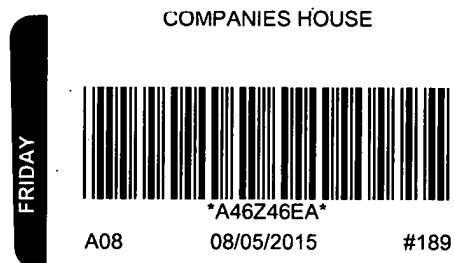


Asco Extinguishers Company Limited

Annual Report and financial statements

for the year ended 31 December 2014

Registration number: SC049134



Asco Extinguishers Company Limited

Annual Report and financial statements for the year ended 31 December 2014

Contents

Directors and advisers	1
Directors' report for the year ended 31 December 2014.....	2
Independent auditor's report to the members of Asco Extinguishers Company Limited	4
Profit and loss account for the year ended 31 December 2014	6
Balance sheet as at 31 December 2014	7
Accounting policies and notes to the financial statements	8

Asco Extinguishers Company Limited

Directors and advisers

Executive directors

H Hyman

M Lunn

R J Pollard

E Sebag

Company secretary

H Hyman

Independent auditor

KPMG LLP

1 The Embankment

Neville Street

LEEDS

LS1 4DW

Registered office

Unit 1.1

Festival Court

Brand Street

Glasgow

G51 1DR

Asco Extinguishers Company Limited

Directors' report for the year ended 31 December 2014

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2014. 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 of fire extinguishers and extinguishing agents, and the servicing of fire extinguishers.

Review of business and future developments

The profit and loss account for the year is set out on page 6.

The company continued to trade profitably and the company's commitment to quality products and service will continue in 2015. Both the level of business during the year and the year end financial position were considered to be satisfactory.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Dividends

A dividend in the amount of £1,000,000 was paid during the year (2013: £nil).

Directors

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

R J Pollard
M Lunn
H Hyman
E Sebag

Asco Extinguishers Company Limited

Directors' report for the year ended 31 December 2014 (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 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;
- 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.

Independent Auditor

The company has passed an elective resolution under Section 487(2) of the Companies Act 2006 to dispense with the requirement to reappoint auditors annually. KPMG LLP are appointed as auditor.

By order of the Board



R J Pollard

Director

24 April 2015

Independent auditor's report to the members of Asco Extinguishers Company Limited

We have audited the financial statements of Asco Extinguishers Company Limited for the year ended 31 December 2014 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice: and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Asco Extinguishers Company Limited

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and in not preparing a strategic report



Lindsey Crossland (Senior Statutory Auditor)
For and on behalf of KPMG LLP
Chartered Accountants and Statutory Auditor
1 The Embankment
Neville Street
LEEDS
LS1 4DW
Dated: 24 April 2015

Asco Extinguishers Company Limited

Profit and loss account for the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	1	2,320,372	2,501,536
Cost of sales		(582,362)	(708,170)
Gross profit		1,738,010	1,793,366
Distribution costs		(855,449)	(891,521)
Administration expenses		(634,355)	(601,849)
Operating profit	2	248,206	299,996
Interest receivable	3	445	225
Profit on ordinary activities before taxation		248,651	300,221
Tax on profit on ordinary activities	7	(53,283)	(74,768)
Profit for the financial year	15	195,368	225,453

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 company has no recognised gains or losses other than those included in the profits above and therefore no separate statement of recognised gains and losses has been presented.

Asco Extinguishers Company Limited

Balance sheet as at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	8	314,966	413,255
Tangible assets	9	9,846	17,128
		324,812	430,383
Current assets			
Stocks	10	53,498	50,722
Debtors	11	904,580	1,182,940
Cash at bank and in hand		285,964	771,708
		1,244,042	2,005,370
Creditors: amounts falling due within one year	12	(306,026)	(368,293)
Net current assets		938,016	1,637,077
Total assets less current liabilities		1,262,828	2,067,460
Capital and reserves			
Called up share capital	14	10,000	10,000
Profit and loss account	15	1,252,828	2,057,460
Total shareholders' funds	16	1,262,828	2,067,460

The financial statements on pages 6 to 19 were approved by the board of directors on 24 April 2015 and were signed on its behalf by:


R J Pollard
Director

Registered number: SC49134

Asco Extinguishers Company Limited

Accounting policies

Basis of accounting

These financial statements are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The director 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.

Turnover

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

Revenue recognition

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.

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	20% - 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

The cost of intangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of any separable net assets acquired. Goodwill is amortised through the profit and loss account over its estimated economic life of 3-6 years.

Asco Extinguishers Company Limited

Accounting policies (continued)

Amortisation is calculated on all intangible fixed assets at rates calculated to write off the cost, less their estimated residual values, over the estimated useful lives of the assets concerned. The principal annual rates are as follows:

Contracts	20%
Goodwill	20%
Computer Software	25%

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.

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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Cash flow statement

The cash flows of the company are included in the consolidated cash flow statement of London Security plc. Consequently the company is exempt under the terms of FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement.

