

BALLYCLARE LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Page
Company Information	1
Strategic Report	2 to 3
Report of the Directors	4 to 5
Report of the Independent Auditors	6 to 7
Income Statement	8
Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 20

BALLYCLARE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS:

C Greener
S M Hendricks
N P Teagle

REGISTERED OFFICE:

The Forum, Hercules Business Park
Bird Hall Lane
Cheadle Hulme
Stockport
Cheshire
SK3 0UX

REGISTERED NUMBER:

07463998 (England and Wales)

AUDITORS:

Duncan & Toplis Limited, Statutory Auditor
14 All Saints Street
Stamford
Lincolnshire
PE9 2PA

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

Ballyclare continues to build a presence in the European protective clothing market producing high quality flame retardant and waterproof clothing. Our key customers include fire & rescue services, rail maintenance companies, Police forces, military, industrial laundries, oil & gas companies and specialist distributors.

With the loss of the UK PPE Collaborative contract in 2017, Ballyclare lost some of its fire managed service contracts. This has reduced managed service revenue by over £1m. We continued to develop markets outside of the UK fire market to mitigate the impact of this contract loss which reduced the overall impact on revenue to £486k.

The market continues to be highly competitive and affected by a weak exchange rate which puts pressure on margins. We have also seen increased freight costs due to delays in supply chain and increased stock provisions due to the loss of some of the fire managed service contracts. We have seen a significant increase in the volumes of procurement of raw materials and production for our European sister companies. All of this has led to a significant reduction in margin performance in 2019. In 2020 we will be working on improving our supply chain processes to improve margin.

During the year we have continued to improve our warehousing and distribution operation in Altham, Lancashire. This facility is shared with our sister company Simon Jersey and now offers a more flexible and efficient shared resource. We have also further developed our group factory in Tunisia which offers quick turnaround capability and is fully accredited to produce structural firefighting suits and tape seam waterproof garments.

Analysis of business development and performance in 2019

During 2019, Ballyclare was awarded the national contract to supply workwear and uniforms to Kent & Medway Towns Fire Authority. This contract is open to all UK fire services and has allowed Ballyclare to enter a number of new UK fire service contracts which will generate significant revenue in 2020.

A combination of the 4% reduction in sales, the change in mix away from managed service contracts and the pressure on margin means we have produced an operating loss.

The company is benefitting from new contracts and continued international growth in 2020 which the board believes it is well placed to develop the brand and see a return to profitability in 2020.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks facing the business continue to be:

Covid-19 Pandemic

Ballyclare is a critical supplier to the emergency services in the UK and overseas. The company has continued to trade as normal during the UK lockdown and the Board expects that this will continue. Despite some disruption to supply chain and resulting increased costs, the company continues to meet customer demand and fulfil its contractual obligations.

UK withdrawal from the EU

Ballyclare purchases materials and sells some of its product range to companies throughout the European Union and outside the EU. The UK's expected withdrawal from the EU at the end of 2020 will therefore have an impact on our operations in the UK and our sister companies throughout the EU. The Board believes that our preparations during 2020 have mitigated any risks from the UK withdrawal

Adverse fluctuations in foreign exchange rates

We minimise any exposure to foreign exchange rate movements by regularly monitoring our foreign currency requirements and will use appropriate forward contracts when required

ON BEHALF OF THE BOARD:

C Greener - Director

22 December 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale, maintenance and hire of corporate work-wear and protective clothing.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

FUTURE DEVELOPMENTS

The directors are confident about the long term prospects for the Company which is well established and focussed on specialist markets where quality and service have intrinsic value.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

C Greener has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

K B Traynor - resigned 10 April 2019
Mrs M Russo - resigned 26 April 2019
G R Walker - resigned 21 January 2019
S M Hendricks - appointed 27 September 2019

N P Teagle was appointed as a director after 31 December 2019 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

ON BEHALF OF THE BOARD:

C Greener - Director

22 December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BALLYCLARE LIMITED

Opinion

We have audited the financial statements of Ballyclare Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BALLYCLARE LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Alistair Main BFP FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
14 All Saints Street
Stamford
Lincolnshire
PE9 2PA

22 December 2020

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER	3	11,445,888	11,931,774
Cost of sales		<u>(9,852,284)</u>	<u>(8,490,928)</u>
GROSS PROFIT		1,593,604	3,440,846
Administrative expenses		<u>(2,955,929)</u>	<u>(3,190,387)</u>
OPERATING (LOSS)/PROFIT	5	(1,362,325)	250,459
Exceptional costs	6	<u>(171,889)</u>	<u>(530,395)</u>
		(1,534,214)	(279,936)
Interest payable and similar expenses	7	<u>(1,773)</u>	<u>(15)</u>
LOSS BEFORE TAXATION		(1,535,987)	(279,951)
Tax on loss	8	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,535,987)</u>	<u>(279,951)</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
LOSS FOR THE YEAR		(1,535,987)	(279,951)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,535,987)</u>	<u>(279,951)</u>

