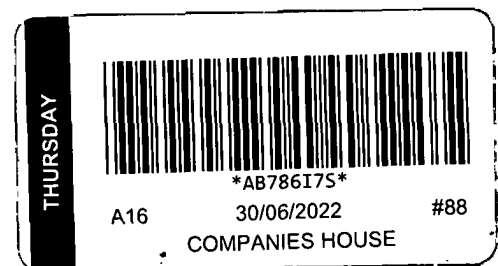


Registration number: 08938926

Capital Safety Global Holdings Limited

Annual Report and Financial Statements

For the year ended 31 December 2021



Capital Safety Global Holdings Limited

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Capital Safety Global Holdings Limited

Company Information

Directors D J Ashley
L P Plaaterud
D Gray

Registered number 08938926

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

Independent auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
4th Floor, One Reading Central,
23 Forbury Road,
Reading,
RG1 3JH,
United Kingdom

Capital Safety Global Holdings Limited

Strategic Report

For the year ended 31 December 2021

The directors present their Strategic report for the year ended 31 December 2021.

Business review

The Company's activities are those of an intermediate holding company within the 3M group of companies. The Company is managed within the overall 3M group and therefore its activities are intrinsically linked to the performance and strategy of the 3M group. Further details on the performance and strategy of the 3M group can be found at www.investors.3M.com.

On 31 August 2021, as part of the group's restructuring plan, the share premium was cancelled and the loan was distributed. Capital Safety Global Holdings Limited cancelled the share premium of \$312,504k and reduced its share capital of \$65,415k. On the same day of receiving \$941,458k from Capital Safety Acquisitions Limited and distributing it to its immediate parent 3M West Europe BV, the investment value it carried against Capital Safety Acquisitions Limited was reduced resulting in an impairment of \$460,000k.

The Company ended the year with net assets being principally the cost of its investments in subsidiaries of \$201,727k (2020: \$661,727k).

The Company received dividends from other group companies of \$941,458k (2020: \$nil) and paid dividends in the year of \$941,458k (2020: \$nil). The directors have not proposed any further dividend at the date these financial statements are issued (2020: \$nil).

Key Performance Indicators

In order to support the Company's strategy and to monitor performance, the directors use a number of financial key performance indicators (KPIs). Details of a selection of the KPIs are shown below:

- Profit for the year was \$481,458k (2020 loss: \$16k), there is no operating activity during the current year.
- Net assets as at 31 December 2021 were \$201,727k (2020: \$661,727k), which consist primarily of intercompany investments.

Principal risks and uncertainties

The principal risks and uncertainties for the Company relate to the performance of the underlying investments. The Company has no trading activities and therefore its principal risk is that the economic performance of its underlying investments deteriorates such that it causes impairment in the balance sheet carrying values. These risks are managed by other companies within the 3M group.

3M, as a global company, is impacted by public health crises such as the global pandemic associated with COVID-19. The outbreak has significantly increased economic and demand uncertainty. In addition, public and private sector policies, and initiatives to reduce the transmission of COVID-19, such as the imposition of travel restrictions and the adoption of remote working, have impacted 3M company's operations. In these challenging and dynamic circumstances, 3M Company is working to protect its employees and the public, maintain business continuity and sustain its operations. The Company's management has considered the potential risks that the situation of COVID-19 may pose to the business. However, overall, no significant impact is so far seen or expected given the wide range of products and the precautionary measures in place. We do not see any major risks for 3M Company as a strong financial going concern.

Capital Safety Global Holdings Limited

Strategic Report

For the year ended 31 December 2021 (continued)

Future developments

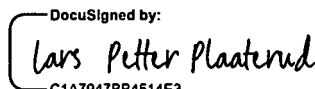
The directors do not anticipate any change in the Company's principal activities in 2022.

In August 2021, the initial steps of a group's restructuring plan started and carried on in 2022. Capital Safety Global Holding Limited will however remain as a holding entity. Climate change continues to be a high priority within the 3M group and initiatives are in place within the underlying trading investments to reduce the group's impact on the environment.

Brexit

Brexit which was effective from 1st January 2021 has limited impact on the Company being a non-trading entity.

