

Registered number: 13955846

A-SAFE GROUP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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A-SAFE GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J R Smith L T Smith
Registered number	13955846
Registered office	Habergham Works Ainley Industrial Estate Eiland West Yorkshire HX5 9JP
Auditor	Deloitte LLP Leeds West Yorkshire LS1 2AL
Bankers	The Royal Bank of Scotland 20 Commercial Street Halifax West Yorkshire HX1 1TA HSBC UK Bank PLC 7 Commercial Street Halifax West Yorkshire HX1 1HN

A-SAFE GROUP HOLDINGS LIMITED

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A-SAFE GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report for A-Safe Group Holdings Limited for the year ended 31 December 2022.

Business review

The Group has continued its principal activity during the year of manufacture and sale of building protection and safety products. It continues to perform strongly and is positive about the future outlook for both the UK and overseas subsidiaries.

The Company's principal activity during the year to act as a holding company for the Group.

The Group have successfully harnessed the strength of the A-Safe brand and quality of service by growing overall turnover through continued development of our overseas markets in Europe, USA and other international expansion.

During the year there has been a Group restructure and part of the Group has been demerged. This has resulted in the properties being removed from the remaining Group. The demerger has not impacted the trading companies with the Group and operations remain the same, as you will see below the A-Safe Group continues to grow. As a consequence of the demerger a new holding company, A-SAFE Group Holdings Limited was incorporated to head the Group.

The demerger has been reflected in the balance sheet with Net Assets of £27.3m (2021 - £47.9m). Total fixed assets have decreased to £41.3m (2021 - £61.9m).

Stock has increased to £21.3m (2021 - £19.5m) as consequence of the general growth of the business. Working capital continues to be effectively managed.

Revenue continued to grow in 2022, with growth of 19.8%, further detail is provided in the key financial performance indicators in the named section below.

Operating expenses increased compared to 2021, as the Group continued to invest in infrastructure which will help continue to support the growth of the business in the coming years.

We are grateful to all of our staff for their continued hard work and dedication in making this year such a success.

Governance and risk management

The Board is responsible for the group's risk management and for ensuring that robust processes are in place to identify, manage and report risks that threaten the business objectives of the Group. These include Financial, Operational and Regulatory compliance risks. The principal features of the Group's risk management regime are:

- A strong control environment. This is founded on an appropriate organisational structure for planning, executing, controlling and monitoring business operations. It includes clearly defined responsibilities and accountabilities, particularly for risk management.

- Documented control procedures. These include budgetary systems and management controls to manage financial risks, timely and accurate management information in respect of key performance measures, and procedures to ensure complete and accurate accounting, which is regularly reviewed by the Board.

A-SAFE GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 (1) Statement

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Group, under section 172.

The Board always aims to act in the best interests of the Group, and to be fair and balanced in its approach. The needs of different stakeholders are always considered as well as the consequences of any decision in the long-term and the importance of our internally published high standards of business conduct. More specific information is given in sub-paragraphs (a) to (f), which correspond to the individual factors disclosed under Section 172(1).

a. Long-term decision making

The Board delegates day-to-day management and decision making to its senior management team, but it maintains oversight of the Group's performance, and reserves to itself specific matters for approval. In addition to this, any major decisions with long-term implications, including significant new business initiatives, would need Board approval, to ensure that the business decisions taken locally are in alignment with the long-term strategy of the Group. Any decisions approved either locally or by the Board, are then implemented, with subsequent Board oversight to ensure management act in accordance with the agreed strategy. Processes are in place to ensure that the Board receives all relevant information to enable it to make well-judged decisions in support of the Group's long-term success, including management KPIs and robust internal controls.

b. Stakeholders: Employees

Our people are essential to our success, future growth, and our aim to build leading positions in our long-term markets. We continue to invest substantial time and effort to employ, train, develop and retain employees who are passionate about our business and have up-to-date knowledge and world class expertise in our key functional areas. Hearing their views on what we do well, and what we can do better, is an important driver for improvement and retaining our best talent. In addition, we publish regular internal newsletters to ensure they are kept informed of business progress and developments, and maintain a fund to finance employee social engagements outside of the workplace, in order to further strengthen cooperation and teamwork across the workforce.

