

Asco Extinguishers Company Limited

Annual Report and financial statements

for the year to 31 December 2020

Registration number: SC049134



Asco Extinguishers Company Limited

Annual Report and financial statements for the year ended 31 December 2020

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Asco Extinguishers Company Limited

Directors and advisers

Executive directors

H Hyman
R J Pollard
E Sebag
G Robinson

Company secretary

H Hyman

Registered office

Unit 1.1
Festival Court
Brand Street
Glasgow
G51 1DR

Asco Extinguishers Company Limited

Directors' report for the year ended 31 December 2020

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2020. The directors' report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Principal activities

The principal activities of the company during the year were the supply and servicing of fire detection and fire protection equipment..

Review of business and future developments

The profit and loss account for the year is set out on page 4.

The company continued to trade profitably and the company's commitment to quality products and service will continue in 2020. Both the level of business during the year and the year end financial position were considered to be satisfactory.

Going concern

Covid19 impact assessment

By the middle of March 2020, the government responded to the pandemic by applying severe restrictions on movement and introducing social distancing measures which forced many of our customers to temporarily close. We prepared the business for varying levels of sales decline by temporarily reducing staff levels. We took advantage of the government job retention scheme to finance this approach in order that staff were available to return to work as restrictions were lifted and non-essential businesses reopened. A claim of £121,173 was made under the Coronavirus Job Retention Scheme.

The Company has been designated as essential contractor status by a number of our clients including care, health, housing and food production services. It was essential that our field-based engineers continued to visit our customers' sites for essential responsive and planned work. During this period of uncertainty, we stayed in constant contact with our staff to ensure clear and concise communication. Our priority was to do all we could to protect our employees and business partners at all times.

During the third and fourth quarters of 2020 the Company traded strongly despite the interruptions caused by varying levels of temporary restrictions imposed by the government. This reflects the essential nature of the services we provide.

The Directors approved a budget for 2021 based on the experience gained during the course of 2020 and the reaction of the business to the impact of the pandemic. Temporary restrictions are still in place and are subject to change at short notice. However, at the date of this report we have a full engineer force in the field and have experienced a strong start to 2021. The experience of 2020 shows the resilience of the business. The Directors have also modelled sensitivities to the budget, which demonstrates that the Company is forecast to have significant cash headroom after applying these sensitivities. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements.

Dividends

No dividend was paid during the year (2019: £345,631).

Directors

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

H Hyman
R J Pollard
E Sebag
G Robinson

Asco Extinguishers Company Limited

Directors' report for the year ended 31 December 2020 (continued)

Statement of directors' responsibilities

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Statement of disclosure of information to auditor

In accordance with Section 418, in the case of each director in office at the date the directors' report is approved, that:

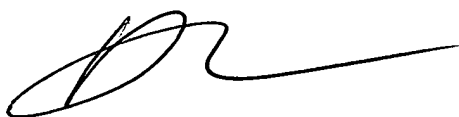
- (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Exemption from audit under section 479A of the Companies Act 2006

The members have not required the company to obtain an audit of its accounts for the year in accordance with Section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

By order of the Board



R J Pollard

Director

21 June 2021

Asco Extinguishers Company Limited

Profit and loss account for the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	1	1,948,502	2,498,405
Cost of sales		(606,065)	(770,936)
Gross profit		1,342,437	1,727,469
Distribution costs		(771,474)	(928,900)
Administration expenses		(648,557)	(653,704)
Other income – Government grants	2	121,173	-
Operating profit	2	43,579	144,865
Interest receivable	3	267	389
Interest payable		(371)	-
Profit on ordinary activities before taxation		43,475	145,254
Tax on profit on ordinary activities	7	(15,983)	(30,436)
Profit for the financial year		27,492	114,818

All amounts relate to continuing operations.

There are no differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The accounting policies and notes on pages 7 to 16 form part of the financial statements.