Approved by the Board on 22 June 2022 and signed on its behalf by:

DocuSigned by:


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L P Plaaterud
Director

28-Jun-2022 | 14:58 CEST

Date:

Capital Safety Global Holdings Limited

Directors' Report

For the year ended 31 December 2021

The directors present their annual report on the affairs of the Company, together with audited financial statements and independent auditors' report for Capital Safety Global Holdings Limited ("the Company") for the year ended 31 December 2021.

Principal activities

The Company's principal activity is that of an intermediate holding company. The principal activities of its subsidiaries are the manufacture, assembly and distribution of technical safety systems.

Directors of the Company

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

D J Ashley

S Semerciyan (resigned on 28 January 2022)

D Gray

L P Plaaterud (appointed on 28 January 2022)

Future developments, principal risks and uncertainties and dividends

Details of future developments, principal risks and uncertainties and paid and recommended dividends can be found in the Strategic report on page 2 and 3.

Directors' indemnities

The Company maintains liability insurance for its directors and officers in accordance with the Articles of the Company. The Company has also provided an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The provisions in place cover associated companies within the group. The indemnity was in place during the financial year and at the time of approval of the financial statements.

Political donations

No political donations were made in the year (2020: \$nil).

Post balance sheet events

Russia business operations and the Ukraine war

After re-assessing its business in Russia, the 3M Group has decided to suspend all operations there. The Company's focus is on the safety of its employees and their families. The Company is monitoring its regional operations to ensure that it continues to comply with applicable laws and regulations in the markets in which it operates in order to assess and mitigate the risks and potential impacts to supply chains and customers.

The UK entities have limited business directly with the countries involved, both directly with third party customers and through UK manufactured products; therefore the impact is foreseen to be limited.

Restructuring plan

In August 2021, the initial steps of a group restructuring plan started and carried on in 2022. As a result of this, Capital Safety Group (Northern Europe) Limited which is a subsidiary undertaking of Capital Safety Global Holdings Limited, has been sold to 3M United Kingdom Public Limited Company on 31 May 2022.

Capital Safety Global Holdings Limited

Directors' Report

For the year ended 31 December 2021 (continued)

Going concern

The directors have assessed the position of the Company for the next 12 months and taking into account the performance of the Company during the time of the COVID-19 outbreak, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Financial risk management objectives and policies

The directors manage the liquidity risk of the Company by reviewing the timing of future cash flows against future availability of cash and loans. The Company is a holding company for the underlying trading companies and provides liquidity for the operations of the companies in the group. The Company does not use derivative financial instruments.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Capital Safety Global Holdings Limited

Directors' Report

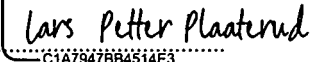
For the year ended 31 December 2021 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

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

Approved by the Board on 22 June 2022 and signed on its behalf by:

DocuSigned by:

.....
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L P Plaaterud
Director

28-Jun-2022 | 14:58 CEST

Date:

Capital Safety Global Holdings Limited

Independent auditors' report to the members of Capital Safety Global Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Capital Safety Global Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Capital Safety Global Holdings Limited

Independent auditors' report to the members of Capital Safety Global Holdings Limited (continued)

Reporting on other information

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

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

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

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

Strategic report and Directors' report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Capital Safety Global Holdings Limited

Independent auditors' report to the members of Capital Safety Global Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of the financial statements through posting fraudulent journals. Audit procedures performed by the engagement team included:

- enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations
- reviewing minutes of meetings of those charged with governance
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Capital Safety Global Holdings Limited

Independent auditors' report to the members of Capital Safety Global Holdings Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



.....
John Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

28 June 2022

Capital Safety Global Holdings Limited

Profit and loss account**For the year ended 31 December 2021**

	<i>Note</i>	<i>2021 US\$' 000</i>	<i>2020 US\$' 000</i>
Administrative expenses		-	(16)
Operating profit/(loss)		-	(16)
Income from shares in group undertakings	4	941,458	-
Amounts written off investments	8	(460,000)	-
Profit/(loss) before taxation		481,458	(16)
Tax on profit/(loss)	7	-	-
Profit/(loss) for the financial year		481,458	(16)

The Company's activities are derived from continuing operations.

The Company has no other recognised gains or losses for the year other than those included in the profit and loss account above, and therefore no separate statement of other comprehensive income has been prepared.

The notes on pages 14 to 23 form an integral part of these financial statements.