c. Stakeholders: Customers, Suppliers, Others

We aim to be fair and ethical in dealings with all our external stakeholders, including our suppliers, customers and other business partners. We endeavour to pay suppliers to agreed terms and be a collaborative and responsive partner. With customers, our goal is to act as partners in order to understand their needs and collaborate effectively in order to provide the products and service they need in order to succeed. Each customer has a sales manager, backed by a dedicated sales administration team in order to facilitate this relationship and ensure the smooth operation day-to-day. The local sales team report to the Board with regular KPIs and these assist in maintaining and developing our understanding of current customer and market trends, issues and likely future needs, and how these can be addressed.

d. Stakeholders: Community & Environment

Contributing positively to our local and global communities and environments is a responsibility and an opportunity. In addition, we set aside funds each year to make donations to local worthy causes.

A-SAFE GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) Statement (continued)

e. Reputation for high standards of business conduct

The Board is responsible for developing the Group corporate culture across the Group, which promotes integrity and transparency. The Group has established comprehensive systems of corporate governance, and approves policies and procedures which promote corporate responsibility and ethical behaviour, and these are implemented within the Group. Central to these policies is the Group's Code of Conduct. This applies to all Directors and employees, and is embedded into the Group's operations.

f. Acting fairly as between members of the Group

The Board includes the shareholders of the Group and therefore operations, strategy and performance are aligned with the long-term objectives of the of the shareholders.

Principal risks and uncertainties

The Board exercises oversight of the strategic risks that face the business on a continuous basis. The principal risks and uncertainties are as follows:

- Brand reputation – the A Safe brand has significant commercial value. The Board regularly monitors customer satisfaction levels and invests significant resource into on-going research and development.

- Safety of every product in the range is strenuously tested up to and beyond the latest Health and Safety standards, and other applicable regulations, and where necessary they are tested and certified as complying with impact loadings stated in relevant British, European and ISO standards. The majority of products are also independently tested by an external third party.

- Intellectual property – A Safe's product range is protected by a series of patents, design rights, copyrights and trademarks.

- Inflation – the UK continues to see the effects of high inflation rates, as you can see from the below results, the Group has sufficient net profit margins to absorb any adverse impact.

Financial key performance indicators

Management monitor sales, margin and cash on an ongoing basis.

Sales 2022 £132.4m v 2021 £110.5m - sales have increased due to organic sales growth throughout the Group.

Gross Profit 2022 £72.7m v 2021 £59.0m - Gross profit margin is higher than prior year at 54.9% vs 53.4%.

Operating Profit 2022 £30.5m v 2021 £23.8m - operating profit has increased mainly due to higher gross margin as detailed above.

Net Assets 2022 £27.3m v 2021 £47.9m (see business review).

Cash 2022 £20.3m vs £7.2m - the Group has sufficient cash reserves to fund future growth.

A-SAFE GROUP HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report was approved by the board on 26 May 2023 and signed on its behalf.



J R Smith
Director

A-SAFE GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Principal activity

The principal activity of the Group is that of the manufacture and sale of building protection and safety products. The company is a holding entity.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £26m (2021 - £19m).

The increase in profit is due to the fact the gross profit margin compared to prior year is higher due to increased revenue generated.

Dividends of £0.2m (2021 - £2.1m) were paid during the year and no further dividends have been approved or paid post year end.

A-SAFE GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors

The Directors who served during the year and up to the date of signing the financial statements:

J R Smith
L T Smith

Exposure to foreign exchange, credit, liquidity and cashflow risk

The exposure to foreign exchange risk is relatively limited due to the fact we purchase raw materials and sell goods in relatively similar levels in € and \$ means it creates a somewhat of a natural hedge.

Credit risk is mitigated by performing credit checks on all our customers and requesting advance payment if they are deemed to have an excessive credit risk. The group debt is reviewed on a monthly basis. The customer base is of a high quality and consists primarily of blue chip companies which are an inherently low risk. Details of the group's debtors are shown in Note 17 to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the group. The group also manages liquidity risk via revolving credit facilities and long-term debt.

Cash flow risk is mitigated as the payment terms of debtors and creditors are on similar terms. Group also has a strong cash balance of £20.3m.

Greenhouse gas emissions, energy consumption and energy efficiency action

In compliance with 'The Companies Act 2006' (Strategic Report and Directors' Report) in particular Part 7A to Schedule 7 'Dealing with energy and carbon disclosures by large unquoted companies'. Please find below the disclosure of energy and CO2 information for the 2022 financial year.

