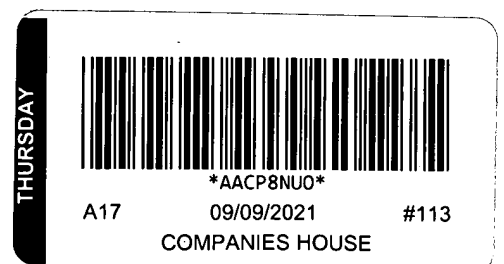




**Angus International Safety Group Limited**  
**Annual report and financial statements for the year**  
**ended 31 December 2020**

**Registered Number: 08441763**



Angus International Safety Group Limited  
Annual report and financial statements  
for the year ended 31 December 2020  
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# **Angus International Safety Group Limited**

## **Directors and advisors for the year ended 31 December 2020**

### **Directors**

Christopher Thomas (Chairman)  
Nicholas Barker  
Charles Delle-Case  
Lynda Guest  
Richard Ibbett  
Christopher Milburn  
Paul Williams (Chief Executive Officer)

### **Registered office**

Station Road  
High Bentham  
Near Lancaster  
LA2 7NA

### **Independent Auditors**

RSM UK Audit LLP  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

### **Solicitors**

DLA Piper LLP  
1 St. Peters Square  
Manchester  
M2 3DE

### **Bankers**

**Lloyds Bank plc**  
King Street  
Manchester  
M2 4LQ

**Allied Irish Bank**  
Hardman Street  
Spinningfields  
Manchester  
M3 3PL

# **Angus International Safety Group Limited**

## **Strategic Report for the year ended 31 December 2020**

The directors present their strategic report on the Group for the year ended 31 December 2020.

### **Principal activities**

The principal activities of Angus International Safety Group (AISG) are the design, manufacture and sale of a comprehensive range of fire safety and fluid transfer products, encompassing both fire and industrial hose, fire-fighting foam concentrates, powder and engineered products in to global Aviation, Military, Agriculture, Mining, Municipal, Petrochem Oil and Gas sectors.

At 31 December 2020, AISG the company, is the ultimate parent company of the Group. The principal activities of the company are investment and financing of all companies within the Group. The Group has manufacturing units in the UK, USA and France along with regional sales and distribution networks around the globe.

### **Review of business**

During 2020 and continuing in 2021, the COVID-19 Global pandemic has created uncertainty all around the world with different countries and sectors impacted to differing degrees and at different times, and as a consequence the impact has varied across the businesses. Angus Fire (UK), which supplies product globally has seen order intake for products manufactured at its Bentham site reduce and initially utilised the UK Government's Job Retention scheme, before having to reduce headcount in July 2020. National Foam (USA) has seen a drop in order intake, but with support from the US government Payroll Protection Plan has not had to reduce headcount.

Demand for AISG products is mainly driven by regulation, legislation and safety factors and despite the 2020 Covid-19 Global pandemic, the company has managed to perform relatively well in what has been and continue to be challenging markets.

The businesses adapted very quickly to Covid-19, with all businesses operating with staff working from home, and for those not able to work from home, we implemented controls at each site ensuring employee safety at all times and complying with Government regulations. This has allowed the businesses to continue supplying key life safety and critical infrastructure equipment to its customers.

AISG has the benefit of trading in multiple sectors and in over 120 countries during 2020, which ensures us a robust market position and well-balanced currency position with sales and manufacturing facilities trading in Euro, GBP and US dollar denominated countries. A review of trading based on the key KPIs is included in the KPI section.

In 2019 the Group took a decision to reduce activity in the "Bespoke" Engineered Solutions markets, which reduced revenue in 2020, but as these were highly competitive markets it has had little to no impact on the overall margin of the business.

AISG continued to develop and launch new products during 2020, allowing AISG to maintain its competitive edge and through technological leadership, allow it to differentiate its products and services against the competition within all of the diverse markets in which AISG trades. Several of these new products have resulted in patents and to do this in very mature fire safety markets are significant achievements. AISG brands are very strong and globally respected as premium products and engineered solutions and AISG will continue to capitalise on that strength in all markets.

### **Future developments**

Key to our future success is continuing the effective execution of our well-developed sales plans and strategies and continuing the operational improvements in manufacturing to ensure the products maintain their quality and premium position whilst being competitively priced.

New products will continue to form the backbone of future sales growth plans to ensure AISG remains at the forefront of providing customers with products that add real value and save lives.

During 2021, the group will put in place new working capital facilities.

# Angus International Safety Group Limited

## Strategic Report for the year ended 31 December 2020 (continued)

### Principal risks and uncertainties

The Group continually reviews its business risks, ranking the risk according to the significance of its effect and its likelihood of happening, and then establish action plans to reduce or mitigate any such risk.

The principal risks monitored by group management are: changing legislation and regulation, competition, IP protection, cyber and finance risks (see Report of the Directors for more detail on finance risks).

Group management monitors these risks on a regular basis and has plans in place for mitigation, such as ensuring close contact with customers and resources in the Group's main markets to ensure any projected changes in legislation and competitive threat are identified early.

### S.172 Statement

The Board of directors of AISG and all of its subsidiaries have acted at all times in good faith to ensure and promote the success of the company for the benefit of all stakeholders to the business as set out in s172 (1) (a-f) of the Act during the year ending 31<sup>st</sup> December 2020 and all aligned to our Business Plan approved by the Board.