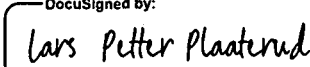
Capital Safety Global Holdings Limited

Balance sheet

as at 31 December 2021

	Note	2021 US\$' 000	2020 US\$' 000
Fixed assets			
Investments	8	201,800	661,800
Creditors: amounts falling due within one year	9	(73)	(73)
Net current liabilities		(73)	(73)
Total assets less current liabilities		201,727	661,727
Net assets		201,727	661,727
Capital and reserves			
Called up share capital	10	2	65,417
Share premium account		-	312,504
Profit and loss account		201,725	283,806
Total Shareholders' funds		201,727	661,727

The financial statements on pages 11 to 23 were approved by the Board of Directors on 22 June 2022 and were signed on its behalf by:

DocuSigned by:

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L P Plaaterud

Director

28-Jun-2022 | 14:58 CEST

Date:

Registered Company number: 08938926

The notes on pages 14 to 23 form an integral part of these financial statements.

Capital Safety Global Holdings Limited

Statement of Changes in Equity

For the year ended 31 December 2021

	<i>Called up share capital US\$' 000</i>	<i>Share premium account US\$' 000</i>	<i>Profit and loss account US\$' 000</i>	<i>Total Shareholders' funds US\$' 000</i>
Balance at 1 January 2020	65,417	312,504	283,822	661,743
Loss and total comprehensive expense for the financial year	-	-	(16)	(16)
Balance at 31 December 2020	<u>65,417</u>	<u>312,504</u>	<u>283,806</u>	<u>661,727</u>
Balance at 1 January 2021	65,417	312,504	283,806	661,727
Dividends	-	-	(941,458)	(941,458)
Reduction in share capital	(65,415)	(312,504)	-	(377,919)
Reserves arising on capital reduction	-	-	377,919	377,919
Profit and total comprehensive income for the financial year	-	-	481,458	481,458
Balance at 31 December 2021	<u>2</u>	<u>-</u>	<u>201,725</u>	<u>201,727</u>

The notes on pages 14 to 23 form an integral part of these financial statements.

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1 General information

The Company is a private company limited by share capital, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company registered number is 08938926 and the registered address is 3M Centre, Cain Road, Bracknell, Berkshire RG12 8HT, England, United Kingdom.

The Company's activities are those of an intermediate holding company within the 3M group of companies.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The functional currency of Company is considered to be US Dollars because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in US Dollars and are rounded to nearest \$1,000 unless otherwise stated.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it, in these separate financial statements, in respect of presentation of a cash flow statement; remuneration of key management personnel and relevant disclosures for financial instruments.

Going concern

The directors have assessed the position of the Company for the next 12 months and taking into account the performance of the Company during the time of the COVID-19 outbreak, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2 Accounting policies (continued)

- from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the year as required by paragraph 4.12(a)(iv) of FRS 102; and
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Consolidated financial statements

The Company is a wholly owned subsidiary of 3M West Europe BV and of its ultimate parent 3M Company. It is included in the full consolidation of the financial statements of its ultimate parent, 3M Company (note 12). In accordance with the provisions of section 401 of the Companies Act 2006, group financial statements have not been prepared, and so these financial statements present the results of the Company only.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction unless matched by a forward currency contract. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are reported at the rate prevailing at that date, or, where appropriate, at the forward currency contract rate. Any gain or loss arising from subsequent exchange rate movements is included as an exchange gain or loss in the profit and loss account.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

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

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

Investments - recognition, measurement and impairment

Investments in subsidiaries are accounted for at cost less any provision for impairment. The value of investments is reviewed annually by the Directors or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the profit and loss account.

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2 Accounting policies (continued)

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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

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 balance sheet date.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Interim dividends are recognised when they are paid. Final dividends are recognised when the Company has declared them in a general meeting.

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Judgements

There are no judgements that have a significant effect on amounts recognised in the financial statements.

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Estimates and assumptions

In the process of applying the Company's accounting policies, management has made the following estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Impairment of Investments

The investment in subsidiary undertakings is carried at cost and tested for impairment when indicators of potential impairment exist. The assessment of impairment involves estimation in relation to the value of the unquoted investment based on the net assets of the underlying investment and projected cash flows, wherever applicable. At the year end the value of the investment was \$201,800k (2020: \$661,800k). There was an impairment charge of \$460,000k during the year (2020: \$nil). The effect of COVID-19 on the profitability of the Company's subsidiaries has been considered in assessing the impairment analysis and any adjustment has been properly recorded in the Company's accounts.