This SECR report includes information relating to greenhouse gas emissions (scope 1 and 2), energy consumption data for fuels, electricity and transport and a CO2e intensity ratio (tonnes of CO2e per £1m of revenue).

The company generated 296.14 (2021: 234.60) tonnes of CO2e and consumed 1,622,318 (2021: 1,280,857) kWh of scope 1 emissions (Gas) within the 2022 financial year. This equates to 2.24 tonnes of CO2e per £1m of revenue (2021: 2.13 tonnes of CO2e per £1m of revenue).

The company generated 1,380.13 (2021: 1,406.57) tonnes of CO2e and consumed 7,136,890 (2021: 6,624,454) kWh of scope 2 emissions (Electricity) within the 2022 financial year. Note the increase is due to the increase in output compared to 2021. This equates to 10.45 tonnes of CO2e per £1m of revenue (2021: 12.78 tonnes of CO2e per £1m of revenue).

Methodology

The methodology for the reporting of SECR was taken from the Department of Business Energy and Industrial Strategy (BEIS) with specific instruction from 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)'. CO2 conversion factors and calorific converters were generated via 'UK Government GHG Conversion Factors for Company Reporting 2020'. All utility information (electricity and natural gas) was generated from utility invoices.

A-SAFE GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Future developments

The Directors are constantly on the lookout for new markets, and fully expect the organic growth in the business to continue into 2023 and beyond.

Research and development activities

The directors will oversee the Group's continued commitment and investment in research and development to further develop existing products and launching new products.

Employee Consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and company-wide publications. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of the members of staff becoming disabled every effort is made to ensure their employment with the group continues and that appropriate training is arranged and alternative roles offered where ever possible. It is company policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Going Concern

As can be observed from the results, the Group was able to continue its strong growth from the previous year and the directors believe the Group is in a strong position to be able to continue the growth plans in to 2023.

Under its bank loan, the Group has covenant compliance requirements to meet on a quarterly basis. The Group has continued to perform strongly in 2022, with the forecast supported by current demand levels anticipating extensive headroom on all requirements and this is expected to continue throughout the forecast period.

The forecasts reviewed by the directors expect growth in the size of the group due to the continued order throughput and demand for the Group's products. Cash balances in the Group are expected to increase throughout the forecast period and the directors expect the Group will have sufficient cash reserves to meet its liabilities as they fall due. Furthermore, none of the current loans have maturity dates in the next 12 months and there is more financing available if required to support existing operations and future growth plans.

In considering all these factors the Directors believe that the Group has sufficient resources to ensure they can keep operating for the foreseeable future.

On this basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing approving these financial statements. In making this assessment, the Directors have considered the cash flow forecasts of the Group, the availability of financial resources and facilities and compliance with covenants. Accordingly, the continue to adopt the going concern basis in preparing the financial statements.

A-SAFE GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There are no post balance sheet events to note.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 May 2023 and signed on its behalf.



J R Smith
Director

A-SAFE GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-SAFE GROUP HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Three Smith Group Holdings Limited Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 group's and parent 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.

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

A-SAFE GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-SAFE GROUP HOLDINGS LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and relevant pensions legislation and tax legislation; and

A-SAFE GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-SAFE GROUP HOLDINGS LIMITED

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- **Revenue recognition – cut-off.** The Group make an adjustment at the year end to defer revenue from the sale of goods and services where the risks and rewards of the transaction have not transferred to the customer at the year end date. There is a risk that this adjustment is inappropriate. We have tested management's adjustment by directly testing the adjustment itself to ensure that it is accurate by testing a sample of items from management's adjustment to supporting third party information to confirm management's assessment that goods and services included in their adjustment were in transit at the period end is appropriate. We have also tested the completeness of management's adjustment, by testing a sample of items from reciprocal sources to third party information to confirm management's assessment that the goods and services excluded from their adjustment were able to be used by customers to generate their own economic benefit.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

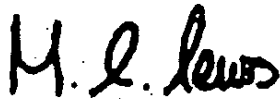
A-SAFE GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A-SAFE GROUP HOLDINGS LIMITED

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.



