technologies, launching our own technology based certification system providing a more efficient and comprehensive recertification offering for our customers. The global pandemic and initial lock downs also allowed the group to focus resources on the collection of amounts owed from customers delivering an increase in cash balances in the second quarter of the year. Alongside this the group continued to pay all suppliers, tax authorities and banks in full and on time. The impact of this was a very strong generation of cash in the year ensuring cash flows were solidly positive.

The group continues to demonstrate sound financial management and, in the directors' opinion, has sufficient financial resources for the foreseeable future being a period of not less than twelve months from the date of approval of the Annual report and financial statements. During 2020 the group comfortably met all its obligations under its term loan and working capital facility and all covenants were met with significant headroom. As at 31 December 2020 the group was comfortably compliant with its obligations under its financial arrangements.

##### **Future expectations**

The group intends to continue a medium-term strategy of profitable and cash generative growth within the safety sector. The group will continue to invest in its regional and geographical expansion and build upon the success generated by new product launches. Investments will continue to be made in new product development and technology leading to a number of exciting launches in 2021 and beyond. The group will continue to pursue an acquisition strategy, where suitable opportunities present themselves and post the Statement of Financial Position date the group has completed three further acquisitions the details of which can be found in note 34.

The group traded well through the global Covid-19 pandemic during 2020 and from August onwards has seen trading return to pre-covid levels with the group now trading in the first quarter of 2021 at record levels. The group has seen very little disruption from the impact of Brexit other than some disruption in ports early in 2021 with the increases in inventory outside of the UK providing cover for any delays experienced.

On 31 March 2021 the Group was sold to a new investment partner with the existing management team retaining a significant minority interest in the new ultimate parent company, Gravity Topco Limited. This new investment will allow the management team to continue to drive the growth of the business into the foreseeable future with the transaction being achieved on the back of a new five year plan. Please refer to note 35 for further details.

**Safety Topco Limited**  
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**Group's strategic report**

**Principal risks and uncertainties**

The Board and senior management team considers and monitors both existing and emerging risks on an ongoing basis. Many of the risks faced by the Group are similar to those risks faced by any business but those considered to be the principal risks for the Group are detailed below.

***Covid-19 Pandemic risk***

Whilst the impact of the Covid-19 Pandemic was largely seen in the first half of the financial year with the business broadly returning to normal trading in the second half of the year, due to the ongoing nature of the Pandemic there remains a risk that the Group is exposed to. The key risk for the Group comes from the potential for future lock downs which could restrict the ability of the Group to fulfil customer installations as well as reduce demand for the Group's products in the short term. This would have an impact on the liquidity of the Group as revenues and profits are reduced. The Group considers itself well positioned to withstand the impact of the potential for these localised lockdowns due to the globally and geographically diverse spread of the Group's activities and the safety related nature of its products.

There is a risk that the global economic uncertainty created by the Pandemic could reduce global activity and expenditure which poses a risk to future revenue streams of the Group. However the lack of any sector dependency and the compliance led safety nature of the products allows the Group to remain flexible and seek opportunities in sectors that have benefitted from the Pandemic.

***Brand and Reputation risk***

The Group regards its brand names, trademarks, domain names, products and reputation in the global marketplace as key assets of the Group and they are a key part of the success of the Group. The life saving safety related nature of the products and services offered by the Group pose a risk to these assets if the Group were to suffer any sort of failure or be involved in litigation related to an injury or death arising from use of its products. The Group takes the design, development, manufacture and installation of its products seriously ensuring that it has the processes and procedures in place to ensure its products are of the highest standard. This includes regular auditing of all manufacturing and installation companies by our own employees alongside external certification of our facilities to ISO standards. In addition the Group operates a world class testing and certification centre to ensure that all of its products meet or exceed all of the international standards required. As such the Group believes it has good mitigation in place to address the risk of reputational damage.

***IT and Cyber risk***

The Group places significant reliance on its IT systems and any loss of these systems could have a serious impact on the Group's operations. In addition due to this reliance on the IT systems the Group is potentially susceptible to cyber risks, primarily in relation to malicious hacking and ransomware attacks. In order to mitigate these risks the Group is constantly monitoring its IT systems and the infrastructure that supports them updating and modifying them as knowledge grows in order to provide the strongest protection possible. In addition the Group also retains a third party to provide back up systems to the core systems should they become unavailable and undertakes external testing and review of its systems on a rolling basis.

***Financial risk***

The international nature of the Groups operations and its debt financing expose it to various financial risks. Please refer to the Directors report for further details.

**Safety Topco Limited**  
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**Group's strategic report**

**Statement by the directors in performance of their duties in accordance with s172(1) Companies Act 2006**

The board of directors of Safety Topco Limited consider, both individually and collectively, that they have acted in a way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of its members as a whole whilst having due regard to the interests of stakeholders and matters set out in s172(1)(a-f), in particular with reference to the five year plan to 2023 that was committed to when the current shareholders made their investment.

The plan is designed to deliver a long term sustainable beneficial impact to shareholders and stakeholders alike through controlled and manageable growth built around a deliverable level of both organic and acquired compliance driven growth. The compliance driven nature of the Groups products and services coupled with its diverse geographical spread and lack of sector dependency continue to ensure that, in the interests of shareholders and stakeholders, the Group has a robust and financially sound strategy, which delivers on its commitments to the shareholders and stakeholders alike. The Board has pursued this same strategy since the inception of the Group as "Kee Safety" in 2006 delivering on its commitments year on year and despite various global events in that period, (2008 and 2011 Financial crisis, Brexit and Covid-19 as examples) has consistently delivered growth in both turnover and operating profit. As such the Board continues to monitor actual performance against the medium term plan on a month to month basis, making amendments and changes as necessary whilst ensuring that targets are met or exceeded. This month to month performance and consistent delivery results against the plan is the way that shareholder and stakeholder expectations are met on a short, medium and long term basis. Through the Covid-19 peak of March to August 2020 the Board monitored the situation, both from a trading and health and safety background on an ongoing basis planning each month as we approached it. Data from all sources was used to help with forecasting into the future and this was used to model the expected outcome until the end of Q2, so that trading, cash and covenant compliance could be forecast, with the forecast through the peak covid period of Q2 being delivered in full and in line with expectations. From August onwards the Board remained vigilant with regards to all local health and safety guidelines but with trading returning back to pre Covid-19 levels it returned to planning on a 3 month rolling basis.

Our employees are fundamental to the delivery of the plan. We aim, at all times, to be a responsible employer, with constant regard for the health and safety of all those that work for us. We invest significant amounts of time and money into the development of employees, in order to ensure we can provide both career development for them, whilst providing a skilled workforce to underpin our requirements for an increasing number of talented individuals to drive our growth. A significant and growing number of employees, in positions of responsibility, are also shareholders with over 10% of the employees as at 31st December 2020 also being shareholders. Key to the delivery of the plan is employee awareness of the results of the group and as such each months results is shared and communicated to all employees around the group in business unit update meetings. During the year the Group aimed to and did, maintain full pay for all employees (even when on Furlough) as it sort to ensure that the impact of Covid-19 was felt as little as possible by the employees.

Our relationship with our business partners including customers and suppliers is key to the continued growth of the business. The board fully understand the need to give this due consideration in the company's decision making process and as such will always look to ensure the group maintains good relationships. The group ensures that it can deliver and meet customer requirements and expectations promptly at all times and expects the same for its suppliers whilst ensuring that acts in a fair and equitable manner at all times. During the year the group maintained normal trading relationships with all suppliers, despite Covid-19, maintaining payments to these important partners in line with normal trading terms. Despite Covid-19 with due regard to our employees welfare we remained open all year to ensure that we were able to respond to our Customers health and safety led requirements at all times.

The board are acutely aware of the potential negative impact our operations can have on the environment. We are constantly looking for ways to reduce our environmental impact in everything we do and implement and refine our processes and ways of operating to ensure we do this on an ongoing basis.

As the board of directors, our intention is to behave responsibly and ensure that our employees and we operate the business in a responsible and ethical manner, maintaining exemplary standards of business conduct and governance expected of a Safety business. We will continue to nurture and build of our global reputation for our high standards for the benefit of all stakeholders ensuring that we deliver on our plan in a long term sustainable manner.

This report was approved by the board on 11 November 2021 and signed on its behalf.

*Neil Russ*

N Russ  
Director

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Directors' Report**

**Registered number: 11007525**

**Revision by replacement**

- These revised annual report and financial statements replace the original annual report and financial statements for the financial year ended 31 December 2020.
- These revised annual reports and financial statements are now the statutory accounts of the company for the financial year ended 31 December 2020.
- These revised annual report and financial statements have been prepared as at the date of the original annual report and financial statements and not as at the date of revision and accordingly do not deal with events between those dates.
- The original annual report and financial statements, which were approved and published on 1 October 2021, did not make reference to the audit exemption being claimed by certain subsidiary companies under Section 479A of the Companies Act 2006. A statement to this effect has now been added to correct this in note 12 to the revised financial statements to ensure that they comply with the Companies Act 2006.
- There were no further amendments required as a result of the correction made.