4 Income from shares in group undertakings

The Company received income from investments consisting of dividends from subsidiary companies mentioned below:

	2021 US\$' 000	2020 US\$' 000
Capital Safety Acquisitions Limited	<u>941,458</u>	<u>-</u>

5 Auditors' remuneration

Auditors' remuneration for the year for the audit of the 2021 financial statements of \$16k excluding VAT (2020: \$12k) has been borne by Capital Safety Group (Northern Europe) Limited, a subsidiary company. In the prior year, it was borne by Capital Safety Acquisitions Limited.

For tax services, remuneration for the year for compliance work is \$nil excluding VAT (2020: \$nil).

6 Employees' and directors

There were no staff costs for the year ended 31 December 2021 nor for the year ended 31 December 2020.

The average number of persons employed by the Company during the year was nil (2020: nil).

The emoluments of all directors were paid by 3M United Kingdom PLC and they are deemed to be wholly attributable to services to that Company. Capital Safety Global Holdings Limited and 3M United Kingdom PLC have the same ultimate parent Company, 3M Company. Accordingly, no emoluments are disclosed in these financial statements.

The Directors are considered to be the Company's only key management personnel. The Directors are not employed by the Company and Directors' emoluments are included in the aggregate of Directors' emoluments disclosed in the financial statements of the companies by whom they are employed. Directors' emoluments are not recharged to the Company as the sums involved are not material and cannot be accurately allocated to individual entities.

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

7 Tax on profit/(loss)

The tax charge comprises:

	2021 US\$' 000	2020 US\$' 000
Total current taxation	-	-

Tax charge in profit and loss account for current year is £nil (2020: £nil).

The tax on profit for the year is lower than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

	2021 US\$' 000	2020 US\$' 000
Profit/(loss) before taxation	481,458	(16)
Tax on profit/(loss) before taxation as standard UK corporation tax rate of 19% (2020: 19%)	91,477	(3)
Expenses not deductible	87,400	-
Income not taxable	(178,877)	-
Effects of group relief/other relief	-	3
Total taxation charge for the year	-	-

Factors that may affect future tax charges

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. There is no impact on financial statements as the Company does not recognise deferred tax.

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

8 Investments

	2021 US\$' 000	2020 US\$' 000
Cost		
At 1 January and 31 December	661,800	661,800
Accumulated Impairment		
At 1 January	-	-
Charge for the year	460,000	-
At 31 December	460,000	-
Net book value		
At 31 December	201,800	661,800

On 31 August 2021, as part of the group's restructuring plan, the share premium was cancelled and the loan was distributed. Capital Safety Global Holdings Limited cancelled the share premium of \$312,504k and reduced its share capital of \$65,415k. On the same day of receiving \$941,458k from Capital Safety Acquisitions Limited and distributing it to its immediate parent 3M West Europe BV, the investment value it carried against Capital Safety Acquisitions Limited was reduced resulting in an impairment of \$460,000k.

Listed below are the subsidiary undertakings at 31 December 2021 and their country of incorporation:

<i>Name of company</i>	<i>Registered office address</i>	<i>Country of incorporation</i>	<i>Proportion of Ordinary shares held</i>	<i>Principal activity</i>
Capital safety Acquisitions Limited	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	- 100%	Intermediate parent company
Capital Safety Row Limited	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	- 100%	Intermediate parent company
Capital Safety Group Limited	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	- 100%	Intermediate parent company

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

8 Investments (continued)

<i>Name of company</i>	<i>Registered office address</i>	<i>Country of incorporation</i>	<i>Proportion of Ordinary shares held</i>		<i>Principal activity</i>
Redwing Acquisitions Limited	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	-	100%	Intermediate parent company
Redwing Holdings 2 Limited	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	-	100%	Intermediate parent company
Barrow Hepburn Group Ltd	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	-	100%	Intermediate parent company
Barrow Hepburn International Ltd	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	-	100%	Intermediate parent company
Capital Safety Limited	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	-	100%	Intermediate parent company
Capital Safety Group (NE) Ltd	3M Centre Cain Road, Bracknell, Berkshire, United Kingdom, RG12 8HT	UK	-	100%	Operating
Capital Safety Group - EMEA	Le Broc Center, Z.I. 1ère avenue, Carros le Broc, BP 15, Cedex, Carros, 06511, France	France	-	100%	Operating