Mark Lewis FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

26 May 2023

A-SAFE GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	3	132,369	110,464
Cost of sales		(59,718)	(51,483)
Gross profit		72,651	58,981
Administrative expenses		(38,950)	(35,145)
Exceptional Costs	4	(3,232)	-
Other operating income	5	325	-
Operating profit	6	30,794	23,836
Interest expense	10	(1,684)	(563)
Profit before taxation		29,110	23,273
Tax on profit	11	(5,316)	(4,132)
Profit for the financial year		23,794	19,141
Foreign currency translation differences on foreign operations		884	94
Other comprehensive income for the year		884	94
Total comprehensive income for the year		24,678	19,235
Profit for the year attributable to:			
Non-controlling interests		169	61
Owners of the parent Company		23,625	19,080
		23,794	19,141
Total comprehensive income for the year attributable to:			
Non-controlling interest		169	61
Owners of the parent Company		24,509	19,174
		24,678	19,235

The notes on pages 22 to 44 form part of these financial statements.

All amounts relate to continuing operations.

A-SAFE GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 13955846

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	13	3,521	1,449
Tangible assets	14	37,743	55,319
Investment property	16	-	5,125
		<u>41,264</u>	<u>61,893</u>
Current assets			
Stocks	17	21,318	19,506
Debtors: amounts falling due within one year	18	30,842	29,454
Cash at bank and in hand	19	20,276	7,197
		<u>72,436</u>	<u>56,157</u>
Creditors: amounts falling due within one year	20	(20,629)	(22,908)
Net current assets		<u>51,807</u>	<u>33,249</u>
Total assets less current liabilities		<u>93,071</u>	<u>95,142</u>
Creditors: amounts falling due after more than one year	21	(65,247)	(44,365)
Provisions for liabilities			
Deferred taxation	24	(3,208)	(2,923)
		<u>(3,208)</u>	<u>(2,923)</u>
Net assets		<u>24,616</u>	<u>47,854</u>
Capital and reserves			
Called up share capital		1	1
Translation reserve	26	16	(868)
Merger reserve	26	(79,666)	(31,950)
Profit and loss account	26	103,868	80,443
Equity attributable to owners of the parent Company		<u>24,219</u>	<u>47,626</u>
Non-controlling interests		397	228
		<u>24,616</u>	<u>47,854</u>

A-SAFE GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 13955846

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 May 2023.



J R Smith
Director

The notes on pages 22 to 44 form part of these financial statements.

A-SAFE GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 13955846

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	15	1	-
		<hr/>	<hr/>
		1	-
Total assets less current liabilities		<hr/>	<hr/>
		1	-
Net assets		<hr/>	<hr/>
		1	-
Capital and reserves			
Called up share capital		1	-
		<hr/>	<hr/>
		1	-
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 May 2023.



J R Smith
Director

The notes on pages 22 to 44 form part of these financial statements.

The profit of the Parent Company for the period was £Nil (2021: £Nil).

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of Comprehensive Income in the financial statements.

A-SAFE GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £000	Translation reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total equity £000
At 1 January 2020	1	(962)	(31,950)	63,433	30,522	167	30,689
Comprehensive income for the year							
Profit for the year	-	-	-	19,080	19,080	61	19,141
Currency translation differences on overseas subsidiaries	-	94	-	-	94	-	94
Other comprehensive expense for the year	-	94	-	-	94	-	94
Total comprehensive income for the year	-	94	-	19,080	19,174	61	19,235
Dividends: Equity	-	-	-	(2,070)	(2,070)	-	(2,070)
Total transactions with owners	-	-	-	(2,070)	(2,070)	-	(2,070)
At 1 January 2022	1	(868)	(31,950)	80,443	47,626	228	47,854
Comprehensive income for the year							
Profit for the year	-	-	-	23,625	23,625	169	23,794
Foreign currency translation differences on foreign operations	-	884	-	-	884	-	884
Other comprehensive expense for the year	-	884	-	-	884	-	884

A-SAFE GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Total comprehensive income for the year	-	884	-	23,625	24,509	169	24,678
Dividends: Equity capital	-	-	-	(200)	(200)	-	(200)
Effects Of Group Restructure	-	-	(47,716)	-	(47,716)	-	(47,716)
Total transactions with owners	-	-	(47,716)	(200)	(47,916)	-	(47,916)
At 31 December 2022	1	16	(79,666)	103,868	24,219	397	24,616

The notes on pages 22 to 44 form part of these financial statements.