Asco Extinguishers Company Limited

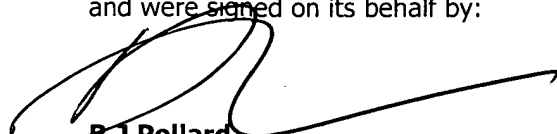
Balance sheet as at 31 December 2020

	Notes	2020 £	2019 £
Non current assets			
Intangible assets	8	99,590	149,108
Tangible assets	12	7,389	13,948
		106,979	163,056
Current assets			
Stocks	9	51,759	49,542
Debtors	10	332,496	390,009
Cash at bank and in hand		408,445	278,201
		792,700	717,752
Creditors: amounts falling due within one year	11	(436,049)	(444,265)
Net current assets		356,651	273,487
Total assets less current liabilities		463,630	436,543
Provision for Liabilities and Charges	13	(1,061)	(1,466)
Total Net Assets		462,569	435,077
Capital and reserves			
Called up share capital	14	10,000	10,000
Profit and loss account		452,569	425,077
Total shareholders' funds	16	462,569	435,077

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the financial statements.

The financial statements on pages 4 to 16 were approved by the board of directors on 21 June 2021 and were signed on its behalf by:


R J Pollard
Director
21 June 2021

Registered number: SC49134

The accounting policies and notes on pages 7 to 16 form part of the financial statements.

Asco Extinguishers Company Limited

Statement of Changes in Equity

	Called up Share Capital	Profit and loss account	Total equity
Balance at 1 January 2019	10,000	655,890	665,890
Total comprehensive income for the period			
Profit for the financial year		114,818	114,818
Transactions with owner			
Dividends paid		(345,631)	(345,631)
Balance at 31 December 2019	10,000	425,077	435,077
Total comprehensive income for the period			
Profit for the financial year		27,492	27,492
Transactions with owner			
Dividends paid		-	-
Balance at 31 December 2020	10,000	452,569	462,569

The accounting policies and notes on pages 7 to 16 form part of the financial statements.

Asco Extinguishers Company Limited

Accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Asco Extinguishers Company Limited is incorporated in Scotland. The presentation currency of these financial statements is sterling. In the transition to FRS 102 from UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's parent undertaking, London Security plc includes the Company in its consolidated financial statements. The consolidated financial statements of London Security plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Premier House, 2 Jubilee Way, Elland, West Yorkshire HX5 9DY. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The financial statements are prepared on the historical cost basis.

The directors have prepared these statements on the fundamental assumption that the company is a going concern and will continue to trade for the 12 months following the date of approval of these financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The Directors' Report contains a Covid-19 impact assessment detailing the effect it had on our business and the outlook for 2021. The Directors have prepared these financial statements on the fundamental assumption that the Company is a going concern and will continue to trade for at least 12 months following the date of approval of the financial statements.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Turnover represents amounts invoiced, net of returns, discounts and value added tax.

The company derives its revenue from three major sources - outright sale of fire-fighting equipment, servicing of this equipment, and providing fire-fighting equipment under rental contracts. The revenue recognition policies for each of these sources is as follows:

- Revenue from the outright sale of equipment is recognised upon delivery to a customer;
- Revenue from the servicing of equipment is recognised when the service has been performed; and
- Revenue from the equipment leased to customers under an operating lease is recognised over the term of the lease on a pro-rata basis.

Asco Extinguishers Company Limited

Accounting policies (continued)

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost or internal production cost, together with any incremental costs of acquisition.

Depreciation is calculated on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less their estimated residual values, over the estimated useful lives of the assets concerned. The principal annual rates are as follows:

Reducing balance method:

Plant and equipment	15%
Fixtures and fittings	15%

Straight line method:

Motor vehicles	25%
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The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account.