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2020.

**Results**

The loss for the period, after taxation, amounted to £72,427,000 (2019: £63,297,000).

The group's business activities together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report above. In addition, details of the group objectives, policies and processes for managing its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to foreign currency risk, credit risk, commodity price risk, cashflow interest rate risk and liquidity risk are described under financial risk management below.

The accounts have been prepared under FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

**Dividends**

The directors do not recommend the payment of a dividend (2019: £Nil).

**Directors**

The present directors of the company are set out below. The company maintains directors and officers liability insurance on behalf of the directors.

D Tracey  
C Milburn  
N Russ  
J Pfeifer (Resigned 31 March 2021)  
A Davis (Resigned 31 March 2021)  
B Marino (Resigned 31 March 2021)  
M Newbold (Resigned 31 March 2021)  
R Vezzoli (Resigned 9 April 2020)

**Going concern**

On 31 March 2021 as part of the sale of the Group the Group secured new funding from its banking syndicate amounting to £210,000,000 with a further £20,000,000 of committed funds being available to fund future acquisitions if required. As a result of this the Group's existing banking facility was repaid in full.

The group has considerable financial resources, together with strong relationships with key customers and suppliers across different geographic areas and business sectors. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the group has adequate financial resources to continue in operational existence for the foreseeable future being a period of not less than twelve months from the date of approval of the Annual report and financial statements. They, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Please refer to notes 2.4 and 35 for more detail.



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**Directors' Report (continued)**

**Research and Development**

The group undertakes research and development activities in order to introduce new products to the markets in which it operates and to continually evolve its existing product portfolio to provide a continuously grow the breadth of product within its portfolio.

**Financial risk management**

**General**

The group's operations expose it to a variety of financial risks including the effects of changes in foreign currency exchange rates, commodity price risk, credit risk, liquidity risk and cashflow interest rate risk.

The group's principal financial instruments comprise sterling and foreign currency cash and bank deposits, bank loans and overdrafts and loan notes together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the group's financial instruments can be analysed as follows:

**Foreign currency risk**

The group is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The group both buys and sells goods in foreign currencies providing a natural hedge against a proportion of its foreign currency cashflows. The main foreign currencies in which the group operates are the Euro and the US dollar.

The group has structured its long-term borrowings to minimise the impact of changes in exchange rates on net assets denominated in foreign currencies.

**Commodity price risk**

The group's exposure to the price of various commodities is high, therefore selling prices are monitored regularly to reduce the impact of such risk; opportunities to reduce material cost and content are explored constantly.

**Credit risk**

The group's principal financial assets are bank balances, cash and trade debtors, which represent the group's maximum exposure to credit risk in relation to financial assets.

Credit risk is managed by monitoring the aggregate amount and duration of exposure to, and creditworthiness of, new and existing customers. In addition, in certain territories the group takes out credit insurance for customers, subject to the terms and conditions of the insurer. The group has no significant concentration of credit risk, with exposure spread over a large number of customers in different geographies.

The Covid-19 outbreak has potentially increased the credit risk in relation amounts owed from customers. As a result the Group has increased its vigilance around new and existing customer credit worthiness as well as increasing the activity levels around the collection of amounts owed. At the date of signing this has reduced the risk and to date the Group has not seen any increase in bad debts over normal levels.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit ratings agencies.

**Liquidity risk**

The group's policy has been to ensure continuity of funding through generating cash from its trading operations and arranging funding for operations via medium and long term external banking facilities and loan notes from shareholders.

**Cash flow interest rate risk**

Interest bearing assets comprise cash and bank deposits, all of which earn interest at floating rates. The group is party to a group bank overdraft facility for which a variable interest rate charge is applicable.

The group benefits from a multi-currency term loan facility with a banking syndicate led by Lloyds Bank Plc and HSBC Bank Plc. In order to combat interest rate risk the group enters from time to time into simple interest rate cap contracts. Further funding is provided by fixed rate loan notes.

**Environment**

At all of the group's manufacturing and distribution locations around the world, the group seeks to maintain the highest standards, being aware of social and environmental legislation and responsibilities. The group is actively seeking to maximise the level of recycled materials used in the manufacture of its products and minimise the environmental impact of packing and distribution.

**Safety Topco Limited**  
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**Directors' Report (continued)**

**Employment**

The group has a loyal workforce and does not experience significant staff turnover or labour relations problems. Performance and attendance is monitored and recorded forming an important part of employee assessment.

The group is committed to promoting policies to ensure that employees and those who seek to work for the group are treated equally regardless of sex, marital status, age, creed, colour, race or ethnic origin. The group gives full and fair consideration to applications for employment received from people with disabilities, having regard to their particular aptitudes and abilities. The group's policy is to provide equal opportunities to its entire staff on the basis of objective criteria and personal merit.

**Streamlined Energy & Carbon Reporting**

The group does not disclose its UK energy consumption as under The Companies Act 2006 (Strategic Report and Director's Report) Regulation 2018 no UK company within the Group meets the criteria requiring it to disclose its energy consumption.

**Post Statement of Financial Position events**

Post Statement of Financial Position events are set out in note 35.

**Matters covered in the strategic report**

The business review and future expectations are included in the Group Strategic Report. Details of the Group's relations and regard for its Customers, Suppliers and Employees can be found in the S172 statement within the Strategic report.

**Directors' Responsibilities Statement**

The directors are responsible for preparing the Strategic report and 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 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 and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Safety Topco Limited**  
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**Directors' Report (continued)**

**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 and the group'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 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.

This report was approved by the board on 11 November 2021 and signed on its behalf.

*Neil Russ*

N Russ  
Director

## **Independent auditor's report to the members of Safety Topco Limited**

### **Opinion**

We have audited the revised financial statements of Safety Topco Limited (the 'company') for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cashflows and notes to the revised financial statements, including a summary of significant accounting policies. These revised financial statements replace the original financial statements approved by the directors on 1 October 2021. 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). The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date the original financial statements were approved.

In our opinion the financial statements:

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the group and company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

### **Basis of 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 revised 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 revised 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.

### **Emphasis of matter – revision to fully explain provision of parental guarantee given to subsidiaries**

We draw attention to the Directors report and note 12 to these revised financial statements which describes the need for revision of the basis under which the parental guarantee has been given. The original financial statements were approved on 1 October 2021 and our previous audit report was signed 1 October 2021. We have not performed a subsequent events review for the period from the date of our previous auditor's report to the date of this report. Our opinion is not modified in this respect.

### **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 group's and the parent 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 group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent 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 group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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

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

## **Independent auditor's report (Continued) to the members of Safety Topco Limited**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the revised financial statements and our auditor's report thereon. Our opinion on the revised 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 revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised 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 revised 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 year for which the revised financial statements are prepared is consistent with the revised financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In our opinion, the original financial statements for the year ended 31 December 2020 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the Directors report and note 12 to the revised financial statements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

### **Matter 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company revised 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.

### **Responsibilities of directors for the revised financial statements**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the revised 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 revised financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the revised financial statements**

Our objectives are to obtain reasonable assurance about whether the revised 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 revised financial statements.

A further description of our responsibilities for the audit of the revised financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report (Continued)**  
**to the members of Safety Topco Limited**

**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 revised financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

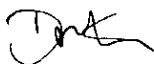
The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company and Group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the revised financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, tax legislation, anti-bribery legislation and employment law as well as industry specific legislation which governs the group's safety products;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We understood how the Company and Group is complying with those legal regulatory frameworks by making enquiries of management. We corroborated our enquires through our review of board minutes and certain other procedures;
- Based on the results of our risk assessment we designed further audit procedures to identify non-compliance with such laws and regulations identified above. These procedures were performed at all components within the scope of our audit. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business; enquiries of group management, and country management at locations where full scope audit procedures and specified audit procedures were performed;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - o understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - o knowledge of the industry in which the client operates
  - o understanding of the legal and regulatory requirements specific to the entity/regulated entity including:
    - the provisions of the applicable legislation
    - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
    - the applicable statutory provisions
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement.
  - the applicable statutory provisions
  - the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and resources available and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008. 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.

David White BA FCA  
Senior Statutory Auditor  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants, Statutory Auditor  
Birmingham  
11 November 2021



**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Consolidated Statement of Comprehensive Income**

		Year ended 31 December 2020 £ '000	Year ended 31 December 2019 £ '000
	Notes		
<b>Turnover</b>	3	105,292	102,605
Cost of sales		(36,036)	(33,453)
<b>Gross profit</b>		69,256	69,152
Other Administrative expenses		(44,376)	(43,222)
Goodwill and intangible asset amortisation	10	(61,652)	(56,479)
<b>Total Administrative Expenses</b>		(106,028)	(99,701)
Other Operating income - Furlough Grants Received		1,071	-
<b>Group operating loss</b>	4	(35,701)	(30,549)
Interest receivable and similar income	7	11	3,325
Interest payable and similar charges	8	(34,209)	(30,933)
<b>Loss on ordinary activities before taxation</b>		(69,899)	(58,157)
Tax on loss on ordinary activities	9	(2,528)	(5,140)
<b>Loss for the financial year</b>		(72,427)	(63,297)
<b>Other comprehensive income for the year</b>			
Foreign exchange translation difference		(1,154)	(1,413)
<b>Total comprehensive income for the year</b>		<u>(73,581)</u>	<u>(64,710)</u>

The results included above are generated from continuing operations.