A-SAFE GROUP HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Total equity £000
On incorporation	-	-
Total comprehensive income for the period	-	-
Contributions by and distributions to owners		
Shares issued on incorporation	1	1
At 31 December 2022	1	1

The notes on pages 22 to 44 form part of these financial statements.

A-SAFE GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	23,794	19,141
Adjustments for:		
Amortisation of intangible assets	453	316
Depreciation of tangible assets	3,141	2,820
Interest paid	1,684	566
Taxation charge	5,315	4,132
(Increase) in stocks	(1,812)	(8,497)
(Increase) in debtors	(1,388)	(4,317)
(Decrease)/increase in creditors	(742)	585
Corporation tax (paid)	(6,161)	(1,177)
Non-monetary movement on Foreign Exchange	-	176
Net cash generated from operating activities	24,284	13,745
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,530)	(322)
Purchase of tangible fixed assets	(23,531)	(19,376)
Effects of Demerger	4	-
Net cash used in investing activities	(25,057)	(19,698)
Cash flows from financing activities		
New secured loans	65,000	12,508
Repayment of loans	(32,833)	(2,311)
Dividends paid	(200)	(2,070)
Interest paid	(1,684)	(566)
Non-monetary movement on Foreign Exchange	(2,813)	-
Capital redemption MBO payments in year	(12,000)	(4,000)
Gains relating to demerger	(1,618)	-
Net cash generated from/(used in) financing activities	13,852	3,561
Net increase/(decrease) in cash and cash equivalents	13,079	(2,392)
Cash and cash equivalents at beginning of year	7,197	9,589
Cash and cash equivalents at the end of year	20,276	7,197
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	20,276	7,197

A-SAFE GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

2022	2021
£000	£000
20,276	7,197

The notes on pages 22 to 44 form part of these financial statements.

A-SAFE GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

A-Safe Group Holdings Limited is a company limited by shares under Company's Act 2006, domiciled and incorporated in the United Kingdom and registered in England and Wales with the registration number 13955846.

The address of the Company's registered office and principal place of business is Habergham Works, Ainley Industrial Estate, Elland, Halifax, HX5 9JP.

The Company's and Group's principal activities and the nature of the Company's and Group's operations are described in the Directors' report on page 4 of this report.

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.

For the year ending 31 December 2022 the following subsidiaries of the Company were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Subsidiary Name	Companies House Registration Number
Three Smith Group Limited	01775353
A-Fax Limited	10654711
Three Smith Manufacturing Limited	06702847
A-Safe HQ Limited	05407505
A-Safe UK Limited	10530847
A-Safe International Limited	10523604
Plastic Cores Limited	11513462
Fathom 3 Limited	12272043
Safeguru UK Limited	13642573

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

A-SAFE GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Going Concern

As can be observed from the results, the Group was able to continue its strong growth from the previous year and the directors believe the Group is in a strong position to be able to continue the growth plans in to 2023.

Under its bank loan, the Group has covenant compliance requirements to meet on a quarterly basis. The Group has continued to perform strongly in 2022, with the forecast supported by current demand levels anticipating extensive headroom on all requirements and this is expected to continue throughout the forecast period.

The forecasts reviewed by the directors expect growth in the size of the group due to the continued order throughput and demand for the Group's products. Cash balances in the Group are expected to increase throughout the forecast period and the directors expect the Group will have sufficient cash reserves to meet its liabilities as they fall due. Furthermore, none of the current loans have maturity dates in the next 12 months and there is more financing available if required to support existing operations and future growth plans.

In considering all these factors the Directors believe that the Group has sufficient resources to ensure they can keep operating for the foreseeable future.