- a) Our Plan introduced Product Managers in 2017, with their main focus being the long term strategic development and growth of their respective Product groups and as such have each developed Product Strategies that have been reviewed by both the Board, Directors, Senior Management and through effective engagement, have been communicated to all Sales & Marketing and Customer focused Employees. Investments associated with these strategies are Board approved and progress is managed via the company's monthly GAP (Gated Approval Process) meetings attended by a number of cross- functional employees. Engagement and communication have been challenges in 2020, due to COVID restrictions on travelling and meetings, however remote virtual presentations and trainings have continued to ensure the sales teams and management are kept up to date on new developments and changes in the market
- b) Our Employees are fundamental in delivering our plan and so effective broad coverage and varied communication channels have been put in place, for example CEO quarterly briefings (virtual in 2020) including Q&A with all UK and US employees. More local briefings in France and US by French President and US General Manager, plus daily meetings with production operatives across all sites. In addition, Trade Unions (GMB & Unite), Employee Forums and Works Council meetings are held monthly, in addition to Quality and EH&S monthly reviews involving Trade Unions are undertaken to provide input from all employees.
- c) As a mature and well established business, we have trading relationships with Suppliers & Customers that have been in place for decades, relationships are strong, payments made are consistent to enable our suppliers to better plan and manage their own cash flows effectively. With an ISO9001 Quality management system in place, we are continually finding ways to improve our business processes to ensure that lead times are market competitive and that on time delivery is as high as it can be. Annual "Customer Service" targets are set and measured to ensure we meet our Customers' expectations and that they can rely and trust in us. We are particularly reassured that during 2020 there has been no reported disruption to our Customer Service performance as a result of switching to working from home.
- d) All our businesses operate in accordance with ISO 14001 Environmental Management System. Angus Fire financially supports the annual firework display in Bentham, it also provides several acres of green space to a local charity, who provide social activities to the local Bentham community and we assist with professional support and services, although these activities have been reduced during 2020 due to the pandemic. In the US we provide the local West Chester Fire and Rescue service with equipment and foam.
- e) The business has been in operation for over 200 years and has been successful because of its high quality products, services and equally as important its technical knowledge and trustworthy reputation within the markets it trades, which is why customers come back to us year after year. In addition, employee retention levels within the Group are very high, which is a sign of employee satisfaction. Management operates an "open door" policy and can easily be approached for further discussions available to all levels within the

# Angus International Safety Group Limited

## Strategic Report for the year ended 31 December 2020 (continued)

business. Employees also have the ability to communicate anonymously via the Trade Unions should they have any issues and in addition to the regular Union meetings.

- f) We operate with eleven members of the Senior Management team to ensure that all roles, functions, sites and teams are considered in a fair and balanced manner. Investment decisions are made by the team using commercial, financial, market, supplier and employees considerations across all sites.

### Key performance indicators

The primary financial KPIs are consolidated revenue, consolidated gross profit, EBITDAe (earnings before interest, tax, depreciation, amortisation, shareholder costs and exceptional costs) and cash flow. For the year to 31 December 2020 consolidated revenue was £50.4 million (2019 - £70.0 million) and consolidated gross profit before exceptional items was £15.0 million (2019 - £22.6 million). The reduction in revenue from the previous year relates to the strategic decision to reduce activity in the "bespoke" engineering solutions markets, no significant emergency foam supplies along with general market hesitancy as a result of Covid-19 and at one point a drop in oil prices. Many of these factors are interlinked and therefore it is impossible to apportion the reduction in value for each factor.

Exceptional costs for the year totalled £1.8 million (2019 £0.03 million) and are primarily related to the restructuring of the UK business during August.

The Group has made an operating profit before exceptional items of £1.3 million (2019 - £6.1 million) after charging £2.4 million (2019 - £2.4 million) of goodwill amortization. EBITDAe in the year is £4.4 million (2019 - £9.4 million).

Cash flow generated from operations during the year is £4.6 million, 101.3% of EBITDAe. (2019 £6.9 million (73.4 % of EBITDAe)). Overall borrowings increased as a result of the compound interest on loan notes, which was a business decision to ensure cash resources were maximised and protected during the uncertainty of Covid-19.

On behalf of the Board



Lynda M Guest  
Director

11 May 2021

# **Angus International Safety Group Limited**

## **Directors' report for the year ended 31 December 2020**

The Directors present their report and audited financial statements of the Group and the Company for the year ended 31 December 2020.

### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 12. No dividend has been proposed nor declared for the year.

### **Directors**

The Directors of the Group and the Company during the year and up to the date of this report were:

Christopher Thomas

Nicholas Barker

Charles Delle-Case

Lynda Guest

Richard Ibbett (appointed 1<sup>st</sup> January 2020)

Christopher Milburn

Paul Williams

### **Directors' indemnities**

The Company maintains Director and Officers' liability insurance which is a qualifying third party indemnity provision. This has been in place for the financial year to 31 December 2020 and remains in force at the date of this report.

### **Review of business and future developments**

This section is covered in the Strategic Report on page 2.

### **Going concern**

The Group meets its day-to-day working capital requirements through its own cash generation and its bank facilities (currently term debt and a revolving facility/overdraft). The term debt and revolving facility are committed; subject to financial covenants tested quarterly; and mature at the end of October 2021. The Group also has shareholder loan notes with a repayment date within 12 months which have been extended after the year end for a further five years.

Despite the negative equity at Group, the directors believe the Group is well placed to manage its business risks and are of the opinion that the Group and Company have adequate resources to continue its operations for at least 12 months after the date of signing the financial statements. In order to arrive at this opinion, the Group has prepared forecasts extending to December 2022 considering trade, liquidity and covenant compliance and continues to monitor the market situation for each of the businesses. The Directors are satisfied that the Group can operate for at least 12 months after the date of signing the financial statements.

### **Post balance sheet event**

After the balance sheet date, the repayment date of the shareholder loan notes has been extended to the earliest of the date of exit (substantial change in major shareholder) or 31 December 2026.

### **Employee involvement**

Group policy requires that employees be kept up to date with the future of the Company and Group through a wide range of internal communications. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

### **Equal opportunities and employment of disabled persons**

Group policy is to find the best qualified person for each job and to make sure that training and promotion possibilities are open to all employees, regardless of sex, sexual orientation, disability, race, colour, religion, age, marital status, nationality or ethnic origin.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

# Angus International Safety Group Limited

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

### Energy and Carbon Reporting

The directors have not disclosed information required by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as the Company meets the definition of a low energy consumer, having consumed less than 40,000 kWh of energy during the period. In accordance with the legislation, Information has also not been disclosed in respect of UK trading subsidiaries which would not be required to be disclosed in those subsidiaries own directors' report.