Intangible assets

Contracts

The cost of service contracts is consideration paid, plus any directly attributable transaction costs and an estimated value of contingent consideration. Consideration which is contingent on future events is recognised based on the estimated amount of the contingent consideration payable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of acquisition. Contracts are amortised on a straight line basis over their estimated useful life of 5 years based on information available to the Directors on average attrition rates.

Goodwill

Goodwill is recognised as the difference between the fair value of consideration paid, plus any directly attributable transaction costs and an estimated value of contingent consideration, less the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. Consideration which is contingent on future events is recognised based on the estimated amount of the contingent consideration payable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of acquisition. Goodwill is amortised on a straight line basis over its estimated useful life of 3-6 years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of 4 years using the straight line method.

Leases

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Investments

Investments in subsidiary undertakings are held at cost less any provision for impairment.

Asco Extinguishers Company Limited

Accounting policies (continued)

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at cost, less any impairment losses in the case of trade debtors.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Taxation

Tax on the profit or loss 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 directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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.

Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical estimates

Service contract amortisation

The Directors have made judgements based on the evidence in the market and historical evidence on attrition rates when determining the useful economic lives and based on the legal rights of the contracts being renewable. Contracts are amortised on a straight-line basis over their estimated useful life of 5 years.

Critical judgements

In the course of preparing the financial statements no judgements have been made in the process of applying the company's accounting policies other than those involving estimation that have had a significant effect on the amounts recognised in the financial statements.

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2020

1 Turnover

The turnover consists entirely of sales made in the United Kingdom.

2 Operating profit

	2020 £	2019 £
Operating profit is stated after charging :		
Depreciation charge for the year – owned tangible fixed assets	6,988	3,772
Amortisation charge for the year – owned intangible fixed asset	62,934	67,589
(Loss)/profit on sale of tangible fixed assets	-	(205)
Auditor's remuneration for audit services	5,000	5,000
Government grants – Coronavirus Job Retention Scheme	(121,173)	-

3 Interest receivable

	2020 £	2019
Bank interest	267	389

4 Dividends

	2020 £	2019
Dividends paid	-	345,631

5 Directors' emoluments

	2020 £	2019 £
Aggregate emoluments	51,961	52,092

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Employee information

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
By activity:		
Sales and service	20	20
Administration	5	8
	25	28

	2020 £	2019 £
Wages and salaries	598,488	812,718
Social security costs	58,067	75,903
Pension costs (note 15)	24,950	36,589
	681,465	925,210

7 Tax on profit

(a) Analysis of tax charge in the year

	2020 £	2019 £
Current tax charge	16,388	30,818
Deferred tax credit (Note 13)	(405)	(382)
Total tax on profit on ordinary activities	15,983	30,436

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences will reverse, based on tax rates and laws substantively enacted at the Balance Sheet date, being a rate of 19% at 31 December 2020.

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

7 Tax on profit (continued)

(b) Factors affecting tax charge for the year

The total charge for the period is higher (2020: lower) than the charge calculated at the standard rate of corporation tax in the United Kingdom of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before taxation	43,475	145,254
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19.00% (2019: 19.00%)	8,260	27,598
Effects of:		
Expenses not deductible for tax purposes	7,549	4,094
Capital allowances more than depreciation	174	(1,256)
Total tax charge	15,983	30,436

8 Intangible assets

	Goodwill £	Contracts £	Computer Software £	Total £
Cost				
At 1 January 2020	240,500	1,387,135	7,187	1,634,822
Additions	-	10,000	4,016	14,016
Disposals	-	-	(1,108)	(1,108)
At 31 December 2020	240,500	1,397,135	10,095	1,647,730
Accumulated Amortisation				
At 1 January 2020	240,500	1,238,768	6,446	1,485,714
Additions	-	61,942	992	62,934
Disposals	-	-	(508)	(508)
At 31 December 2020	240,500	1,300,710	6,930	1,548,140
Net book value				
At 31 December 2020	-	96,425	3,165	99,590
At 31 December 2019	-	148,367	741	149,108

Goodwill has arisen following the acquisition by Asco Extinguishers Company Limited of Assured Fire Protection & Safety Limited, 1st Quote Fire Limited, Swift-N-Sure (Fire Appliances) Limited and Firebreak Fire Securities Limited. These wholly owned subsidiaries are all registered at Unit 1.1 Festival Court, Brand Street, Glasgow G51 1DR, are all dormant and are all carried at £nil value (2019: £nil).