The accompanying principal accounting policies and notes on pages 18 to 43 form part of these revised financial statements.

**Safety Topco Limited**  
**Revised Financial statements**  
**as at 31 December 2020**

**Registered number: 11007525**

**Consolidated Statement of Financial Position**

	Notes	31 December 2020 £ '000	31 December 2019 £ '000
<b>Fixed assets</b>			
Intangible assets	10	140,610	182,915
Tangible assets	11	6,321	4,954
		146,931	187,869
<b>Current assets</b>			
Stocks	14	22,172	17,608
Debtors	15	30,614	32,216
Cash at bank and in hand	13	12,771	11,541
		65,557	61,365
<b>Creditors: amounts falling due within one year</b>	16	(28,306)	(21,735)
<b>Net current assets</b>		37,251	39,630
<b>Total assets less current liabilities</b>		184,182	227,499
<b>Creditors: amounts falling due after more than one year</b>	17	(393,636)	(362,842)
<b>Provisions for liabilities</b>			
Deferred taxation	20	(1,686)	(2,568)
Other provisions	23	(364)	(24)
		(2,050)	(2,592)
<b>Net liabilities</b>		<u>(211,504)</u>	<u>(137,935)</u>
<b>Capital and reserves</b>			
Called up share capital	25	752	751
Share premium	26	321	310
Profit and loss account	27	(212,577)	(138,996)
<b>Equity shareholders' deficit</b>		<u>(211,504)</u>	<u>(137,935)</u>

The revised financial statements were approved and authorised for issue by the Board and were signed on its behalf on 11 November 2021:

*Nail Russ*  
N Russ  
Director

The accompanying principal accounting policies and notes on pages 18 to 43 form part of these revised financial statements.



**Safety Topco Limited**  
**Revised Financial statements**  
**as at 31 December 2020**

**Registered number: 11007525**

**Company Statement of Financial Position**

	Notes	31 December 2020 £ '000	31 December 2019 £ '000
<b>Fixed assets</b>			
Investments	12	640	640
		640	640
<b>Current assets</b>			
Debtors	15	23,018	22,081
<b>Net current assets</b>		23,018	22,081
<b>Total assets less current liabilities</b>		23,658	22,721
<b>Creditors: amounts falling due after more than one year</b>	17	(27,221)	(24,551)
<b>Net liabilities</b>		<u>(3,563)</u>	<u>(1,830)</u>
<b>Capital and reserves</b>			
Called up share capital	25	752	751
Share premium	26	321	310
Profit and loss account	27	(4,636)	(2,891)
<b>Equity shareholders' (deficit)/funds</b>		<u>(3,563)</u>	<u>(1,830)</u>

The company has taken advantage of the exemption under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive income in these financial statements. The loss after tax of the parent company for the year ended 31 December 2020 was £1,746,000 (2019: £1,431,000).

The revised financial statements were approved and authorised for issue by the Board and were signed on its behalf on 11 November 2021:

*Neil Russ*

N Russ

Director

Date: 11 November 2021

The accompanying principal accounting policies and notes on pages 18 to 43 form part of these revised financial statements.

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Consolidated statement of changes in equity**

Consolidated	Share capital (Note 25) £ '000	Share premium (Note 26) £ '000	Profit and loss account Note (27) £ '000	Total equity £ '000
<b>At 1 January 2019</b>	751	226	(74,286)	(73,309)
Loss for the financial year	-	-	(63,297)	(63,297)
Foreign exchange translation	-	-	(1,413)	(1,413)
Other comprehensive income for the financial year	-	-	(1,413)	(1,413)
<b>Total comprehensive income for the financial year</b>	-	-	(64,710)	(64,710)
<b>Contributions by and distributions to owners</b>				
Shares issued	-	84	-	84
	-	84	-	84
<b>At 31 December 2019</b>	<u>751</u>	<u>310</u>	<u>(138,996)</u>	<u>(137,935)</u>
<b>At 1 January 2020</b>	751	310	(138,996)	(137,935)
Loss for the financial year	-	-	(72,427)	(72,427)
Foreign exchange translation	-	-	(1,154)	(1,154)
Other comprehensive income for the financial year	-	-	(1,154)	(1,154)
<b>Total comprehensive income for the financial year</b>	-	-	(73,581)	(73,581)
<b>Contributions by and distributions to owners</b>				
Shares issued	1	11	-	12
<b>At 31 December 2020</b>	<u>752</u>	<u>321</u>	<u>(212,577)</u>	<u>(211,504)</u>

**Company statement of changes in equity**

<b>At 1 January 2019</b>	751	226	(1,460)	(483)
Loss for the period	-	-	(1,431)	(1,431)
<b>Total comprehensive income for the financial year</b>	-	-	(1,431)	(1,431)
<b>Contributions by and distributions to owners</b>				
Shares issued	-	84	-	84
	-	84	-	84
<b>At 31 December 2019</b>	<u>751</u>	<u>310</u>	<u>(2,891)</u>	<u>(1,830)</u>
<b>At 1 January 2020</b>	751	310	(2,890)	(1,829)
Loss for the year	-	-	(1,746)	(1,746)
<b>Total comprehensive income for the financial year</b>	-	-	(1,746)	(1,746)
<b>Contributions by and distributions to owners</b>				
Shares issued	1	11	-	12
<b>At 31 December 2020</b>	<u>752</u>	<u>321</u>	<u>(4,636)</u>	<u>(3,563)</u>

The accompanying principal accounting policies and notes on pages 18 to 43 form part of these revised financial statements.

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**  
**Consolidated Statement of Cash Flows**

	Notes	2020 £ '000	2019 £ '000
<b>Operating activities</b>			
Loss for the financial year		(72,427)	(63,297)
Adjustments for:			
Interest receivable	7	(11)	(3,325)
Interest payable	8	34,155	34,240
Foreign exchange losses	8	54	(3,307)
Taxation	9	2,528	5,140
Depreciation of tangible fixed assets	11	1,379	1,067
Amortisation of intangible assets	10	61,652	56,479
Increase in stocks		(2,959)	(2,248)
Decrease/(increase) in trade and other debtors		4,422	(1,832)
Decrease in trade and other creditors		(4,142)	(6,718)
<b>Cash generated from operations</b>		<b>24,651</b>	<b>16,199</b>
Interest received		11	18
Interest element of finance lease payments		(60)	(9)
Corporation tax paid		(5,747)	(3,139)
<b>Net cash generated by operating activities</b>		<b>18,855</b>	<b>13,069</b>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets	11	(1,895)	(1,674)
Payments in respect of acquisitions, net of cash acquired	34	(11,001)	(14,512)
Proceeds from sale of tangible fixed assets		42	24
Payment of deferred and contingent consideration in respect of acquisitions		(6,164)	(2,881)
Payment of fees relating to acquisitions	34	(616)	(670)
<b>Net cash used in investing activities</b>		<b>(19,634)</b>	<b>(19,713)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	26	12	84
Proceeds from new bank loan	22	10,501	19,674
Bank interest and other charges paid		(7,116)	(7,326)
Payment of fees relating to new bank loan		(357)	(534)
Capital element of finance lease payments		(235)	(83)
<b>Net cash generated by financing activities</b>		<b>2,805</b>	<b>11,815</b>
<b>Net increase/(decrease) in cash</b>		<b>2,026</b>	<b>5,171</b>
Foreign exchange translation adjustment		(1,182)	(1,406)
<b>Net cash generated</b>		<b>844</b>	<b>3,765</b>
Cash and cash equivalents at 1 January/beginning of period		10,664	6,899
Cash and cash equivalents at 31 December	13	11,508	10,664
<b>Cash and cash equivalents comprise:</b>			
Cash at bank	13	12,771	11,541
Bank overdrafts	16	(1,263)	(877)
		<b>11,508</b>	<b>10,664</b>

The accompanying principal accounting policies and notes on pages 18 to 43 form part of these revised financial statements.

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Notes to the revised financial statements**

**1 Company information**

The Company is a limited company incorporated in the United Kingdom, its registered office is Unit A2, Cradley Business Park, Overend Road, Cradley Heath, West Midlands, B64 7DW.

Principal activities are detailed in the Strategic Report at page 2.

**2 Accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') as amended December 2017, and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling ("£") and rounded in thousands.

The group financial statements consolidate the financial statements of Safety Topco Limited and all its subsidiary undertakings drawn up to 31 December each period.