On this basis, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of signing approving these financial statements. In making this assessment, the Directors have considered the cash flow forecasts of the Group, the availability of financial resources and facilities and compliance with covenants. Accordingly, the continue to adopt the going concern basis in preparing the financial statements.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Revenue

Revenue comprises revenue recognised by the group in respect of goods sold during the year, exclusive of Value Added Tax and trade discounts. Sales are recognised at the point at which the group has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer. This is deemed to occur at point of despatch for tangible products or upon completion of services rendered such as installation.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Government grants

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance sheet and subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

A-SAFE GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Foreign currencies

Transactions in currencies other than the functional currency of Pound Sterling (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency of Pound Sterling at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Licences and trademarks	-	% Over 1-5 years
Software	-	% Over 3 years

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets under construction are not being depreciated.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	-	2% Straight line
Plant and machinery	-	10% Straight line
Motor vehicles	-	20% Straight line
Fixtures and fittings	-	10% & 33% Straight line and 15% reducing balance
Computer equipment	-	33% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.15 Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell after making due allowance for obsolete and slow moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell, is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.21 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.22 Exceptional Costs

Exceptional costs are costs arising from events or transactions that individually or in aggregate fall outside the normal activities of the business. Exceptional costs are disclosed separately in the relevant statutory account line to which they relate.

A-SAFE GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.23 Share-based payments

Where the Company's parent Company has granted rights to its equity instruments to employees of the Company, such arrangements are accounted for as equity-settled share-based payment arrangements. In such instances a capital contribution is recognised to the extent that the Company is not recharged by its parent.

Where the Company grants to its employees rights to equity instruments of its parent, the Company accounts for such arrangements as cash-settled share-based payment arrangements. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

The directors are of the opinion that the fair value of the share-based payment is not material.

2.24 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions 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 discussed below.

Provision for stock obsolescence

The Group's stock obsolescence provision is calculated as:

- 25% of the cost for any items with a stock-holding 26-52 weeks
- 75% of the cost for any items with a stock-holding >52 weeks.

Exclusions to the obsolescence policy are made for new stock items that have not started being sold yet.

There are no judgements identified which need to be disclosed.

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Turnover

	2022 £000	2021 £000
Manufacture and sale of building protection and safety products	132,369	110,464
	<u>132,369</u>	<u>110,464</u>

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	13,662	9,044
Overseas	118,707	101,420
	<u>132,369</u>	<u>110,464</u>

4. Exceptional Costs

During the year the Group incurred a number of transaction fees which related to a potential sale of a minority share in the Group.

5. Other operating income

	2022 £000	2021 £000
Other operating income	325	-
	<u>325</u>	<u>-</u>

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Operating profit

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

	2022	2021
	£000	£000
Amortisation - intangible assets	452	316
Depreciation of tangible fixed assets:	-	-
- owned by the group	3,143	2,820
Fees payable to the Company's auditor and its associates in respect of:	-	-
- Statutory Audit of parent and consolidated accounts	105	96
Operating lease rentals	1,133	1,410
Exchange differences	(2,813)	596
	-	-

7. Employees

Staff costs were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	27,868	24,318	-	-
Social security costs	3,724	3,203	-	-
Cost of defined contribution scheme	1,009	655	-	-
	32,601	28,176	-	-

The average monthly number of employees, including the Directors, during the year was as follows:

	2022	2021
	No.	No.
Direct	208	181
Indirect	506	454
	714	635

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Directors' remuneration

The highest paid Director received remuneration of ENIL (2021 - ENIL).

The Directors emoluments were paid by A-Safe HQ Limited as the Directors spend the majority of their time performing services for this entity.

There are 2 (2021: 2) Directors are accruing pension contributions under defined contribution schemes.

9. Remuneration of Key Management Personnel

The total remuneration of the key management personnel of the Group, was £905,616 (2021: £494,798), including employer's pension where applicable.

10. Interest expense

	2022 £000	2021 £000
Bank interest payable	1,684	563
	<u>1,684</u>	<u>563</u>

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	3,979	2,242
Adjustments in respect of previous periods	(123)	(1,149)
	<u>3,856</u>	<u>1,093</u>
Foreign tax		
Foreign tax on income for the year	1,174	1,014
	<u>1,174</u>	<u>1,014</u>
Total current tax	<u>5,030</u>	<u>2,107</u>
Deferred tax		
Origination and reversal of timing differences	488	1,334
Adjustment in respect of previous periods	(350)	141
Effect of changes in tax rates	148	550
Total deferred tax	<u>286</u>	<u>2,025</u>
Taxation on profit on ordinary activities	<u>5,316</u>	<u>4,132</u>

