

Asco Extinguishers Company Limited

Annual Report and financial statements

for the year to 31 December 2021

Registration number: SC049134

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Asco Extinguishers Company Limited

Annual Report and financial statements for the year ended 31 December 2021

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Asco Extinguishers Company Limited

Directors and advisers

Executive directors

H Hyman
R J Pollard
E Sebag
G Robinson
A Cooling

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 2021

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2021. 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 2021. Both the level of business during the year and the year end financial position were considered to be satisfactory.

Going concern

Covid-19 Impact assessment

In 2021 there has largely been a return to normality in our business. 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. At the date of this report we have a full engineer force in the field and have experienced a strong start to 2022. The experience of 2021 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.

We took advantage of the government job retention scheme to finance the remaining restrictions placed on the business in the early part of 2021. A claim of £9,891 was made under the Coronavirus Job Retention Scheme.

Dividends

No dividend was paid during the year (2020: £Nil).

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	Resigned 28 February 2022
G Robinson	
A Cooling	Appointed 19 July 2021

Asco Extinguishers Company Limited

Directors' report for the year ended 31 December 2021 (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 2022

Asco Extinguishers Company Limited

Profit and loss account for the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	1	2,255,762	1,948,502
Cost of sales		(641,875)	(606,065)
Gross profit		1,613,887	1,342,437
Distribution costs		(766,169)	(771,474)
Administration expenses		(700,653)	(648,557)
Income from fixed asset investments		92,861	-
Other income – Government grants	2	9,891	121,173
Operating profit	2	249,817	43,579
Interest receivable	3	257	267
Interest payable		-	(371)
Profit on ordinary activities before taxation		250,074	43,475
Tax on profit on ordinary activities	7	(60,233)	(15,983)
Profit for the financial year		189,841	27,492

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 2021

	Notes	2021 £	2020 £
Non-current assets			
Intangible assets	7	236,284	99,590
Tangible assets	11	39,887	7,389
		276,171	106,979
Current assets			
Stocks	8	45,017	51,759
Debtors	9	424,714	332,496
Cash at bank and in hand		339,756	408,445
		809,487	792,700
Creditors: amounts falling due within one year	10	(422,741)	(436,049)
Net current assets		386,746	356,651
Total assets less current liabilities		662,917	463,630
Provision for Liabilities and Charges	12	(10,507)	(1,061)
Total Net Assets		652,410	462,569
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account		642,410	452,569
Total shareholders' funds	15	652,410	462,569

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 2022 and were signed on its behalf by:



R J Pollard
Director

21 June 2022

Registered number: SC049134

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 2020	10,000	425,077	435,077
Total comprehensive income for the period			
Profit for the financial year		27,492	27,492
Balance at 31 December 2020	10,000	452,569	462,569
Total comprehensive income for the period			
Profit for the financial year		189,841	189,841
Balance at 31 December 2021	10,000	642,410	652,410

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 2022. 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%
Computer software	25%

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 2021

1 Turnover

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

2 Operating profit

	2021 £	2020 £
Operating profit is stated after charging :		
Depreciation charge for the year – owned tangible fixed assets	5,424	6,988
Amortisation charge for the year – owned intangible fixed asset	54,696	62,934
Profit on sale of tangible fixed assets	4,805	-
Auditor's remuneration for audit services	5,250	5,000
Impairment of fixed asset investment	92,861	-
Government grants – Coronavirus Job Retention Scheme	(9,891)	(121,173)

3 Interest receivable

	2021 £	2020
Bank interest	257	267

4 Directors' emoluments

	2021 £	2020 £
Aggregate emoluments	34,674	51,961

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Employee information

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

	2021 Number	2020 Number
By activity:		
Sales and service	19	20
Administration	5	5
	24	25

	2021 £	2020 £
Wages and salaries	672,815	598,488
Social security costs	62,732	58,067
Pension costs (note 15)	32,975	24,950
	768,522	681,465

6 Tax on profit

(a) Analysis of tax charge in the year

	2021 £	2020 £
Current tax charge	50,787	16,388
Deferred tax charge/(credit? (Note 12)	10,610	(405)
Adjustment in respect of prior year	(1,164)	-
Total tax on profit on ordinary activities	60,233	15,983

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 25% at 31 December 2021.