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	430,315	4,971,793
Investments	11	1,844,053	1,844,053
		<u>2,274,368</u>	<u>6,815,846</u>
CURRENT ASSETS			
Stocks	12	5,605,481	4,230,832
Debtors	13	7,562,514	4,497,171
Cash at bank		938,583	827,039
		<u>14,106,578</u>	<u>9,555,042</u>
CREDITORS			
Amounts falling due within one year	14	(5,396,079)	(3,487,316)
NET CURRENT ASSETS		<u>8,710,499</u>	<u>6,067,726</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,984,867</u>	<u>12,883,572</u>
PROVISIONS FOR LIABILITIES	16	-	(362,718)
NET ASSETS		<u>10,984,867</u>	<u>12,520,854</u>
CAPITAL AND RESERVES			
Called up share capital	17	12,000,101	12,000,101
Retained earnings		(1,015,234)	520,753
SHAREHOLDERS' FUNDS		<u>10,984,867</u>	<u>12,520,854</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 22 December 2020 and were signed on its behalf by:

C Greener - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	12,000,101	800,704	12,800,805
Changes in equity			
Total comprehensive income	-	(279,951)	(279,951)
Balance at 31 December 2018	<u>12,000,101</u>	<u>520,753</u>	<u>12,520,854</u>
Changes in equity			
Total comprehensive income	-	(1,535,987)	(1,535,987)
Balance at 31 December 2019	<u>12,000,101</u>	<u>(1,015,234)</u>	<u>10,984,867</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. STATUTORY INFORMATION

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of paragraph 33.7.

The company is a subsidiary of Mountain Berg Holdings Limited. Consolidated financial statements of Mountain Berg Holdings Limited can be obtained from:

Companies House
Crown Way
Cardiff
CF14 3UZ

Turnover

Direct sales

"Direct sales" are recognised by the company in respect of equipment supplied, exclusive of Value Added Tax and trade discounts. Revenue is recognised at the point of delivery of the equipment.

Managed services

"Managed services" are those where the company supply a customer with equipment for a fixed contract term (ranging from 5-10 years) and maintain this equipment over the length of the contract. The contracts have a fixed fee which is billed in equal monthly instalments over the term of the contract. Revenue is recognised monthly on a straight line basis over the contract term.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2011, is being amortised evenly over its estimated useful life of eight years.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 25% on cost and 16.6% on cost
Assets hired to third parties	- Straight line over 8 years
Computer equipment	- 50% on cost, 25% on cost and 20% on cost

Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses.

Included within tangible fixed assets are "assets hired to third parties" being the equipment supplied to customers as part of the managed services contracts. Under the terms of these contracts the company retain ownership of the equipment and it is depreciated over the length of the contract. Any condemned assets are written off with a loss on disposal being charged to the income statement.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and fair value less costs to complete and sell, after making due allowance for obsolete and slow moving items. Standard costing is calculated by combining expenses incurred in order to create the final stock item. In the case of work in progress, cost comprises direct materials, labour and an appropriate proportion of production overheads.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Critical accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

i) Stock provision

The company provides protective equipment for the fire industry and is subject to changing consumer demands and economic trends. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. Stocks are stated after provisions for impairment of £1,285,340 (2018 - £953,303). When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has adopted the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Direct sales	6,690,480	6,427,474
Managed services	4,755,408	5,504,300
	<u>11,445,888</u>	<u>11,931,774</u>

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,655,983	1,542,075
Social security costs	152,742	184,021
Other pension costs	50,880	55,875
	<u>1,859,605</u>	<u>1,781,971</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2019	2018
Management and administration	24	32
Sales and distribution	43	40
	<u>67</u>	<u>72</u>
	2019	2018
	£	£
Directors' remuneration	<u>-</u>	<u>93,820</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>-</u>	<u>1</u>
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5. OPERATING (LOSS)/PROFIT

The operating loss (2018 - operating profit) is stated after charging/(crediting):

	2019	2018
	£	£
Hire of plant and machinery	(3,425)	(5,055)
Depreciation - owned assets	2,127,166	2,140,291
(Profit)/loss on disposal of fixed assets	(456,953)	21,929
Auditors' remuneration	16,060	19,470
Foreign exchange differences	76,161	6,193
Operating leases - plant and machinery	60,053	94,506
Operating leases - land and buildings	<u>25,008</u>	<u>30,000</u>