**Parent company disclosure exemptions**

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations of the group and the parent company would be identical;
- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- The requirement to present related party disclosures between parent company and fellow subsidiaries where ownership is all 100%; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as they formed a single entity. Uniform accounting policies are applied throughout the year and all intercompany transactions and balances between group companies are eliminated in full on consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**2.3 Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of acquisition) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination. Part of the cost of the acquisition is dependent on the trading performance of the acquired business following the transaction. The contingent consideration is based on these estimates of the future performance of the acquired business. The contingent consideration is classified as a financial liability, measured at fair value.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.

Adjustments to contingent consideration are accounted for as a change in estimate adjusting the cost of the business combination and included in goodwill.

Intangible assets are recognised separately from goodwill where they meet the recognition criteria, are separable and arise from contractual or other legal rights. Intangible assets acquired on acquisition are separately recognised if they met these requirements.

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Notes to the revised financial statements**

**2 Accounting policies (continued)**

**2.4 Going concern**

At December 2020, the group had net liabilities of £211,504,000 (2019: £137,935,000), but of its borrowings £389,184,000 (2019: £352,003,000) were due after more than one period and of these £250,303,000 (2019: £224,631,000) were loan notes owed to shareholders. The group had a net cash generated from operating activities of £20,189,000 (2019: £13,069,000) and a cash balance (net of overdrafts) of £11,508,000 (2019: £10,664,000). At all times during the year the Group comfortably met its financial covenant tests. On 31st March 2021 Safety Topco Limited was acquired by Gravity Topco Limited via its wholly owned subsidiary, Gravity Bidco Limited. As part of this transaction the borrowings of the Group were repaid in full, using new borrowings secured by the new owners of the Group. These amounted to a £210,000,000 a term loan facility at an interest rate of base plus 5.5% repayable in full on 31st March 2028. As part of the sale process the Directors prepared detailed cash flow forecasts reflecting the new capital structure that includes the twelve months following the date of approval of these accounts. These demonstrate that the group will have sufficient funds available to meet its obligations as they fall due for at least the twelve months from the date of approval of these accounts. The directors have therefore prepared the financial statements on a going concern basis.

**2.5 Investment in subsidiaries**

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiary undertakings are accounted for at cost less impairment in the individual financial statements.

**2.6 Intangible assets**

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) in respect of acquisitions is capitalised and is measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Goodwill - 5 years
- Patents - 5 Years
- Brand - 5 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

**2.7 Tangible fixed assets and depreciation**

All fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to Other Administrative Expenses. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Land and buildings	- the lower of 25 years or length of lease.
Plant and machinery	- 6 - 15 years
Motor vehicles	- 3 - 4 years
Office equipment	- 3 - 5 years

The assets' residual values, useful lives and depreciation method 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 company the proceeds with the carrying amount and this is recognised in the statement of comprehensive income.

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Notes to the revised financial statements**

**2 Accounting policies (continued)**

**2.8 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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

**2.9 Stocks**

Stocks and work in progress are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow-moving items. Cost is determined on a first-in first-out basis. The cost of work in progress and finished goods comprises materials costs and directly attributable overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

**2.10 Debtors**

Short term debtors including loans receivable are measured at transaction price, less any impairment.

**2.11 Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, net of transaction costs. Transaction costs are amortised over the life of the loan.

**2.12 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is stated at the fair value of 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 Safety Components , Safety Systems and Installed Safety Systems.**

Turnover from the sale of goods is recognised when the following conditions are met:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the amount of turnover can be measured reliably;
- it is probable that the group 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.

**Sale of Services, including System recertifications, Safety training and Consultancy services.**

Turnover from the provision of services is recognised in the period in which the services are provided in accordance with the stage of completion of the services when the following conditions are met:

- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred to complete the services can be measured reliably.

**2.13 Other Operating Income: Government Grants**

Amounts received under the Coronavirus Job Retention Scheme and similar scheme outside of the UK are accounted for in the same period that the relevant employee was on Furlough.

**2.14 Operating leases: Lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

**2.15 Provisions for liabilities**

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Notes to the revised financial statements**

**2 Accounting policies (continued)**

**2.16 Related party transactions**

Under the terms of Financial Reporting Standard 102 Section 33 'Related Party Disclosures', the company is exempt from the requirement to disclose transactions with entities that are wholly owned subsidiaries of Safety Topco Limited.

**2.17 Taxation**

Current tax is recognised as the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed. Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

**2.18 Foreign currencies**

**Functional currency and presentation currency**

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling.

**Transactions and balances**

Transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

**Safety Topco Limited**  
**Revised Financial statements**  
**for the year ended 31 December 2020**

**Notes to the revised financial statements**

**2 Accounting policies (continued)**

**Translation of group companies**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

Goodwill arising on acquisitions is translated at the historical exchange rate on the date of the acquisition.

**2.19 Finance leasing and hire purchase commitments**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

**2.20 Pensions**

The group makes contributions to defined contribution schemes. The assets of these schemes are held separately from those of the group in independently administered funds. The annual contributions payable is charged to the profit and loss account in the period which they fall due.

**2.21 Research and development expenditure**

Research and development expenditure is normally written off as incurred. Development expenditure incurred on an individual project may be capitalised as an asset if and only if certain criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic life, which is generally 4 to 6 years.

**2.22 Financial instruments**

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks and other third parties, loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one period), 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 period, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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 comprehensive income.

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.

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.



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**2 Accounting policies (continued)**

**2.23 Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following estimates had the most significant effect on amounts recognised in the financial statements.

**Contingent consideration**

As part of the acquisition process, a forecast is prepared which projects the financial performance of the business over the expected earn-out period. These forecasts are reviewed and updated based on actual performance. Part of the cost of the acquisition is sometimes dependent on the trading performance of the acquired business following the transaction. The contingent consideration is based on these estimates of the future performance of the acquired business at the date of acquisition and is recorded as a financial liability reflecting the time value of money, see notes 16 and 17.

**Business combinations**

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent changes in these estimates would affect the amount of goodwill recognised, see note 34.

**Goodwill and intangible asset amortisation**

Goodwill represents the workforce, customer relationships and synergies acquired which are not separable and have therefore not been recognised as separate intangible assets. Management expect these benefits to be consumed by the entity over the course of five years, due to the turnover of both employees and customers and the synergies which will be internally generated over this period taking more precedent by this point in time. Management have therefore deemed the useful economic life of goodwill to be five years.

**Impairment of non-financial assets and goodwill**

Management consider that the group is one cash generating unit as the group is managed centrally and products are sourced and purchased by the group centrally such that individual subsidiaries cannot generate cashflows by themselves. Management consider there to be no events that would lead to an impairment of any of the intangible assets. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In the year ended 31 December 2021 the Group did not recognise any impairment losses.

**Significant management judgments**

In determining the applicable accounting treatment of the bank and other loans management have carefully considered the key features of the loans and have concluded that they meet the 'basic' criteria as defined within FRS102. As a consequence, the bank loans are held at amortised cost, see note 18.

A specific provision is made at each reporting date for estimated losses resulting from the viability of the company's customers to make the required payment. The provision is based on the company's regular assessment of the credit worthiness and financial conditions of the customer.

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**3 Analysis of turnover**

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax.

By geographical market:	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
UK	31,492	30,198
Europe	19,531	19,574
North America	49,072	46,234
Rest of world	5,197	6,599
	<u>105,292</u>	<u>102,605</u>
Sale of goods	96,090	94,827
Sale of services	9,202	7,778
	<u>105,292</u>	<u>102,605</u>

**4 Operating loss**

	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>

Consolidated operating loss is stated after charging:

Depreciation of owned fixed assets	1,259	966
Depreciation of assets held under finance leases and hire purchase contracts	120	101
Amortisation of goodwill	57,148	52,415
Amortisation of brand value	4,504	4,064
Operating lease rentals - plant and machinery	525	512
Operating lease rentals - land and buildings	2,244	1,907
Auditors' remuneration		
- fees payable to the company's auditor for the statutory audit of the Company's and consolidated annual accounts	195	37
- fees payable to the auditor for the audit of the Company's subsidiaries pursuant to legislation	20	238
- fees payable to the auditor in respect of tax compliance services	75	58

**5 Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>

Remuneration in respect of the directors was as follows:

Emoluments (including benefits in kind)	379	517
Pension contributions to defined contribution pension schemes	11	17
	<u>390</u>	<u>534</u>

Amounts paid to third parties for non-executive directors' services

	<u>276</u>	<u>276</u>
- these amounts are paid to the Institutional investors management company who employ the Non-Executive Directors.		