### Health, Safety & Environmental

Safe, healthy and environmentally compliant working conditions are necessary for employees and the Group operates in compliance with its ISO 14001 Environmental Management Accreditation and best practice, whilst constantly looking for ways to improve.

### Research and development

The Group has one of the foremost technology teams in the fire protection industry. Leading edge technology enables the Group to provide customers with the widest portfolio of existing and new products.

### Financial risk management objectives

The Group's operations expose it to a variety of financial risks, the most significant being:

#### Credit risk

Where appropriate, relevant credit checks are performed on potential customers before sales are made. The amount of exposure to any individual customer is controlled by means of documentary payment methods such as Letters of Credit and through a credit limit that is monitored regularly by management and, in the case of a financially material value, by the Board.

#### Foreign exchange exposure

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group reviews the net transactional risk on a monthly basis and if appropriate will enter into forward sale and purchase contracts to mitigate these risks. No such contracts exist as at 31 December 2020.

#### Liquidity risk

Liquidity risk is managed centrally by Group Treasury through operating entities providing monthly forecasts which are aggregated for the Group to ensure sufficient funds are available for operations and to maintain sufficient headroom on the Group's undrawn committed borrowing facilities to ensure it does not breach borrowing limits or covenants in any of its borrowing facilities. The Group has a policy that surplus cash held by the operating entities is transferred to Group Treasury. Under any future working capital arrangement, this situation is expected to continue.

### Statement of Engagement with suppliers and employees

Please refer to s.172 statement in the Strategic Report, page 3.

### Statement of Directors' responsibilities

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

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



# Angus International Safety Group Limited

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

In preparing the financial statements, the directors are required to:

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

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

### Independent auditors

RSM UK Audit LLP were appointed as auditors in the year and have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

On behalf of the Board



Lynda M Guest  
Director  
11 May 2021

# **Angus International Safety Group Limited**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGUS INTERNATIONAL SAFETY GROUP LIMITED**

### **Opinion**

We have audited the financial statements of Angus International Safety Group (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 or the 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material

# Angus International Safety Group Limited

misstatement of this other information, we are required to report that fact. statements themselves. 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.

## 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.

## Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

# Angus International Safety Group Limited

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;

inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Coronavirus Job Retention Scheme (CJRS) regulations and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, testing a sample of entries included on the associated CJRS claims, reviewing tax computations and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health & safety, product certification and environmental regulations. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspected correspondence with legal advisors.

The audit engagement team identified the risk of management override of controls and the cut off of revenue recognition as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the preparation of the financial statements, cut off testing of revenue transactions on a sample basis.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

# Angus International Safety Group Limited

## 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.

RSM UK Audit LLP

Alastair John Richard Nuttall (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Bluebell House, Brian Johnson Way, Preston, PR2 5PE

12 May 2021

# Angus International Safety Group Limited

## Consolidated profit and loss account for the year ended 31 December 2020

		2020			2019		
		Before Exceptional Items £'000	Exceptional Items (note 5) £'000	TOTAL £'000	Before Exceptional Items £'000	Exceptional Items (note 5) £'000	TOTAL £'000
Note							
Revenue	2	50,435	-	50,435	70,031	-	70,031
Cost of sales		(35,423)	-	(35,423)	(47,403)	(79)	(47,482)
Gross profit		15,012	-	15,012	22,628	(79)	22,549
Distribution costs		(4,844)	-	(4,844)	(6,310)	-	(6,310)
Administrative expenses		(9,637)	(1,767)	(11,404)	(10,246)	44	(10,202)
Other operating income	3	797	-	797	-	-	-
Operating (loss)/profit	4	1,328	(1,767)	(439)	6,072	(35)	6,037
Interest receivable and similar income	7	3	-	3	178	-	178
Interest payable and similar expenses	7	(5,877)	-	(5,877)	(5,492)	-	(5,492)
Net interest expense		(5,874)	-	(5,874)	(5,314)	-	(5,314)
(Loss)/profit before taxation		(4,546)	(1,767)	(6,313)	758	(35)	723
Tax on (loss)/profit	8	(3)	363	360	(1,306)	3	(1,303)
Loss for the financial year from continuing operations		(4,549)	(1,404)	(5,953)	(548)	(32)	(580)

**Angus International Safety Group Limited**  
**Consolidated statement of comprehensive income for the year ended**  
**31 December 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
<b>Loss for the financial year</b>		<b>(5,953)</b>	<b>(580)</b>
<b>Other comprehensive (expense)/ income, net of tax</b>			
Actuarial loss on pension scheme	18	(105)	(206)
Foreign exchange translation adjustments		109	(510)
<b>Other comprehensive income/(expense), net of tax, for the year</b>		<b>4</b>	<b>(716)</b>
<b>Total comprehensive expense for the year</b>		<b>(5,949)</b>	<b>(1,296)</b>