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Stocks

	2020 £	2019 £
Finished goods and goods for resale	51,759	49,542

10 Debtors

	2020 £	2019 £
Trade debtors	308,646	346,642
Amounts owed by group undertakings	5,253	2,298
Other debtors	2,650	2,225
Prepayments	15,947	38,844
Deferred tax asset (note 13)	-	-
	332,496	390,009

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

11 Creditors – amounts falling due within one year

	2020 £	2019 £
Bank loan/overdraft	-	95,876
Trade creditors	15,134	32,872
Amounts owed to group undertakings	97,768	67,904
Corporation tax payable	16,388	34,895
Other taxation and social security	222,744	108,447
Other creditors	48,178	70,425
Accruals and deferred income	35,837	33,846
	436,049	444,265

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

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

12 Tangible assets

	Plant and equipment £	Motor vehicles £	Fixtures, and fittings £	Total £
Cost or valuation				
At 1 January 2020	14,082	6,126	31,228	51,436
Additions	429	-	-	429
Disposals	-	-	(1,244)	(1,244)
At 31 December 2020	14,511	6,126	29,984	50,621
Accumulated depreciation				
At 1 January 2020	13,128	714	23,646	37,488
Charge for the year	206	4,283	2,499	6,988
Disposals	-	-	(1,244)	(1,244)
At 31 December 2020	13,334	4,997	24,901	43,232
Net book value				
At 31 December 2020	1,177	1,129	5,083	7,389
At 31 December 2019	954	5,412	7,582	13,948

13 Deferred taxation

There was no unprovided deferred tax liability or unrecognised deferred tax asset at 31 December 2020 (2019 : £nil). The movement in the deferred tax asset can be analysed as follows:

	Deferred tax liability £
At 1 January 2020	1,466
Credit to profit and loss account	(405)
At 31 December 2020	1,061

The deferred tax liability recognised at 31 December 2020 can be analysed as follows:

	2020 £	2019 £
Depreciation less than/(in excess) of capital allowances	1,061	302

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences will reverse based on tax rates and laws substantively enacted at the balance sheet date and being at a rate of 17% at 31 December 2020.

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

13 Deferred taxation (continued)

The directors consider it more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset and therefore have recognised the asset in the financial statements.

14 Called up share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

15 Pension obligations

The company operates a defined contribution pension arrangement which is open to all employees and to which the company contributes a fixed amount after a qualifying period of service.

Total contributions payable by the company into the above scheme in which the company participates are disclosed in note 6.

16 Commitments and contingent liabilities

The full minimum payments due under operating leases are as follows:

	2020 £'000	2019 £'000
Less than one year	21,000	21,000
Between two and five years inclusive	31,500	52,500
	52,500	73,500

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

17 Parent undertakings

The immediate parent undertaking is L.W. Safety Limited. The directors regard EOI Fire S.à.r.l., a company registered in Luxembourg, as the ultimate parent undertaking.

The smallest and largest group in which the results of the company are consolidated is the London Security Plc group, a company quoted on the Alternative Investment Market. Copies of the London Security Plc consolidated financial statements may be obtained from the Company Secretary at Premier House, Jubilee Way, Elland, West Yorkshire, HX5 9DY.

The directors regard Eden and Arianne Trusts as the ultimate controlling party through its controlling interest in EOI Fire S.à.r.l.

18 Related party transactions

The company has taken advantage of the exemption available under FRS 102 1.12(d) 'Related party disclosures' from disclosing transactions with related parties within the London Security plc group.