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2014

1 Turnover

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

2 Operating profit

	2014 £	2013 £
Operating profit is stated after charging :		
Depreciation charge for the year – owned tangible fixed assets	6,364	8,309
Amortisation charge for the year – owned intangible fixed asset	124,699	138,224
Auditor's remuneration for audit services	5,334	5,250

3 Interest receivable

	2014 £	2013
Bank interest	445	225

4 Dividends

	2014 £	2013
Dividends paid	1,000,000	-

5 Directors' emoluments

	2014 £	2013 £
Aggregate emoluments	-	93,325

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

6 Employee information

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

	2014 Number	2013 Number
By activity:		
Sales and service	18	18
Administration	6	7
	24	25

	2014 £	2013 £
Wages and salaries	754,998	792,916
Social security costs	63,466	71,198
Pension costs (note 16)	10,193	7,200
	828,657	871,314

7 Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

	2014 £	2013 £
Current tax charge	51,137	71,877
Deferred tax charge (note 13)	2,146	2,891
Total tax on profit on ordinary activities	53,283	74,768

Reductions in the UK's main rate of corporation tax from 23% to 21% (effective from 1 April 2014) and a further reduction to 20% (effective from 1 April 2015) were substantially enacted on 2 July 2013.

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 20% at 31 December 2014.

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

(b) Factors affecting tax charge for the year

The current corporation tax charge for the period is lower (2013: higher) than the charge calculated at the standard rate of corporation tax in the United Kingdom of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before taxation	248,651	300,221
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 21.5% (2013: 23.25%)	53,460	69,801
Effects of:		
Expenses not deductible for tax purposes	-	3,565
Capital allowances more than depreciation	(2,323)	(1,489)
Total current tax charge	51,137	71,877

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Intangible assets

	Goodwill	Contracts	Computer Software	Total
	£	£	£	£
Cost				
At 1 January 2014	240,500	955,231	2,130	1,197,861
Additions	-	26,450	4,083	30,533
Disposals	-	(4,123)	-	(4,123)
At 31 December 2014	240,500	977,558	6,213	1,224,271
Accumulated Amortisation				
At 1 January 2014	240,500	541,976	2,130	784,606
Charge for the year	-	124,104	595	124,699
Disposals	-	-	-	-
At 31 December 2014	240,500	666,080	2,725	909,305
Net book amount				
At 31 December 2014	-	311,478	3,488	314,966
At 31 December 2013	-	413,255	-	413,255

9 Tangible assets

	Plant and equipment	Motor vehicles	Fixtures, and fittings	Total
	£	£	£	£
Cost or valuation				
At 1 January 2014	21,286	21,884	20,476	63,646
Additions	89	265	-	354
Disposals	-	(5,835)	-	(5,835)
At 31 December 2014	21,375	16,314	20,476	58,165
Accumulated depreciation				
At 1 January 2014	19,766	13,045	13,707	46,518
Charge for the year	735	4,613	1,016	6,364
Disposals	-	(4,563)	-	(4,563)
At 31 December 2014	20,501	13,095	14,723	48,319
Net book amount				
At 31 December 2014	874	3,219	5,753	9,846
At 31 December 2013	1,520	8,839	6,769	17,128

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Stocks

	2014 £	2013 £
Finished goods and goods for resale	53,498	50,722

11 Debtors

	2014 £	2013 £
Trade debtors	368,834	473,645
Amounts owed by group undertakings	496,426	665,864
Other debtors	-	851
Prepayments	31,944	33,058
Deferred tax asset (note 13)	7,376	9,522
	904,580	1,182,940

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

12 Creditors – amounts falling due within one year

	2014 £	2013 £
Trade creditors	35,863	26,775
Amounts owed to group undertakings	29,086	58,729
Corporation tax payable	51,138	71,878
Other taxation and social security	106,524	130,536
Other creditors	34,499	29,689
Accruals and deferred income	48,916	50,686
	306,026	368,293

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 2014 (continued)

13 Deferred taxation

There was no unprovided deferred tax liability or unrecognised deferred tax asset at 31 December 2014 (2013 : £nil). The movement in the deferred tax asset can be analysed as follows:

	Deferred tax asset £
At 1 January 2014	9,522
Charge to profit and loss account	(2,146)
At 31 December 2014	7,376

The deferred tax asset recognised at 31 December 2014 can be analysed as follows:

	2014 £	2013 £
Depreciation in excess of capital allowances	7,376	9,522

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 20% at 31 December 2014.

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

	2014 £	2013 £
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

15 Reserves

	Profit and loss account £
At 1 January 2014	2,057,460
Profit for the financial year	195,368
Dividend Paid	(1,000,000)
At 31 December 2014	1,252,828

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the year	195,368	225,453
Dividends paid	(1,000,000)	-
Net (reduction)/addition to shareholders funds	(804,632)	225,453
Opening shareholders' funds	2,067,460	1,842,007
Closing shareholders' funds	1,262,828	2,067,460

17 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.

18 Commitments and contingent liabilities

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

	2014	2013
	£'000	£'000
Between two and five years inclusive	-	21,000
	-	21,000

At the year end the company had guaranteed group borrowings under a cross guarantee of £15.6 m million (2013: £18.4 million).

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

19 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 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 Trust as the ultimate controlling party through its controlling interest in EOI Fire S.à.r.l. and Tristar Fire Corp.

20 Related party transactions

The company has taken advantage of the exemption available under FRS 8 'Related party disclosures' from disclosing transactions with related parties within the London Security plc group.