# Angus International Safety Group Limited

## Consolidated and company balance sheets as at 31 December 2020

	Note	Group		Company	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed Assets</b>					
Intangible assets	9	7,911	10,359	-	-
Tangible assets	10	3,142	3,391	-	-
Investments	11	-	-	362	362
		<b>11,053</b>	<b>13,750</b>	<b>362</b>	<b>362</b>
<b>Current Assets</b>					
Inventories	12	8,877	11,150	-	-
Debtors	13	14,432	13,449	39,728	37,372
Cash at bank and in hand		3,757	2,619	-	-
		<b>27,066</b>	<b>27,218</b>	<b>39,728</b>	<b>37,372</b>
<b>Total Assets</b>		<b>38,119</b>	<b>40,968</b>	<b>40,090</b>	<b>37,734</b>
<b>Capital and reserves</b>					
Called up share capital	19	10	10	10	10
Share premium account		236	236	236	236
Accumulated losses at 1 January		(21,353)	(20,057)	(15,918)	(12,409)
Loss for the financial year		(5,949)	(1,296)	(3,578)	(3,509)
Accumulated losses at 31 December		(27,302)	(21,353)	(19,496)	(15,918)
<b>Total Shareholders' deficit</b>		<b>(27,056)</b>	<b>(21,107)</b>	<b>(19,250)</b>	<b>(15,672)</b>
<b>Liabilities due within one year</b>					
Creditors: amounts falling due within one year	14	13,188	12,001	11,934	9,094
Bank loans and overdrafts due within one year	15	1,902	-	-	-
Shareholder loans due within one year	15	47,406	-	47,406	-
		<b>62,496</b>	<b>12,001</b>	<b>59,340</b>	<b>9,094</b>
<b>Liabilities due in greater than one year</b>					
Bank loan and overdrafts due in greater than one year	15	-	2,478	-	-
Shareholder loans due in greater than one year	15	-	44,312	-	44,312
<b>Total Liabilities due in greater than one year</b>		<b>-</b>	<b>46,790</b>	<b>-</b>	<b>44,312</b>
Provisions for liabilities	17	860	1,668	-	-
Pension liabilities	18	1,819	1,616	-	-
<b>Total Liabilities and Equity</b>		<b>38,119</b>	<b>40,968</b>	<b>40,090</b>	<b>37,734</b>

The notes on pages 18 to 47 are an integral part of these financial statements.

The financial statements on pages 12 to 47 were approved and authorised by the Board of Directors on 27 April 2021 and are signed on their behalf by:

Lynda M Guest, Director, 11 May 2021

Angus International Safety Group Limited: Registered No 08441763



# Angus International Safety Group Limited

## Consolidated statement of changes in equity for the year ended 31 December 2020

	Called -up share capital £'000	Share Premium Account £'000	Accumulated losses £'000	Total shareholders' deficit £'000
Balance as at 1 January 2019	10	236	(20,057)	(19,811)
Loss for the financial year	-	-	(580)	(580)
Other comprehensive income for the year	-	-	(716)	(716)
Total comprehensive expense for the year	-	-	(1,296)	(1,296)
Balance as at 31 December 2019	10	236	(21,353)	(21,107)

	Called -up share capital £'000	Share premium account £'000	Accumulated losses £'000	Total shareholders' deficit £'000
Balance as at 1 January 2020	10	236	(21,353)	(21,107)
Loss for the financial year	-	-	(5,953)	(5,953)
Other comprehensive income for the year	-	-	4	4
Total comprehensive expense for the year	-	-	(5,949)	(5,949)
Balance as at 31 December 2020	10	236	(27,302)	(27,056)

# Angus International Safety Group Limited

## Company statement of changes in equity for the year ended 31 December 2020

	<b>Called-up share capital</b>	<b>Share premium account</b>	<b>Accumulated losses</b>	<b>Total shareholders' deficit</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance as at 1 January 2019	10	236	(12,409)	(12,163)
Loss for the financial year	-	-	(3,509)	(3,509)
Total comprehensive expense for the year	-	-	(3,509)	(3,509)
<b>Balance as at 31 December 2019</b>	<b>10</b>	<b>236</b>	<b>(15,918)</b>	<b>(15,672)</b>

	<b>Called-up share capital</b>	<b>Share premium account</b>	<b>Accumulated losses</b>	<b>Total shareholders' deficit</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance as at 1 January 2020	10	236	(15,918)	(15,672)
Loss for the financial year	-	-	(3,578)	(3,578)
Total comprehensive expense for the year	-	-	(3,578)	(3,578)
<b>Balance as at 31 December 2020</b>	<b>10</b>	<b>236</b>	<b>(19,496)</b>	<b>(19,250)</b>

# Angus International Safety Group Limited

## Consolidated statement of cash flows for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Net cash from operating activities</b>	24	<b>5,659</b>	<b>6,908</b>
Taxation (paid)/received		(1,041)	136
<b>Net cash generated from operating activities</b>		<b>4,618</b>	<b>7,044</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	10	(465)	(214)
Interest received	7	3	-
<b>Net cash (used in)/generated from investing activities</b>		<b>(462)</b>	<b>(214)</b>
<b>Cash flow from financing activities</b>			
Repayment of borrowings	25	(2,769)	(6,400)
Interest paid		(279)	(209)
<b>Net cash used in financing activities</b>		<b>(3,048)</b>	<b>(6,609)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>1,108</b>	<b>221</b>
Cash and cash equivalents at the beginning of the year		2,619	2,735
Exchange gains/(losses) on cash and cash equivalents		30	(337)
<b>Cash and cash equivalents at the end of the year</b>		<b>3,757</b>	<b>2,619</b>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		3,757	2,619
<b>Cash and cash equivalents</b>		<b>3,757</b>	<b>2,619</b>

# Angus International Safety Group Limited

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

### 1 Accounting policies

#### General Information

Angus International Safety Group Limited ('the Company') is a private company limited by shares and is incorporated in the United Kingdom. It is registered in England and the address of its registered office is Station Road, High Bentham, Near Lancaster LA2 7NA. The principal activities of the Company is that of a holding company and the principal activity of its subsidiaries ('the Group') are the design, manufacture and sale of a comprehensive range of fire safety products, encompassing both fire & industrial hose products, firefighting foam concentrates, powder and engineered products in to global Aviation, Military, Agriculture, Mining, Municipal, Petrochem Oil & Gas (both offshore and onshore) markets.

#### Statement of compliance

The Group and individual financial statements of Angus International Safety Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented.

##### a. Basis of accounting

The financial statements of the Company and Group have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in paragraph y.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

##### b. Going concern

The Group meets its day-to-day working capital requirements through its own cash generation and its bank facilities (being term debt and a revolving facility/overdraft). The term debt is committed; subject to financial covenants tested quarterly; and matures at the end of October 2021. The revolving facility is committed; subject to covenants; and matures in October 2021. The Group also has shareholder loan notes with a repayment date within 12 months. After the balance sheet date the maturity date of the shareholder loan notes has been re-negotiated (see Note 26).