Highest paid director:

Emoluments	161	225
Company contributions to defined contribution pension plans	7	11
	<u>168</u>	<u>236</u>

**Number of directors to whom retirement benefits accrued:**

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Defined contribution plans	<u>2</u>	<u>2</u>

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<b>6</b>	<b>Employees</b>	<b>2020</b>	<b>2019</b>
		<b>£ '000</b>	<b>£ '000</b>
	<b>Group</b>		
	Staff costs, including the directors, during the year were as follows:		
	Wages and salaries	21,999	21,117
	Social security costs	2,256	2,113
	Other pension costs	788	735
		<u>25,043</u>	<u>23,965</u>

The average number of persons, including the directors, employed by the group during the year/period was:

	<b>Number</b>	<b>Number</b>
Administration	152	134
Manufacturing	175	150
Sales and Marketing	376	341
	<u>703</u>	<u>625</u>

**Company**

The company had no employees during 2020 (2019: Nil) other than the directors who did not receive any remuneration from the company.

**7 Interest receivable and similar income**

Bank interest receivable	11	16
Foreign exchange	-	3,307
Other interest receivable	-	2
	<u>11</u>	<u>3,325</u>

**8 Interest payable and similar charges**

	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
Bank loans and overdrafts	6,969	6,869
Other loans	25,789	23,099
Foreign exchange	54	-
Amortisation of the cost of loan finance	1,181	867
Premium on interest rate caps	156	89
Finance charges payable under finance leases and hire purchase contracts	60	9
	<u>34,209</u>	<u>30,933</u>

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<b>9 Taxation on loss on ordinary activities</b>	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on loss for the period	1,372	1,866
Overseas tax	3,654	3,394
Adjustments in respect of previous periods relating to UK tax	(4)	99
Adjustments in respect of previous periods relating to overseas tax	(1,684)	-
	3,338	5,359
Deferred tax:		
Origination and reversal of timing differences	(114)	531
Movement in deferred tax liability arising on brand value	(696)	(750)
	(810)	(219)
<b>Total tax charge for the year</b>	<b>2,528</b>	<b>5,140</b>

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19% (2019: 19%). The effective rate before exceptional items for 2020 is 3.6% (2019: 8.8%) which is below the UK rate of corporation tax. The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

<b>Total taxation charge reconciliation</b>	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
Loss on ordinary activities before tax	(69,899)	(58,157)
Standard rate of corporation tax in the UK	19.00%	19.00%
	<b>£ '000</b>	<b>£ '000</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(13,281)	(11,050)
Effects of:		
Non-deductible items	5,714	4,769
Non-taxable items	11,714	10,731
Differences between UK and foreign tax rates	69	591
Adjustments to tax charge in respect of previous periods	(1,688)	99
<b>Total tax charge</b>	<b>2,528</b>	<b>5,140</b>

The adjustment to tax in respect of previous periods was £1,688,000 of which £1,100,000 relates to relief for purchased good will by Flexible Lifeline Systems Inc which previously was believed to be not allowable for taxation, but subsequently has now been claimed.

**Factors that may affect future tax charges**

The main rate of corporation tax will remain unchanged at 19% in 2021 and 2022, but will rise to 25% from 1st April 2023 based on announcement at the budget in 2021.

Deferred tax has been measured at the average tax rates that are expected to apply in the year in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the statement of financial position date.

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<b>10 Intangible fixed assets</b>	<b>Brands</b>	<b>Goodwill on Consolidation</b>	<b>Patents</b>	<b>Total</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
<b>Cost</b>				
At 1 January 2020	21,659	280,442	10	302,111
Additions in relation to current year acquisitions (note 34)	2,535	18,143	-	20,678
Additions in the year	-	-	3	3
Measurement adjustment in relation to prior year acquisitions	-	(1,334)	-	(1,334)
At 31 December 2020	<u>24,194</u>	<u>297,251</u>	<u>13</u>	<u>321,458</u>
<b>Amortisation</b>				
At 1 January 2020	8,305	110,891	-	119,196
Charge for the year	4,504	57,148	-	61,652
At 31 December 2020	<u>12,809</u>	<u>168,039</u>	<u>-</u>	<u>180,848</u>
<b>Net book value</b>				
At 31 December 2020	<u>11,385</u>	<u>129,212</u>	<u>13</u>	<u>140,610</u>
At 31 December 2019	<u>13,354</u>	<u>169,551</u>	<u>10</u>	<u>182,915</u>

In accordance with FRS102 19.19, Safety Topco Limited group have taken the advantage of the one year window to revise goodwill acquired on acquisition.

Goodwill is being amortised in equal annual instalments over its estimated economic life of 5 years. Amortisation of intangible assets is included in administrative expenses.

The measurement adjustment in relation to prior year acquisitions arises due to changes in the estimated or paid contingent consideration.

The Brands intangible assets comprise the brand names of the group's products, the group's name and the names of the trading subsidiaries.

The company has no intangible assets (2019: £Nil).

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**11 Tangible fixed assets**

<b>Group</b>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Total</b>
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
<b>Cost</b>					
At 1 January 2020	2,090	2,396	662	1,811	6,959
On acquisition (note 34)	12	929	14	24	979
Additions	192	753	87	863	1,895
Reclassification	(2)	171	-	(171)	(2)
Disposals	(2)	(953)	(60)	(349)	(1,364)
Exchange difference	(27)	(88)	15	(43)	(143)
At 31 December 2020	<u>2,263</u>	<u>3,208</u>	<u>718</u>	<u>2,135</u>	<u>8,324</u>
<b>Depreciation</b>					
At 1 January 2020	370	918	244	473	2,005
Charge for the year	232	531	206	410	1,379
Reclassification	6	131	(22)	(117)	(2)
On disposals	-	(928)	(49)	(345)	(1,322)
Exchange difference	(13)	(42)	7	(9)	(57)
At 31 December 2020	<u>595</u>	<u>610</u>	<u>386</u>	<u>412</u>	<u>2,003</u>
<b>Carrying amount</b>					
At 31 December 2020	<u>1,668</u>	<u>2,598</u>	<u>332</u>	<u>1,723</u>	<u>6,321</u>
At 31 December 2019	<u>1,720</u>	<u>1,478</u>	<u>418</u>	<u>1,338</u>	<u>4,954</u>

The company has no tangible assets (2019: Nil).

	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	<u>433</u>	<u>199</u>

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**12 Investments**  
**Company**

**Investments in  
subsidiary  
undertakings  
£ '000**

**Cost**

At 1 January 2020

640

At 31 December 2020

640

The companies in which Safety Topco Limited's direct or indirect interest at 31 December 2020 was 100% are as follows:

<b>Company (and number)</b>	<b>Country of incorporation</b>	<b>Ordinary shares held by company</b>	<b>Principal activity</b>	<b>Nature of shareholding</b>
Safety Midco Limited 11007798	England	100%	Holding Company	Direct
Safety Bidco Limited (*) 11008108	England	100%	Holding Company	Indirect
Kee Safety Group Limited (*) 08715491	England	100%	Holding Company	Indirect
Ensco 1020 Limited (*) 08766188	England	100%	Holding Company	Indirect
KSG (2011) Limited (*) 07470886	England	100%	Holding Company	Indirect
Kee Safety International Limited (*) 05857579	England	100%	Holding Company	Indirect
KIGH 2004 Limited (*) 05150187	England	100%	Holding Company	Indirect
KIGH 2000 Limited (*) 03952999	England	100%	Holding Company	Indirect
K.I.G. Limited (*) 03182765	England	100%	Head Office and Holding Company	Indirect
Kee Safety Limited (*) 03182766	England	100%	Safety systems and components	Indirect
Tubeclamps Limited (*) 00497622	England	100%	Safety systems and components	Indirect
Kee Safety Logistics Limited (*) 03182749	England	100%	Safety systems and components	Indirect
Kee Safety GmbH	Germany	100%	Safety systems and components	Indirect
Kee Safety Inc	USA	100%	Safety systems and components	Indirect
Kee Safety Limited	Canada	100%	Safety systems and components	Indirect
Access Technologies Limited (*) 02879801	England	100%	Safe access solutions	Indirect
Kee Safety SAS	France	100%	Safety systems and components	Indirect
Easyfit Inc	USA	100%	Safety systems and components	Indirect
Kee Safety LLC	UAE	100%	Safety systems and components	Indirect
Kee Safety Sp zoo	Poland	100%	Safety systems and components	Indirect
Simplified Safety Inc	USA	100%	Internet safety products sales	Indirect
Simplified Safety Limited (*) 069032580	England	100%	Internet safety products sales	Indirect
Simplified Safety GmbH	Germany	100%	Internet safety products sales	Indirect
Simplified Safety B.V.	Netherlands	100%	Internet safety products sales	Indirect
Kee Systems Limited (*) 02391277	England	100%	Safety systems and components	Indirect
LNA Solutions Limited	USA	100%	Safety systems and components	Indirect
Easi-Dec Access Systems Limited (*) 01845301	England	100%	Safe access solutions	Indirect
Safesite Limited (*) 02609468	England	100%	Safety systems and components	Indirect
Kee Safety Far East Limited	Hong Kong	100%	Sourcing of safety systems and components	Indirect
Kee Safety Shanghai Limited	China	100%	Sourcing of safety systems and components	Indirect
Skyway Safe Access Equipment Limited	Republic of Ireland	100%	Safety systems and components	Indirect
Skyway Safe Access Equipment (NI) Limited NI601274	Northern Ireland	100%	Safety systems and components	Indirect
Sesco LLC	USA	100%	Safety systems and components	Indirect
Harcon Services Limited (*) 03943245	England	100%	Safety systems and components	Indirect
VTD Nederland B.V.	Netherlands	100%	Safety systems and components	Indirect