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	29,110	23,273
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	5,531	4,422
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	655	44
Adjustments to brought forward values	(472)	-
Income not taxable for tax purposes	(1)	-
Adjustments to tax charge in respect of prior periods	(474)	(1,008)
Fixed Asset Differences	(154)	(148)
Additional deduction for R&D	62	47
Patent box deduction	(584)	(775)
Foreign tax other	-	598
Remeasurement of deferred tax for changes in tax rates	148	952
RDEC Credit	(62)	-
Group income	(5)	-
Differences in tax rate	672	-
Total tax charge for the year	5,316	4,132

Factors that may affect future tax charges

The standard rate of corporation tax in the UK at the balance sheet date is 19%. This gives a corporation tax rate for the Company for the full period of 19% (2021: 19%). Post the balance sheet date, legislation has been substantively enacted to increase the main rate of corporation tax to 25% from April 2023 means that the deferred tax balances have been remeasured using the 25% rate.

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Dividends

	2022 £000	2021 £000
Final dividends paid 2022 - £200 per share (2021: £2,070 per share)	200	2,070
	200	2,070

13. Intangible assets

Group

	Trademarks £000	Computer software £000	Total £000
Cost			
At 1 January 2022	35	2,647	2,682
Additions - internal	-	2,530	2,530
Foreign exchange movement	-	1	1
At 31 December 2022	35	5,178	5,213
Amortisation			
At 1 January 2022	5	1,228	1,233
Charge for the year on owned assets	(2)	455	453
Foreign exchange movement	-	5	5
At 31 December 2022	3	1,688	1,691
Net book value			
At 31 December 2022	32	3,490	3,522
At 31 December 2021	30	1,419	1,449

A-SAFE GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Tangible fixed assets

Group

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000
Cost or valuation					
At 1 January 2022	30,470	32,883	1,107	1,942	1,319
Additions	4,115	9,453	157	3,075	390
Disposals	(34,108)	-	-	-	-
Exchange adjustments	(167)	(117)	-	61	45
At 31 December 2022	310	42,219	1,264	5,078	1,754
Depreciation					
At 1 January 2022	2,101	7,796	811	730	963
Charge for the year on owned assets	533	2,029	142	229	202
Disposals	(2,482)	-	-	-	-
Exchange adjustments	(98)	(62)	-	-	(12)
At 31 December 2022	54	9,763	953	959	1,153
Net book value					

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Tangible fixed assets (continued)

At 31 December 2022	256	32,456	311	4,119	601
At 31 December 2021	28,368	25,087	297	1,212	355
					Total £000
Cost or valuation					
At 1 January 2022					67,721
Additions					17,190
Disposals					(34,108)
Exchange adjustments					(178)
At 31 December 2022					50,625
Depreciation					
At 1 January 2022					12,401
Charge for the year on owned assets					3,135
Disposals					(2,482)
Exchange adjustments					(172)
At 31 December 2022					12,882
Net book value					
At 31 December 2022					37,743
At 31 December 2021					55,319

Included in the above are assets under construction totalling £8,528k, all costs relate to plant and machinery.

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost	
Additions	1
At 31 December 2022	1

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Three Smith Manufacturing Limited**	United Kingdom	Ordinary	100%
A-Fax Limited	United Kingdom	Ordinary	100%
A-SAFE HQ Limited**	United Kingdom	Ordinary	100%
A-SAFE GmbH*	Germany	Ordinary	100%
A-SAFE SAS*	France	Ordinary	90%
A-SAFE Italia S.R.L.*	Italy	Ordinary	90%
A-SAFE B.V.*	Netherlands	Ordinary	100%
A-SAFE Inc*	USA	Ordinary	100%
A-SAFE Scandinavia*	Denmark	Ordinary	100%
A-SAFE bvba*	Belgium	Ordinary	100%
A-SAFE Australasia PTY Ltd*	Australia	Ordinary	100%
Fathom 3 Developments SL**	Spain	Ordinary	100%
A-SAFE UK Ltd*	United Kingdom	Ordinary	100%
A-SAFE Soluciones S.L.*	Spain	Ordinary	87.5%
A-SAFE International Ltd*	United Kingdom	Ordinary	100%
A-SAFE KK*	Japan	Ordinary	100%
A-SAFE DWC-LLC*	UAE	Ordinary	100%
A-SAFE S.A de C.V.	Mexico	Ordinary	100%
A-SAFE AB*	Sweden	Ordinary	100%
A-SAFE LLC*	Russia	Ordinary	100%
Plastics Cores*	United Kingdom	Ordinary	100%
Safeguru UK Limited**	United Kingdom	Ordinary	100%
Three Smith Group Limited**	United Kingdom	Ordinary	100%
Fathom 3 Limited**	United Kingdom	Ordinary	100%
Safeguru HQ SL**	Spain	Ordinary	100%

*Investments held indirectly through A-Safe HQ Limited.