Despite the negative equity at Group, the directors believe the Group is well placed to manage its business risks and are of the opinion that the Group and Company have adequate resources to continue its operations for at least 12 months after the date of signing the financial statements. In order to arrive at this opinion, the Group has prepared forecasts extending to December 2022 considering trade, liquidity and covenant compliance and continues to monitor the market situation for each of the businesses. The Directors are satisfied that the Group can operate for at least 12 months after the date of signing the financial statements.

# Angus International Safety Group Limited

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

### 1 Accounting policies (continued)

#### c. Exemptions for qualifying entities under FRS 102

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions:

- i. From preparing a statement of cash flows, as required by paragraph 3.17(d) of FRS102, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- ii. From the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS102;
- iii. From the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12 (a)(iv) of FRS102; and
- iv. From the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS102.

#### d. Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

#### e. Foreign currencies

##### i) *Functional and presentation currency*

The Group financial statements are presented in pound sterling and rounded to thousands.

The Company's functional and presentation currency is the pound sterling.

##### ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using an average rate for the year.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical-cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value is determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within administrative expenses and net interest expense.

# Angus International Safety Group Limited

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

### 1 Accounting policies (continued)

#### e. Foreign currencies (continued)

##### iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end.

Foreign exchange gains and losses resulting from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

#### f. Foreign exchange on intercompany

Exchange gains and losses in respect of the retranslation of intercompany balances and loans in a currency other than a subsidiary's functional currency are recognised within interest receivable and similar income or interest payable and similar expenses.

#### g. Revenue

Revenue represents amounts receivable for goods and services, net of value added tax and similar based taxes, recognised on transfer of title, other than where revenue relates to long term contracts, as the directors consider this to be the point at which the risks and rewards of ownership pass to the customer.

Long term contract work in progress is valued at cost, less any foreseeable losses. No profits are included until the outcome of contracts can reasonably be foreseen, at which time estimated profit proportional to turnover is reflected in the financial statements. The related accrued sale is recognised as a current debtor in the balance sheet. Turnover is calculated as a proportion of the total contract value which costs incurred to date bear to total expected costs for that contract.

Where payments are received from customers in advance of services provided, the amounts are recorded as part of Creditors: amounts falling due within one year. Where long term contract accounting is applied the balance is classified as payment on account. Where the receipt is in relation to a non-contract accounting balance, it is classified as deferred income.

#### h. Government Grants

Income from government grants is presented within other operating income. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The choice of the performance model or accrual model is available on a class-by-class basis. Grants are recognised as income when the associated performance conditions (such as the creation of jobs) are met.

#### i. Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

# Angus International Safety Group Limited

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

### 1 Accounting policies (continued)

#### j. Employee Benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### i) *Defined contribution pension plans*

The Group operates a number of country specific defined contribution plans for its employees which are financially independent from the Group. Amounts payable to the schemes are charged to the statement of comprehensive income in the year in which they arise.

US employees are offered a 401k scheme through a Professional Employers Organisation (PEO), which has a defined contribution level from the company. Due to the arrangement with the PEO, the US salary costs are shown including pension costs.

The Group has a provision for retirement indemnities liabilities for its French subsidiaries in accordance with the collective bargaining agreements applicable at each company.

Within France the employees receive a French retirement indemnity which is a lump sum paid by the company to the employee when he/she retires. The amount of this benefit depends on the length of service of the employee at the retirement date and is prescribed by collective bargaining agreements. Those agreements are negotiated by Unions' representatives of the employer and of the employees, by the sector of activity and at a national level. Their application is compulsory. The retirement indemnities are not linked to other French standard retirement benefits, such as pensions provided by Social Security or complementary funds (ARRCO and AGIRC).

##### ii) *Annual bonus plan*

The Group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

#### k. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### i) *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

##### ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

# Angus International Safety Group Limited

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

### 1 Accounting policies (continued)

#### k. Taxation (continued)

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted by the period end and that are expected to apply to the reversal of timing differences.

#### l. Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities. Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Goodwill is assessed for impairment on an annual basis.

#### m. Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Goodwill Over 10 years

Amortisation is charged to administrative expenses in the Profit and loss account.

#### n. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated using the straight-line method so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

- Buildings - over 10 years
- Plant and machinery and vehicles - 3 – 20 years
- Land is not depreciated

No depreciation is charged in respect of costs incurred on capital projects in the course of construction.

Repairs and maintenance costs are expensed as incurred.

#### o. Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying



# **Angus International Safety Group Limited**

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

### **1 Accounting policies (continued)**

#### **o. Impairment of assets (continued)**

amount is reduced to its estimated recoverable amount and an impairment loss is immediately recognised in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

#### **p. Investments**

Fixed asset investments are held at historic cost less any appropriate provision for impairment.

#### **q. Leased assets**

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### *i) Operating leases*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

#### **r. Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in the other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

#### **s. Inventories**

Inventories are stated at the lower of historical cost and estimated selling price less costs to complete and sell and are measured using the standard cost method. Inventories are recognised as an expense in the period in which the related revenue is recognised.

# Angus International Safety Group Limited

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

### 1 Accounting policies (continued)

#### s. Inventories (continued)

Raw materials, consumables and supplies are measured at standard cost or, taking account of the principle of lower of cost or market value, at lower market values as of the reporting date. Appropriate valuation allowances are applied to inventories which are obsolete, second-hand, damaged or slow-moving.

Work in progress and finished goods are measured at production cost. Production cost comprises, if applicable, direct material costs, direct labour costs and special costs of production, appropriate indirect material costs, indirect labour costs, depreciation and amortisation of fixed assets and administrative overheads that are attributable to the production process.

#### t. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts.

#### u. Research and development

Expenditure on research and development is written-off in the year in which it is incurred.

#### v. Provisions and contingencies

##### i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular:

- i) Restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- ii) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

##### ii) Contingencies

Contingent liabilities are not recognised and arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised.