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Tax on profit (continued)

(b) Factors affecting tax charge for the year

The total charge for the period is higher (2021: lower) than the charge calculated at the standard rate of corporation tax in the United Kingdom of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before taxation	250,074	43,475
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19.00% (2020: 19.00%)	47,514	8,260
Effects of:		
Expenses not deductible for tax purposes	27,841	7,549
Income not chargeable for tax purposes	(17,643)	-
Capital allowances more than depreciation	3,685	174
Adjustment in respect of prior year	(1,164)	-
Total tax charge	60,233	15,983

7 Intangible assets

	Goodwill £	Contracts £	Computer Software £	Total £
Cost				
At 1 January 2021	240,500	1,397,135	10,095	1,647,730
Additions	-	191,390	-	191,390
Disposals	-	-	-	-
At 31 December 2021	240,500	1,588,525	10,095	1,839,120
Accumulated Amortisation				
At 1 January 2021	240,500	1,300,710	6,930	1,548,140
Additions	-	53,672	1,024	54,696
Disposals	-	-	-	-
At 31 December 2021	240,500	1,354,382	7,954	1,602,836
Net book value				
At 31 December 2021	-	234,143	2,141	236,284
At 31 December 2020	-	96,425	3,165	99,590

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, Firebreak Fire Securities Limited and Fire Safety Services Scotland 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 (2020: £nil).

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Stocks

	2021 £	2020 £
Finished goods and goods for resale	45,017	51,759

9 Debtors

	2021 £	2020 £
Trade debtors	350,030	308,646
Amounts owed by group undertakings	34,744	5,253
Other debtors	3,812	2,650
Prepayments	36,128	15,947
	424,714	332,496

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

10 Creditors – amounts falling due within one year

	2021 £	2020 £
Trade creditors	53,527	15,134
Amounts owed to group undertakings	37,687	97,768
Corporation tax payable	76,303	16,388
Other taxation and social security	122,362	222,744
Other creditors	91,817	48,178
Accruals and deferred income	41,045	35,837
	422,741	436,049

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 2021 (continued)

11 Tangible assets

	Plant and equipment £	Motor vehicles £	Fixtures, and fittings £	Total £
Cost or valuation				
At 1 January 2021	14,511	6,126	29,984	50,621
Additions	3,416	27,876	3,370	37,922
Disposals	-	(6,126)	-	(6,126)
At 31 December 2021	17,927	27,876	36,314	82,417
Accumulated depreciation				
At 1 January 2021	13,334	4,997	24,901	43,232
Charge for the year	443	2,075	2,906	5,424
Disposals	-	(6,126)	-	(6,126)
At 31 December 2021	13,777	946	27,807	42,530
Net book value				
At 31 December 2021	4,150	26,930	8,807	39,887
At 31 December 2020	1,177	1,129	5,083	7,389

12 Deferred taxation

There was no unprovided deferred tax liability or unrecognised deferred tax asset at 31 December 2021 (2020 : £nil). The movement in the deferred tax asset can be analysed as follows:

	Deferred tax liability £
At 1 January 2021	1,061
Charge to profit and loss account	9,446
At 31 December 2021	10,507

The deferred tax liability recognised at 31 December 2021 can be analysed as follows:

	2021 £	2020 £
Depreciation less than/(in excess) of capital allowances	10,507	1,061

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 25% at 31 December 2021.

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

12 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.

13 Called up share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

14 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.

15 Commitments and contingent liabilities

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

	2021 £'000	2020 £'000
Less than one year	21,000	21,000
Between two and five years inclusive	10,500	31,500
	31,500	52,500

Asco Extinguishers Company Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 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.

17 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.