** Investments held indirectly through A-Fax Limited.

A-SAFE GROUP HOLDINGS LIMITED

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16. Investment property

Group

	Freehold investment property £000
At 1 January 2022	5,125
Disposals	(5,125)
At 31 December 2022	-

17. Stocks

	Group 2022 £000	Group 2021 £000
Raw materials and work in progress	4,379	6,899
Finished goods	16,939	12,607
	21,318	19,506

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

A-SAFE GROUP HOLDINGS LIMITED

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18. Debtors

	Group 2022 £000	Group 2021 £000
Trade debtors	26,019	23,471
Other debtors	2,283	4,147
Prepayments and accrued income	2,540	1,836
	<u>30,842</u>	<u>29,454</u>

19. Cash and cash equivalents

	Group 2022 £000	Group 2021 £000
Cash at bank and in hand	20,276	7,197
	<u>20,276</u>	<u>7,197</u>

20. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000
Bank loans	-	713
Trade creditors	10,086	10,290
Amounts owed to group undertakings	-	(1)
Corporation tax	2,736	3,563
Other taxation and social security	648	511
Other creditors	1,940	2,056
Accruals and deferred income	5,219	5,776
	<u>20,629</u>	<u>22,908</u>

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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21. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000
Bank loans	65,247	32,365
Other creditors	-	12,000
	<u>65,247</u>	<u>44,365</u>

The following liabilities were secured:

Details of security provided:

The bank loans of £65,247k (2021: £33,080k) are secured against all assets of the companies to which they relate.

22. Loans

	Group 2022 £000	Group 2021 £000
Amounts falling due within one year		
Bank loans	-	713
	<u>-</u>	<u>713</u>
Amounts falling due 1-2 years		
Bank loans	-	32,367
	<u>-</u>	<u>32,367</u>
Amounts falling due after more than 5 years		
Bank loans	65,247	-
	<u>65,247</u>	<u>33,080</u>

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23. Financial instruments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Financial assets				
Financial assets measured at fair value through profit or loss	20,276	7,197	-	-
Financial assets that are debt instruments measured at amortised cost	28,302	-	-	-
	<u>48,578</u>	<u>7,197</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(65,247)	(33,080)	-	(12,000)

24. Deferred taxation

Group

	2022 £000
At beginning of year	(2,923)
Charged to profit or loss	(285)
At end of year	<u>(3,208)</u>

	Group 2022 £000	Group 2021 £000
Accelerated capital allowances	(4,722)	(3,583)
Other short-term timing differences	1,514	660
	<u>(3,208)</u>	<u>(2,923)</u>

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25. Share Capital

Allotted, called up and fully paid share capital totals £1,000 (2021: £1,000).

This is made up of:

25,000 (2021: 25,000) Founder Shares (nominal value of £0.01 each)
37,500 (2021: 37,500) Ordinary A Shares (nominal value of £0.01 each)
37,500 (2021: 37,500) Ordinary B Shares (nominal value of £0.01 each)

26. Reserves

Other reserves

The translation reserve represents foreign exchange gains and losses on the retranslation of the results and net assets of the company's foreign subsidiaries.

Merger Reserve

The balance arising on the purchase of A-Fax Limited (formally named A-Fax Holdings Limited).

Profit and loss account

Cumulative profit and loss net of distributions to owners.

27. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,004k (2021 - £655k). Contributions totalling £169k (2021 - £112k) were payable to the fund at the balance sheet date and are included in creditors.

28. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000
Not later than 1 year	1,647	1,018
Later than 1 year and not later than 5 years	2,126	1,275
	<u>3,773</u>	<u>2,293</u>

A-SAFE GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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29. Related party transactions

Per FRS 102 section 33.1A the Company has taken advantage of the exemption from disclosing transactions with wholly owned group companies.

30. Ultimate Controlling party

The ultimate controlling party is the Board of Directors who own the issued share capital of the Company.