# Angus International Safety Group Limited

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

### 1 Accounting policies (continued)

#### w. Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### i) *Financial assets*

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### ii) *Financial liabilities*

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

##### iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

# Angus International Safety Group Limited

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

### 1 Accounting policies (continued)

#### w. Financial Instruments (continued)

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedging relationship ends. Hedging is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

#### x. Related party disclosures

The Company has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The Group discloses transactions with related parties which are not wholly owned with the same group in note 22.

#### y. Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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.

##### i) *Taxation*

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. See note 16, provisions for liabilities, for the notes to the deferred tax asset.

##### ii) *POC accounting*

Revenue on long term contracts is recognised on a stage of completion basis and therefore management judgement is required on assessing the stage of completion, including consideration of the forecast costs. If subsequent actual costs were to differ significantly to management's forecast costs, this could result in a material adjustment. Amounts recognised in accruals and deferred income, see note 13.

##### iii) *Impairment of non-financial assets*

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and forecast for the next four years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows growth rate used for extrapolation purposes. In the current year, no impairment has been recognised in Intangible fixed assets, see note 8.

# Angus International Safety Group Limited

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

### 2 Revenue

The analysis of revenue by geographical area is set out below:

	2020	2019
	Group	Group
	£'000	£'000
Europe, Middle East and Africa	22,690	30,595
Americas	16,696	25,463
Asia and Australasia	7,531	9,934
United Kingdom	3,518	4,039
<b>Total</b>	<b>50,435</b>	<b>70,031</b>

### 3 Other operating income

During the year other operating income of £797,000 (2019 - £nil) was received from the Coronavirus Job Retention Scheme in the UK and the Paycheck Protection Program (PPP) Loan scheme in the USA. At the balance sheet date, an application for loan forgiveness had been submitted and in the opinion of the Directors, all conditions for forgiveness had been met and there was reasonable assurance that the full loan value would be forgiven. Loan amounts have therefore been treated as income in the current year. After the Balance Sheet date, confirmation of loan forgiveness has been received.

### 4 Operating (loss)/profit

	2020	2019
	Group	Group
	£'000	£'000
Operating profit/(loss) is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets (see note 10)	716	849
Goodwill amortisation (see note 9)	2,385	2,385
Research and development expenditure	1,033	1,143
Auditors' remuneration for:		
Statutory audit services	100	150
Tax compliance services	41	-
Tax compliance services paid to former auditor	45	61
Exchange (gains)/losses	54	(8)
Operating lease charges		
- land and buildings	293	219
- plant and machinery	364	346

# Angus International Safety Group Limited

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

### 5 Exceptional Items

Profit/(loss) before taxation is arrived at after charging/ (crediting) the following exceptional items:

	Note	2020 Group £'000	2019 Group £'000
Rectification Costs	(i)	=	79
Cost of sales		=	79
Reorganisation Costs	(ii)	1,204	55
Legal and professional costs	(iii)	563	=
Gain on disposal of business assets	(iv)	=	(99)
Administrative expenses		1,767	(44)

- (i) In the prior year the group incurred costs of £79,000 as a result of a sales order cancellation in 2018. The costs include legal fees.
- (ii) During the year exceptional costs of £1,204,000 (2019 - £55,000) were incurred as a result of aligning the organisation and re-focussing the activities of the Group.
- (iii) Legal and professional fees of £563,000 (2019 - £nil) were incurred in the year in relation to defending legal cases in the USA (see note 19).
- (iv) The credit arising in the prior year of £99,000 relates to the release of a provision for legal fees associated with a sale of USA assets in 2018 that was no longer required at the prior year end.

# Angus International Safety Group Limited

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

### 6 Employees and directors

#### Directors

The directors' emoluments were as follows:

	2020	2019
	Group	Group
	£'000	£'000
Aggregate emoluments	1,022	1,270

Post-employment benefits are accruing for four directors (2018: four) under a defined contribution scheme to which the Group contributed £23,000 (2019 - £32,000).

Highest paid Director	2020	2019
	Group	Group
	£'000	£'000
Total emoluments	363	548

The highest paid director is a member of the Angus UK Retirement Savings Plan, a defined contribution scheme to which the Group contributed £6,000 (2019 - £10,000).

Remuneration paid to directors by the Company is £nil (2020: £nil). Staff costs paid to the directors are included in Angus Holdings Safety Group Limited and Eau et Feu SAS, subsidiary companies, and are not recharged to Angus International Safety Group Limited.

# Angus International Safety Group Limited

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

### 6 Employees and directors (continued)

The average monthly number of persons (including executive directors) employed by the Group and the Company during the year was:

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Production	171	186	-	-
Selling and distribution	51	57	-	-
Administration	30	28	-	-
	252	271	-	-
<b>Staff costs (for the above persons)</b>				
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Wages and salaries	12,316	12,512	-	-
Social security costs	1,572	1,673	-	-
Other pension costs	685	770	-	-
	14,573	14,955	-	-

Pension costs are the current service costs for the UK defined contribution scheme and the French defined benefit scheme. US pension costs 401k are included in wages and salaries due to the arrangement with the Professional Employer Organisation.



# Angus International Safety Group Limited

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

### 7 Net interest expense

#### Interest receivable and similar income

	2020	2019
	Group	Group
	£'000	£'000
Foreign exchange gains on intercompany and bank loans	-	178
Other interest	3	-
<b>Interest receivable and similar income</b>	<b>3</b>	<b>178</b>

#### Interest payable and similar expenses

	2020	2019
	Group	Group
	£'000	£'000
Bank loan interest payable	279	209
Shareholder loan interest payable	5,071	4,890
Amortisation of debt issue costs	267	355
Interest cost on pension	12	23
Other interest	248	15
<b>Total interest payable and similar expenses</b>	<b>5,877</b>	<b>5,492</b>