6. EXCEPTIONAL ITEMS

	2019	2018
	£	£
Exceptional costs	<u>(171,889)</u>	<u>(530,395)</u>

Exceptional items of £171,889 (2018: £530,395) includes restructuring costs being redundancy costs and associated expenses, as well as the write off of provisions which had previously been accrued for but are no longer deemed to be required.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Other loan interest	<u>1,773</u>	<u>15</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

8. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Reconciliation of total tax charge included in profit and loss

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

	2019 £	2018 £
Loss before tax	<u>(1,535,987)</u>	<u>(279,951)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(291,838)	(53,191)
Effects of:		
Expenses not deductible for tax purposes	12,300	6,917
Depreciation in excess of capital allowances	157,274	207,795
Group relief given/(received)	120,043	(161,521)
Chargeable gain	<u>2,221</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

9. INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 January 2019
and 31 December 2019

2,265,233

AMORTISATION

At 1 January 2019
and 31 December 2019

2,265,233

NET BOOK VALUE

At 31 December 2019
At 31 December 2018

-
-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Assets hired to third parties £	Computer equipment £	Totals £
COST					
At 1 January 2019	3,052,252	627,093	10,354,151	334,371	14,367,867
Additions	-	6,582	486,533	13,332	506,447
Disposals	(3,052,252)	(167,588)	(2,013,296)	-	(5,233,136)
Reclassification/transfer	-	(125,552)	-	125,552	-
At 31 December 2019	-	340,535	8,827,388	473,255	9,641,178
DEPRECIATION					
At 1 January 2019	203,760	307,741	8,571,197	313,376	9,396,074
Charge for year	30,526	57,971	1,979,894	58,775	2,127,166
Eliminated on disposal	(234,286)	(144,311)	(1,933,780)	-	(2,312,377)
Reclassification/transfer	-	(70,925)	-	70,925	-
At 31 December 2019	-	150,476	8,617,311	443,076	9,210,863
NET BOOK VALUE					
At 31 December 2019	-	190,059	210,077	30,179	430,315
At 31 December 2018	2,848,492	319,352	1,782,954	20,995	4,971,793

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2019 and 31 December 2019	1,844,053
NET BOOK VALUE	
At 31 December 2019	1,844,053
At 31 December 2018	1,844,053

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Ballyclare LHD Limited

Registered office: The Forum Hercules Business Park, Bird Hall Lane, Cheadle Hulme, Stockport, Cheshire, SK3 0UX

Nature of business: Rental of Fire Equipment

Class of shares:	% holding
Ordinary	100.00

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

12. STOCKS

	2019	2018
	£	£
Raw materials	1,748,588	2,230,322
Finished goods	3,856,893	2,000,510
	<u>5,605,481</u>	<u>4,230,832</u>

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

13. DEBTORS

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	1,444,037	2,106,470
Amounts owed by group undertakings	5,104,813	2,142,461
Amounts owed by participating interests	301,599	-
Prepayments and accrued income	608,160	248,240
	<u>7,458,609</u>	<u>4,497,171</u>
Amounts falling due after more than one year:		
Other debtors	103,905	-
Aggregate amounts	<u>7,562,514</u>	<u>4,497,171</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	2,829,620	2,340,700
Amounts owed to group undertakings	1,648,505	463,988
Other taxes and social security	326,159	225,552
Other creditors	414,733	262,197
Accruals and deferred income	177,062	194,879
	<u>5,396,079</u>	<u>3,487,316</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	39,759	71,282
Between one and five years	1,706	25,099
	<u>41,465</u>	<u>96,381</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

16. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Other provisions		
Restructuring provision	-	362,718
		Restructuring Provision £
Balance at 1 January 2019		362,718
Utilised during year		(362,718)
Balance at 31 December 2019		-

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019 £	2018 £
Number:	Class:	Nominal value:		
101	Ordinary	£1	101	101
12,000,000	Irredeemable Preference	£1	12,000,000	12,000,000
			12,000,101	12,000,101

18. ULTIMATE PARENT COMPANY

The company is controlled by Mountain Berg Holdings Limited, a company incorporated in the United Kingdom. The principal place of business of Mountain Berg Holdings Limited is:

10 St James's Place
London
United Kingdom
SW1A 1NP

19. POST BALANCE SHEET EVENTS

In December 2020, the directors agreed to action a share capital reduction whereby 5,000,000 irredeemable preference shares of £1 each were cancelled. At the date of this report, this action is awaiting registration at Companies House.

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is David PJ Ross.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.