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**12 Investments (continued)**

<b>Company</b>	<b>Country of incorporation</b>	<b>Ordinary shares held by company</b>	<b>Principal activity</b>	<b>Nature of shareholding</b>
Handelsonderneming Buisklem B.V.	Netherlands	100%	Safety systems and components	Indirect
Gevaco B.V.	Netherlands	100%	Safety systems and components	Indirect
Steadfast (Anglia) Limited (*) 04161232	England	100%	Safety systems and components	Indirect
Portaramp (UK) Limited (*) 05556499	England	100%	Safe access solutions	Indirect
Fisher Alvin Holdings Limited (*) 07533810	England	100%	Property and Holding company	Indirect
Fisher Alvin Limited (*) 05571445	England	100%	Safety systems and components	Indirect
Flexible Lifeline Systems Inc	USA	100%	Safety systems and components	Indirect
Roof Edge Fabrications Limited (*) SC111926	Scotland	100%	Safety systems and components	Indirect
Roof Anchor Company Limited (*) SC165987	Scotland	100%	Safety systems and components	Indirect
W H Maintenance Limited (*) SC191024	Scotland	100%	Safety systems and components	Indirect
Lighthouse Safety LLC	USA	100%	Safety systems and components	Indirect
High Engineering Limited	Canada	100%	Safety systems and components	Indirect
Kee Safety (Singapore) Pvt Limited	Singapore	100%	Safety systems and components	Indirect
APS Safety Systems Limited (*) SC356962	Scotland	100%	Safety systems and components	Indirect
Highwire Limited (*) 03417319	England	100%	Safety systems and components	Indirect
Oxford Safety Components Limited (*) 03967319	England	100%	Safety systems and components	Indirect
Planet Platforms (Holdings) Limited (*) 06114976	England	100%	Safety systems and components	Indirect
Planet Platforms Limited (*) 01546757	England	100%	Safety systems and components	Indirect
Safeguard U.S. Inc.	USA	100%	Safety systems and components	Indirect
Safeguard Safety Inc.	Canada	100%	Safety systems and components	Indirect
Safety and Access Limited (*) 02560824	England	100%	Safe access training	Indirect
Martin Castle Limited (*) 06463316	England	100%	Safe access training	Indirect
FlexDecks Inc	USA	100%	Safe access solutions	Indirect
Megametal B.V.	Netherlands	100%	Safety systems and components	Indirect
Omega Industrial Products Inc	USA	100%	Safety systems and components	Indirect
Alpha Fabrications L.L.C	USA	100%	Safety systems and components	Indirect

The company's marked with (\*) above are in receipt of a full Parental Guarantee from Safety Topco Limited and therefore are claiming exemption from the requirements of the UK Companies Act 2006 relating to the audit of the individual accounts by virtue of s479A of the Act.

The company indirectly holds 100% of the share capital of the following dormant companies in the UK, Kee Klamp Limited, Key Safety Limited, Key Klamp Limited, Key Klamps Limited, Key Clamp Limited, Key Clamps Limited, Kee Clamp Limited, Kee Clamps Limited, Kee Klamps Limited, Alvin Key Clamps Limited, Fastmat Limited and Dunn and Cowe Limited.

**13 Cash and cash equivalents**

<b>Group</b>	<b>2020 £ '000</b>	<b>2019 £ '000</b>
Cash in bank and in hand	12,771	11,541
Bank overdrafts (note 16)	(1,263)	(877)
	<u>11,508</u>	<u>10,664</u>
<b>Company</b>		
Cash at bank and in hand	<u>-</u>	<u>-</u>



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<b>14 Stocks</b>	<b>2020</b>	<b>2019</b>
<b>Group</b>	<b>£ '000</b>	<b>£ '000</b>
Raw materials and consumables	3,406	3,107
Work in progress	374	132
Finished goods and goods for resale	18,392	14,369
	<u>22,172</u>	<u>17,608</u>

The company holds no inventory (2019: £Nil).

Stock recognised in cost of sales during the year as an expense was £24,304,000 (2019: £20,951,000).

The book value of inventories is not materially different from their replacement cost.

Inventories are stated after provisions for impairment of £726,000 (2019: £788,000).

<b>15 Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
<b>Debtors due within one year</b>		
<b>Group</b>		
Trade debtors	24,481	27,388
Other taxation	87	-
Other debtors	653	298
Prepayments and accrued income	5,393	4,530
	<u>30,614</u>	<u>32,216</u>

The company has no debtors less than one year (2019: £Nil).

An impairment loss of £Nil (2019: £68,000) was recognised against trade debtors during the year.

**Debtors due after more than one year**

<b>Company</b>	<b>2020</b>	<b>2019</b>
	<b>£ '000</b>	<b>£ '000</b>
Amounts owed by group undertakings	<u>23,018</u>	<u>22,081</u>

Amounts owed by group undertakings are interest bearing at a rate of base rate plus 4.5% and unsecured and are repayable on demand.

<b>16 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
<b>Group</b>	<b>£ '000</b>	<b>£ '000</b>
Bank overdrafts	1,263	877
Obligations under finance lease and hire purchase contracts	171	107
Trade creditors	4,501	4,909
Corporation tax	2,398	4,718
Other taxes and social security costs	1,088	802
Other creditors	265	493
Contingent consideration	12,512	4,426
Accruals and deferred income	6,108	5,403
	<u>28,306</u>	<u>21,735</u>

The company has no creditors falling due within one year (2019: £Nil).

The bank overdrafts are secured by the group's assets and are subject to fixed and floating charges and guarantees over the obligations of all subsidiary companies within the Safety Topco Limited Group.

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<b>17</b>	<b>Creditors: amounts falling due after one year</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>£ '000</b>	<b>£ '000</b>
	Loan notes	250,303	224,631
	Bank loans	138,881	127,372
	Obligations under finance lease and hire purchase contracts	303	147
	Contingent consideration	4,149	10,692
		<u>393,636</u>	<u>362,842</u>
	<b>Company</b>	<b>2020</b>	<b>2019</b>
		<b>£ '000</b>	<b>£ '000</b>
	Loan notes	<u>27,221</u>	<u>24,551</u>
<b>18</b>	<b>Loan analysis</b>	<b>2020</b>	<b>2019</b>
	<b>Group</b>	<b>£ '000</b>	<b>£ '000</b>
	Gross bank term loan	142,449	131,764
	Unamortised cost of raising bank term loan	(3,568)	(4,392)
	Investor loan notes	223,082	200,080
	Co-Investor loan notes	27,221	24,551
		<u>389,184</u>	<u>352,003</u>
	<b>Company</b>		
	Co-Investor loan notes	<u>27,221</u>	<u>24,551</u>

The Bank term loan is a multicurrency facility currently denominated in Sterling, US dollars and Euros. The loan is repayable in full on 26 October 2024. Interest is payable at 4.50% over LIBOR or EURIBOR (subject to a downward only interest rate ratchet).

The Investor and Co-Investor loan notes accrue interest at a fixed rate of 11% p.a. and are repayable in full together with accrued interest on 31 October 2027.

The Investor loan notes are listed on The International Stock Exchange.

The aforesaid bank term loan is secured by the group's assets and are subject to fixed and floating charges and guarantees over the obligations of all subsidiary companies within the Safety Topco Limited Group.

<b>19</b>	<b>Obligations under finance leases and hire purchase contracts</b>	<b>2020</b>	<b>2019</b>
		<b>£ '000</b>	<b>£ '000</b>
	Amounts payable:		
	Within one year	171	107
	Within two to five years	303	147
		<u>474</u>	<u>254</u>

Finance lease and hire purchase contracts relates to the liability under a standard hire purchase agreement related to the acquisition of a four way milling machine. At the end of the lease period ownership transfers to the group for the payment of a nominal sum.