# Angus International Safety Group Limited

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

### 8. Tax on (loss)/profit

	2020	2019
	Group	Group
	£'000	£'000
<b>a) Tax (credit)/charge included in profit or loss</b>		
<b>Current tax:</b>		
Foreign corporation tax on profits for the year	17	901
Adjustments in respect of prior periods	73	40
Total current tax charge	90	941
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(223)	293
Adjustments in respect of prior periods	(207)	21
Change in tax rates	(20)	48
Total deferred tax credit (note 16)	(450)	362
<b>Tax credit on profit/(loss)</b>	<b>(360)</b>	<b>1,303</b>
<b>b) Reconciliation of tax credit</b>		
Tax assessed for the year is higher than (2019: higher) the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The difference is explained below:		
	2020	2019
	Group	Group
	£'000	£'000
<b>Profit/(loss) before taxation</b>	<b>(6,313)</b>	<b>723</b>
Profit/(loss) before taxation at the UK tax rate 19% (2019 – 19% )	(1,200)	137
Expenses not deductible for tax purposes	715	597
R&D tax credit	(71)	(71)
Movement on unrecognised deferred tax/(tax losses)	276	443
Adjustments in respect of prior periods	(134)	61
Impact of overseas tax rates	74	88
Re-measurement of deferred tax – change in tax rates	(20)	48
<b>Tax (credit)/charge for the year</b>	<b>(360)</b>	<b>1,303</b>

## Angus International Safety Group Limited

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

#### 8. Tax on profit/(loss) (continued)

##### c) Factors affecting future tax charge

A change to the future UK corporation tax rate was announced in the March 2021 Budget. The rate will increase to 25% with effect from 1 April 2023. This change had not been substantively enacted at the balance sheet date and therefore is not recognised in these financial statements. The effect of this change, if it applied to the deferred tax balance at 31 December 2020, would be to increase the deferred tax asset by £73,000.

#### 9. Intangible fixed assets

Group	Goodwill £'000
Cost at 1 January 2020	26,279
Foreign exchange translation adjustment	(379)
<b>At 31 December 2020</b>	<b>25,900</b>
Accumulated amortisation	
At 1 January 2020	15,920
Provided during the year	2,385
Foreign exchange translation adjustment	(316)
<b>At 31 December 2020</b>	<b>17,989</b>
<b>Net book amount at 31 December 2020</b>	<b>7,911</b>
Net book amount at 31 December 2019	10,359

Goodwill arising on the acquisition of the assets and trade of two divisions from two Kidde Subsidiaries of United Technologies Corporation in 2013 is being amortised evenly over the Directors' estimate of its useful life of 10 years.

# Angus International Safety Group Limited

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

### 10 Tangible assets

Group	Land and buildings	Plant and machinery and vehicles	Total
Cost	£'000	£'000	£'000
At 1 January 2020	2,998	7,943	10,941
Additions	30	435	465
Disposals	-	(37)	(37)
Exchange adjustments	(4)	66	62
At 31 December 2020	3,024	8,407	11,431
Accumulated depreciation			
At 1 January 2020	1,781	5,769	7,550
Charge for the year	151	565	716
Disposals	-	(37)	(37)
Exchange adjustments	(12)	72	60
At 31 December 2020	1,920	6,369	8,289
Net book value			
At 31 December 2020	1,104	2,038	3,142
At 31 December 2019	1,217	2,174	3,391

All land and buildings relate to freehold property.

### 11 Investments

	Group		Company	
Subsidiary undertakings	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Angus Holdings Safety Group Limited	-	-	362	362

The Company owns 100% of the issued share capital of Angus Holdings Safety Group Limited, a non-trading company registered in England and Wales. The directors consider the value of investments to be supported by their underlying assets. The indirect subsidiaries of the Company are Angus Fire Limited, National Foam (Holdco) Inc., National Foam Inc., Eau et Feu SAS, Vanrullen Uniser SAS and Angus Flexible Pipelines Australia Pty. Limited, all of which are 100% owned by Angus Holdings Safety Group Limited (see note 22).

# Angus International Safety Group Limited

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

### 12 Inventories

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Raw materials	2,900	3,346	-	-
Work in progress	1,445	2,868	-	-
Finished goods	4,532	4,936	-	-
<b>At 31 December</b>	<b>8,877</b>	<b>11,150</b>	<b>-</b>	<b>-</b>

Inventories are stated after provisions for impairment of £2,310,000 (2019 - £3,466,000).

### 13 Debtors

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	10,431	9,948	-	-
Amounts owed by group undertakings	-	-	39,417	36,991
Corporation tax receivable	42	3	-	-
Other debtors	503	1,266	220	337
Amounts recoverable on contracts	709	657	-	-
Deferred tax asset (note 16)	1,406	1,017	59	44
Prepayments and accrued income	1,341	558	32	-
<b>At 31 December</b>	<b>14,432</b>	<b>13,449</b>	<b>39,728</b>	<b>37,372</b>

Trade debtors are stated after provision for impairment of £1,350,000 (2019 - £1,251,000).

Included within amounts due from group companies is an amount of £37,050,000 (2019: £36,992,000) which, whilst technically due on demand is expected to be recovered in a period greater than one year. The amounts are unsecured and accrue interest at a rate of 11%.

Included in the deferred tax asset is an amount of £1,188,000 (2019: £1,017,000) that is considered to be recoverable after 12 months.

# Angus International Safety Group Limited

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

### 14 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Payments received on account	1,883	525	-	-
Trade creditors	8,131	7,636	25	-
Amounts owed to group undertakings	-	-	11,461	9,044
Foreign tax payable	7	848	-	-
Other creditors	505	520	-	-
Other taxation and social security	451	394	-	-
Accruals and deferred income	2,211	2,078	448	50
<b>At 31 December</b>	<b>13,188</b>	<b>12,001</b>	<b>11,934</b>	<b>9,094</b>

Included within amounts owed to group companies is an amount of £9,275,000 (2019:£7,095,000). The company has received an undertaking from the directors of the group companies that repayment will not be required in the next 12 months. Amounts are unsecured and non- interest-bearing.