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

8 Investments (continued)

<i>Name of company</i>	<i>Registered office address</i>	<i>Country of incorporation</i>	<i>Proportion of ordinary shares held</i>		<i>Principal activity</i>
			<i>Directly</i>	<i>Indirectly</i>	
ITFH SARL	Parc d'Activité des Chanteraines, 7 Rue du Commandant d'Estienne d'Orves, 92390 Villeneuve la Garenne, France	France	-	100%	Operating
Capital Safety Products Pvt Ltd	2-D, 2nd Floor, Shyam Gardens No-10, Kadhar Nawaz Khan Road Nungambakkam Chennai TN 600006 IN	India	-	100%	Operating
Capital Safety Group (Asia) Pte Ltd (Singapore)	46 East Coast Road, #07-03, Eastgate, Singapore, 428766	Singapore	-	100%	Operating
Capital Safety Group Banska Bystrica s.r.o	Jegorovova 35, Banska Bystrica 97401, Slovakia	Slovakia	-	100%	Operating
Northbay Invest SL	Calle Principe de Vergara 131, 1st floor, Madrid	Spain	-	100%	Intermediate parent company
Campania Latinoamericana de Seguridad Industrial SAS	CRA 37 a No. 7-20, Bogota, Colombia	Spain	-	100%	Operating
Capital Safety MEA FZE	PO Box 17769, Jebel Ali Free Zone, Office N-15315, 3rd Floor, Dubai, UAE	UAE	-	100%	Operating

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

9 Creditors: amounts falling due within one year

	2021 US\$' 000	2020 US\$' 000
Amounts owed to group undertakings	<u>73</u>	<u>73</u>

Amounts owed to group undertakings include \$73k (2020: \$73k) relating to intercompany balances, which are unsecured, interest free and repayable on demand.

10 Called up share capital***Allotted, called up and fully paid shares***

	2021		2020	
	No.	US\$' 000	No.	US\$' 000
Ordinary shares of US \$0.50 each	<u>4762</u>	<u>2</u>	<u>130,833,740</u>	<u>65,417</u>

On 31 August 2021, as part of the group's restructuring plan, the share premium was cancelled and the loan was distributed. Capital Safety Global Holdings Limited cancelled the share premium of \$312,504k and reduced its share capital \$65,417k. The distributable reserve arising from the cancellation of share premium and share capital reduction is included within the profit and loss account.

Class rights***Rights to dividend:***

Ordinary shares - None.

Voting rights:

Ordinary shares - One vote per share.

Winding up rights:

Ordinary shares - All shares rank pari passu.

The Company's other reserves are as follows:

The profit for the year has been transferred in full to the profit and loss reserve.

11 Related party transactions

The Company has not disclosed transactions with other group entities as per FRS 102, Section 33.1A.

Capital Safety Global Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2021

12 Ultimate parent company and controlling party

The immediate parent company is 3M West Europe BV, a company registered in Netherlands, with a registered address of MOLENGRAAFFSINGEL 29, 2629 JD DELFT, Netherlands.

The ultimate parent undertaking and controlling party is 3M Company, who is in the United States of America, and whose registered office is 3M Company, 3M Centre, 55144 Saint Paul, USA.

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

13 Post balance sheet events

Russia business operations and the Ukraine war

After re-assessing its business in Russia, the 3M Group has decided to suspend all operations there. The Company's focus is on the safety of its employees and their families. The Company is monitoring its regional operations to ensure that it continues to comply with applicable laws and regulations in the markets in which it operates in order to assess and mitigate the risks and potential impacts to supply chains and customers.

The UK entities have limited business directly with the countries involved, both directly with third party customers and through UK manufactured products; therefore the impact is foreseen to be limited.

Restructuring plan

In August 2021, the initial steps of a group restructuring plan started and carried on in 2022. As a result of this, Capital Safety Group (Northern Europe) Limited which is a subsidiary undertaking of Capital Safety Global Holdings Limited, has been sold to 3M United Kingdom Public Limited Company on 31 May 2022.