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<b>20</b>	<b>Deferred taxation</b>	<b>2020</b>	<b>2019</b>
		<b>£ '000</b>	<b>£ '000</b>
	<b>Group</b>		
	Deferred tax recognised comprises:		
	Capital allowances	(431)	616
	Deferred tax liability arising on the capitalisation of brand	2,117	1,952
		<u>1,686</u>	<u>2,568</u>
		<b>2020</b>	<b>2019</b>
		<b>£ '000</b>	<b>£ '000</b>
	At 1 January 2020	2,568	2,101
	On acquisition of subsidiary	(72)	686
	Credited to the profit and loss account	(810)	(219)
	At 31 December 2020	<u>1,686</u>	<u>2,568</u>
<b>21</b>	<b>Financial assets and liabilities</b>		
	<b>Group</b>	<b>2020</b>	<b>2019</b>
	<b>Financial assets</b>	<b>£ '000</b>	<b>£ '000</b>
	Financial assets measured at amortised cost		
	Cash at bank and in hand	12,771	11,541
	Trade and other debtors	25,134	27,686
		<u>37,905</u>	<u>39,227</u>
	<b>Financial liabilities</b>		
		<b>2020</b>	<b>2019</b>
		<b>£ '000</b>	<b>£ '000</b>
	Financial liabilities measured at amortised cost		
	Bank overdrafts	(1,263)	(877)
	Bank and other loans	(389,184)	(352,003)
	Trade creditors	(4,501)	(4,909)
	Other creditors and accruals	(6,373)	(5,896)
		<u>(401,321)</u>	<u>(363,685)</u>
	<b>Financial liabilities measured at fair value</b>		
	Contingent consideration	<u>(16,661)</u>	<u>(15,118)</u>

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**22 Reconciliation of changes in net debt**

	<b>Cash &amp; Cash Equivalents</b>	<b>Long-term borrowings</b>	<b>Short-term borrowings</b>	<b>Net Debt</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
<b>At 1 January 2020</b>	11,541	(356,542)	(984)	(345,985)
<b>Cash flows</b>				
Proceeds of new bank term loan	10,501	(10,501)	-	-
Capital element of finance lease payments	(235)	-	235	-
Payments in respect of acquisitions	(17,781)	-	-	(17,781)
Cashflows of the Group	9,743	-	(386)	9,357
<b>Non-cash</b>				
Accrued Interest	-	(25,672)	-	(25,672)
Finance Leases from acquisitions	-	(156)	(299)	(455)
Foreign exchange movement	(998)	(184)	-	(1,182)
<b>At 31 December 2020</b>	<u>12,771</u>	<u>(393,055)</u>	<u>(1,434)</u>	<u>(381,718)</u>

Payments in respect of acquisitions includes all cashflows related to current and prior periods acquisitions.

Cash and Cash equivalents comprises cash at bank and in hand.

Long-term borrowings comprises obligations due under finance lease and hire purchase agreements, investor loan notes, co-investor loan notes and gross bank loans due after more than one year.

Short-term borrowings comprises obligations due under finance lease and hire purchase agreements due within one year and bank overdrafts.

**23 Other Provisions**

	<b>Dilapidation provision</b>	<b>Onerous lease</b>	<b>Total</b>
			<b>£ '000</b>
At 1 January 2020	-	24	24
Additional provisions made during the period	-	1	1
On acquisition of subsidiary	339	-	339
<b>At 31 December 2020</b>	<u>339</u>	<u>25</u>	<u>364</u>

The onerous lease provision relates to the closure of the group's facilities in Reading and may need to be settled in any period up to 2022.

The dilapidation provision relates to property repairs required at Omega Industrial Products Inc and Martin Castle Limited in order to bring the facilities up to group standards.

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**24 Financial risk management**

The group has exposures to the following main areas of risk – foreign currency risk, credit risk, liquidity risk, and cash flow interest rate risk.

**Foreign currency risk**

The group is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The group both buys and sells goods in foreign currencies providing a natural hedge against a proportion of its foreign currency cashflows. The main foreign currencies in which the group operates are the Euro and the US dollar. The group may enter into short term forward currency contracts from time to time, to cover net cashflow imbalances if appropriate. At the balance sheet date the Group has no open forward currency contracts.

The group has structured its long term borrowings to minimise the impact of changes in exchange rates on net assets denominated in foreign currencies.

**Commodity price risk**

The group's exposure to the price of various commodities is high, therefore selling prices are monitored regularly to reduce the impact of such risk; opportunities to reduce material cost and content are explored constantly.

**Credit risk**

The group's principal financial assets are bank balances, cash and trade debtors, which represent the group's maximum exposure to credit risk in relation to financial assets.

Credit risk is managed by monitoring the aggregate amount and duration of exposure to, and creditworthiness of, new and existing customers. The group has no significant concentration of credit risk, with exposure spread over a large number of customers in different geographies.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit ratings agencies.

**Liquidity risk**

The group's policy has been to ensure continuity of funding through generating cash from its trading operations and arranging funding for operations via medium and long term external banking facilities and loan notes from shareholders.

**Cash flow interest rate risk**

Interest bearing assets comprise cash and bank deposits, all of which earn interest at floating rates. The group is party to a group bank overdraft facility for which a variable interest rate charge is applicable.

The group benefits from a multi-currency term loan facility with a banking syndicate led by Lloyds Bank plc and HSBC Plc. In order to combat interest rate risk the group, from time to time, enters into interest rate cap derivative contracts. Further funding is provided by fixed rate loan notes.

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<b>25 Share capital</b>	<b>Nominal value</b>	<b>2020 Number</b>	<b>2020 £ '000</b>	<b>2019 £ '000</b>
Allotted, called up and fully paid:				
A Ordinary shares	£1 each	640,000	640	640
B1 Ordinary shares	£1 each	21,115	21	21
C1 Ordinary shares	£1 each	87,866	88	88
C2 Ordinary shares	£0.01 each	189,143	3	2
			<u>752</u>	<u>751</u>

	<b>Nominal value</b>	<b>Number</b>	<b>Amount £ '000</b>
Shares issued during the period: C2 Ordinary	£0.01 each	11,530	<u>1</u>

During the year the company issued 11,530 £0.01 C2 Ordinary shares for a total value of £11,530.

**Rights to a dividend**

No dividends are payable by the company until the Bank term loan and the Investor and Co-Investor Loan notes (including accrued interest) have been repaid in full. Thereafter a dividend may be payable, as determined by the Board in accordance with the Articles, in respect of any accounting period. Each class of share ranks pari passu in respect of the rights to a dividend.

**Return on capital**

Each class of shares ranks pari passu in respect of the return of capital, surplus assets and retained profits.

**Rights to vote**

The A, B1 and C1 class of share is entitled to one vote for each share held and the B2 and C2 class of shares have no voting rights. In certain cases of financial underperformance or financial breach as set out in the Articles the holders of the A Ordinary shares shall be entitled to 95% of the voting rights of the company, both in terms of a poll vote at an ordinary meeting or a vote on a written resolution.

<b>26 Share premium</b>	<b>2020 £ '000</b>	<b>2019 £ '000</b>
At 1 January	310	226
Shares issued	11	84
At 31 December	<u>321</u>	<u>310</u>

The amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of shares issued to them.

**27 Profit and loss account**

The Profit and Loss reserve includes all current and prior period retained profits and losses of the group.

<b>28 Capital commitments</b>	<b>2020 £ '000</b>	<b>2019 £ '000</b>
Amounts of Tangible Fixed Assets contracted for but not provided in the accounts	<u>212</u>	<u>162</u>

**29 Defined contribution pension schemes**

The pension cost charge for the year represents contributions paid by the group to the funds and this amounted to £788,000 (2019:£735,000). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the year end.

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**30 Other financial commitments**

**Group**

The group's future minimum operating lease payments are as follows:

	<b>Land and buildings 2020 £ '000</b>	<b>Land and buildings 2019 £ '000</b>	<b>Other 2020 £ '000</b>	<b>Other 2019 £ '000</b>
Falling due:				
within one year	2,581	1,942	455	428
within two to five years	6,891	5,269	427	531
in over five years	3,182	2,025	2	3
	<u>12,654</u>	<u>9,236</u>	<u>884</u>	<u>962</u>

Other refers to operating leases for office equipment, motor vehicles, plant and machinery.

**31 Contingent liabilities**

The assets of companies in the group are subject to fixed and floating charges and guarantees in relation to overdrafts.

**32 Related party transactions**

At 31 December 2020 the Group had amounts owing in respect of loan notes and accrued interest of £194,982,000 (2019: £174,880,000) to Kingfisher Holdings Limited, a key shareholder. The Group had amounts owing in respect of loan notes and accrued interest of £28,094,000 (2019: £25,200,000) to Lloyds Development Capital Limited also a key shareholder. The Group also had amounts owing in respect of loan notes and interest to certain directors and management of £27,221,000 (2019: £24,551,000).

	<b>2020 £ '000</b>	<b>2019 £ '000</b>
<b>Key management personnel</b>		
Key management personnel remuneration	<u>1,032</u>	<u>1,243</u>

**33 Immediate and ultimate controlling party**

No individual shareholder controls a majority of voting rights, and there is no ultimate controlling party, by virtue of shareholdings.

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**34 Acquisitions**

The Group has acquired 100% share capital of six entities during the year. The details of each acquisition are set out below:

**Safety and Access Limited**

On 1 June 2020, K.I.G. Limited (a group company) acquired 100% of the share capital of Safety and Access Limited a specialist provider of safe access training and recertification services based in England. In the period since acquisition, the company has contributed revenues of £1,211,000 to the group result and profit after tax of £209,000.

**Assets and liabilities acquired**

	<b>Vendors' book value</b>	<b>Fair value adjustment</b>	<b>Fair value to the group</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Tangible fixed assets	178	(121)	57
Intangible fixed assets - brand	-	350	350
Deferred tax liability	-	(66)	(66)
Stocks & Work in progress	9	(9)	-
Debtors and Prepayments	393	(153)	240
Cash at bank	460	-	460
Other creditors and provisions	(367)	-	(367)
Net assets acquired	673	1	674

**Satisfied by:**

Cash	971
Contingent consideration	2,056
Acquisition costs	35
	<u>3,062</u>
Goodwill arising on consolidation (see note 10)	<u>2,388</u>

The fair value adjustments relate to the following:

- assessment of the value of fixed assets to ensure that they are stated in line with the group accounting policy
- the recognition of an intangible asset in respect of the brand acquired and associated deferred tax provision
- review of the carrying value of stock, providing against items in line with the group accounting policy
- review of aged debtors and those customers where business has not been conducted for a period of time to record a provision for doubtful debts

Contingent consideration is based upon attainment of EBITDA and ROS targets in the two years post acquisition with upward and downward adjustments in consideration based upon actual performance compared to the targets.



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**34 Acquisitions (Continued)**

**FlexDecks Inc**

On 5 August 2020, K.I.G. Limited (a group company) acquired the entire issued share capital of FlexDeck Inc a designer, manufacturer and seller of bespoke fabricated aluminium safe access platforms based in the USA. In the period since acquisition, the company, on a consolidated basis, has contributed revenues of £3,703,000 to the group result and profit after tax of £765,000.

**Assets and liabilities acquired (on a consolidated basis)**

	<b>Vendors'</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>book value</b>	<b>adjustment</b>	<b>to the group</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Tangible fixed assets	872	-	872
Intangible fixed assets - Drawing, Designs and Copyrights	353	(353)	-
Intangible fixed assets - brand	-	1,573	1,573
Deferred tax liability	548	(277)	271
Stocks & Work in progress	344	253	597
Debtors	1,805	(942)	863
Cash at bank	374	-	374
Other creditors and provisions	(2,362)	(334)	(2,696)
Net assets acquired	<u>1,934</u>	<u>(80)</u>	<u>1,854</u>

**Satisfied by:**

Cash	5,818
Contingent consideration	5,306
Acquisition costs	281
	<u>11,405</u>
Goodwill arising on consolidation (see note 10)	<u>9,551</u>

The fair value adjustments relate to the following:

- assessment of the value of intangible assets to ensure that they are stated in line with the group accounting policy
- the recognition of an intangible asset in respect of the brand acquired and associated deferred tax provision
- creation of work in progress to align revenue recognition policy with group accounting policy
- write off of deferred contract costs to align revenue recognition policy with Group
- the recognition of an accrual for payroll costs owed at completion
- write back of PP Loan liability as not forgiven at completion

Contingent consideration is based upon attainment of EBITDA targets in the two years post acquisition with upward and downward adjustments in consideration based upon actual performance compared to the targets.

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**34 Acquisitions (Continued)**

**Omega Safety comprising, Omega Industrial Products Inc and Alpha Fabrications LLC.**

On 31 December 2020, K.I.G. Limited (a group company) acquired the entire issued share capital of two related companies, Omega Industrial Products Inc and Alpha Fabrications LLC, companies based in the USA. Both companies operate as one and design, engineer, manufacture, and sell various ground based safety barrier systems. Due to the timing of the acquisitions, the companies, on a combined basis, have contributed nothing to revenues or profit after tax of the group result.

**Assets and liabilities acquired (on a consolidated basis)**

	<b>Vendors'</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>book value</b>	<b>adjustment</b>	<b>to the group</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Tangible fixed assets	5	(5)	-
Intangible fixed assets - brand	-	525	525
Deferred tax liability	-	(116)	(116)
Stocks & Work in progress	401	(80)	321
Debtors	306	(18)	288
Cash at bank	5	-	5
Other creditors and provisions	(228)	(146)	(374)
Net assets / (liabilities) acquired	<u>489</u>	<u>160</u>	<u>649</u>

**Satisfied by:**

Cash	2,078
Contingent consideration	1,667
Acquisition costs	56
	<u>3,801</u>
Goodwill arising on consolidation (see note 10)	<u>3,152</u>

The fair value adjustments relate to the following:

- assessment of the value of fixed assets to ensure that they are stated in line with the group accounting policy
- the recognition of an intangible asset in respect of the brand acquired and associated deferred tax provision
- review of the carrying value of stock, providing against items in line with the group accounting policy
- review of aged debtors and those customers where business has not been conducted for a period of time to record a provision for doubtful debts
- the recognition of provisions for health and safety repairs required and sales tax payable

Contingent consideration is based upon attainment of EBITDA targets in the first year post acquisition with upward and downward adjustments in consideration based upon actual performance compared to the targets.

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**34 Acquisitions (Continued)**

**Martin Castle Limited**

On 1 December 2020, K.I.G. Limited (a group company) acquired 100% of the share capital of Martin Castle Limited a provider of Safe Access training services based in England. Due to the timing of the acquisition, the company did not contribute to revenues or profit after tax in the period.

**Assets and liabilities acquired**

	<b>Vendors'</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>book value</b>	<b>adjustment</b>	<b>to the group</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Tangible fixed assets	39	(6)	33
Intangible fixed assets - brand	-	87	87
Deferred tax liability	-	(17)	(17)
Stocks & Work in progress	2	(2)	-
Debtors and Prepayments	164	-	164
Cash at bank	50	-	50
Other creditors and provisions	(211)	(169)	(380)
Net assets acquired	<u>44</u>	<u>(107)</u>	<u>(63)</u>

**Satisfied by:**

Cash	137
Contingent consideration	137
Acquisition costs	28
	<u>302</u>
Goodwill arising on consolidation (see note 10)	<u>365</u>

The fair value adjustments relate to the following:

- assessment of the value of fixed assets to ensure that they are stated in line with the group accounting policy
- the recognition of an intangible asset in respect of the brand acquired and associated deferred tax provision
- review of the carrying value of stock, providing against items in line with the group accounting policy
- the recognition of a provision to cover the costs of premises improvements and relocation costs

Contingent consideration is based upon attainment of EBITDA targets in the first year post acquisition with upward and downward adjustments in consideration based upon actual performance compared to the targets.

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**34 Acquisitions (Continued)**

**Megametals B.V.**

On 31 July 2020, K.I.G. Limited (a group company) acquired 100% of the share capital of Megametal B.V. an importer of Safety Components based in The Netherlands. In the period since acquisition, the company, on a consolidated basis, has contributed revenues of £447,000 to the group result and profit after tax of £342,000.

**Assets and liabilities acquired**

	<b>Vendors' book value</b>	<b>Fair value adjustment</b>	<b>Fair value to the group</b>
	<b>£ '000</b>	<b>£ '000</b>	<b>£ '000</b>
Stocks & Work in progress	687	-	687
Debtors and Prepayments	1,265	-	1,265
Cash at bank	306	-	306
Other creditors and provisions	(331)	-	(331)
Net assets acquired	<u>1,927</u>	<u>-</u>	<u>1,927</u>

**Satisfied by:**

Cash	4,526
Contingent consideration	1,377
Acquisition costs	45
	<u>5,948</u>
Goodwill arising on consolidation (see note 10)	<u>4,021</u>

Contingent consideration is based upon attainment of EBITDA targets in the first year post acquisition with upward and downward adjustments in consideration based upon actual performance compared to the targets.

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**35 Post statement of financial position events**

**Acquisition of Unisystemer**

On 29 January 2021, K.I.G. Limited (a group company) acquired the entire issued share capital of Unisystemer AS, distributors of Safety Components based in Norway. Upfront consideration of £364,375 was paid with further estimated earnout payments becoming due in 2022 of £167,000 subject to post acquisition results.

**Acquisition of Barton Industrial Services Limited**

On 4 March 2021, K.I.G. Limited (a group company) acquired the entire issued share capital of the Barton Industrial Services Limited, a fall protection supply and recertification company based in Northern Ireland. Upfront consideration of £2,235,916 was paid with further estimated earnout payments becoming due in 2022 of £2,126,000 subject to post acquisition results.

**Sale of Safety Topco Limited**

On 31 March 2021 the shareholders of Safety Topco Limited agreed to the sales of the Company to Gravity Bidco Limited. Gravity Bidco Limited is a newly company established for the purposes of acquiring Safety Topco Limited from its existing shareholders. The Management shareholders in Safety Topco Limited form a significant minority of the shareholders in Gravity Topco Limited the ultimate parent of Bravity Bidco Limited. As part of this transaction the Group's Bank debt, Investor Loan notes and Co-Investor Loan Notes were repaid in full. As part of this process the Investor Loan notes were also delisted from the International Stock Exchange.