# Angus International Safety Group Limited

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

### 15 Loans and other borrowings

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Bank loans and overdrafts</b>				
Due within one year or on demand	1,902	-	-	-
Amounts due after more than one year	-	2,478	-	-
<b>Total bank loans and overdrafts</b>	<b>1,902</b>	<b>2,478</b>	<b>-</b>	<b>-</b>
<b>Shareholder loans</b>				
Amounts due within one year	47,406	-	47,406	-
Amounts due after more than one year	-	44,312	-	44,312
<b>Total shareholder loans</b>	<b>47,406</b>	<b>44,312</b>	<b>47,406</b>	<b>44,312</b>
<b>Total borrowings</b>	<b>49,308</b>	<b>46,790</b>	<b>47,406</b>	<b>44,312</b>
<b>Due within one year or on demand</b>				
Bank loans and overdraft (Secured)	1,902	-	-	-
Shareholder loan notes (Secured)	23,433	-	23,433	-
Shareholder loan notes (Unsecured)	23,973	-	23,973	-
<b>Total due within one year or on demand</b>	<b>49,308</b>	<b>-</b>	<b>47,406</b>	<b>-</b>
<b>Due after one year but within five years</b>				
Bank loans and overdraft (Secured)	-	2,478	-	-
Shareholder loan notes (Secured)	-	21,903	-	21,903
Shareholder loan notes (Unsecured)	-	22,409	-	22,409
<b>Total due after one year but within five years</b>	<b>-</b>	<b>46,790</b>	<b>-</b>	<b>44,312</b>
<b>Total borrowings</b>	<b>49,308</b>	<b>46,790</b>	<b>47,406</b>	<b>44,312</b>

The bank borrowings of £1,902,000 (2019 - £2,478,000 ) are denominated in US dollars and comprise:

- Bank loans of £2,046,000 (2019 - £2,795,000 ), net of unamortised issue costs of £144,000 (2019 - £317,000 ), translated at the balance sheet date. The outstanding principle amount on the loan is \$2,794,000 (2019 - \$3,691,000).
- £50,000 of foreign exchange gains (2019 £82,000 losses) arising on the translation of the US Dollar denominated loan at the balance sheet date, being the difference between the historic exchange rate and the year-end spot rate.

At the year-end the Group had the following facility arrangements with the banks:

- Term Debt: \$17,052,000 facility which was fully drawn in 2016 and is due to be fully repaid in 2021. \$905,000 was repaid in the year, (2019 - \$2,002,000). No further repayments are payable until 2021 when the balance of \$2,794,000 is repayable. Interest is payable on the debt at a margin of 3.0% per annum. There is no facility for further drawdowns on this facility.

# Angus International Safety Group Limited

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

### 15 Loans and other borrowings (continued)

- b) Overdraft /RCF: £5,000,000 for a 1 year facility expiring in October 2021, secured against the assets of the Group. Interest is payable at a margin of 3.0% – 4.0% per annum subject to a Senior leverage calculation each quarter. At the year end, the RCF was not utilised.
- c) Bonding Facility: £10,000,000 for a 5 year facility expiring in October 2021 of which £3,374,000 is drawn in guarantees as at 31 December 2020 (2019 £3,912,000) and £324,000 (2019: nil) is set aside under a standby letter of credit (activated upon contract performance failure).

The bank debt is secured on the assets and undertakings of the Group and ranked ahead of shareholder loan notes.

Shareholder loans of £47,406,000 (2019 - £44,312,000) comprise:

Loan notes of £17,989,000 (2019 £20,059,000), £29,418,000 (2019 £24,347,000) of accrued interest. During the year, issue costs were fully amortised (2019 £94,000 of unamortised issue costs).

The Group has the following arrangements with the Shareholders:

- a) A1 loan notes: £8,393,000 secured, listed on the International Stock Exchange
- b) A2 loan notes: £8,393,000 unsecured, listed on the International Stock Exchange
- c) B loan notes: £205,000 subordinated unsecured
- d) C1 loan notes: £499,000 secured
- e) C2 loan notes: £499,000 unsecured

All shareholder loans bear interest at 11% compounded. The secured loan notes are secured on the assets and undertakings of the Group. Loan notes are repayable on the earliest date of exit (substantial change in major shareholder) or 31 December 2021 (see Note 26 – Post balance sheet event).



# Angus International Safety Group Limited

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

### 16 Provisions for liabilities

Group	Warranty provision £'000	Total £'000
At 1 January 2020	1,647	1,647
Charged to profit and loss account	312	312
Releases	(1,052)	(1,052)
Utilised within the year	(47)	(47)
At 31 December 2020	860	860

#### Warranty Provision

The provision is an estimate of future liabilities, based on current known claims and historic claims and experience. Included in the provision is an amount of £560,000 (2019: £1,267,000) relating to product with a ten-year warranty period. Due to the uncertainty regarding when a claim may be made during this period, the value of the provision has not been discounted over the life of the warranty period as required by FRS102.

Deferred tax	2020 £'000	2019 £'000
Asset at start of year	996	1,391
Deferred tax credit/(charge) to profit and loss account	245	(341)
Adjustments in respect of prior periods	203	(21)
Translation differences to reserves	(38)	(33)
<b>Total deferred tax asset</b>	<b>1,406</b>	<b>996</b>
Accelerated capital allowances	92	27
Other short term timing differences	1,314	969
<b>At 31 December</b>	<b>1,406</b>	<b>996</b>
<b>Analysis in Balance Sheet</b>		
Deferred tax asset - Debtors	1,406	1,017
Deferred tax liability – Provision for liabilities	-	(21)

# **Angus International Safety Group Limited**

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

### **16 Provisions for liabilities (continued)**

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be available taxable profits from which the future reversal of the timing differences can be deducted. Deferred tax assets of £nil (2019 £237,000 ) and £1,841,000 (2019 £1,230,000) have not been recognised as at 31 December 2020 in relation to the Group's French operations and UK operations respectively.

The company has a deferred tax asset as at 31 December 2020 of £59,000 (2019 - £44,000).

The deferred tax asset expected to reverse in 2021 is £217,000 (2020: £444,000).

### **17 Post-employment benefits**

The majority of the UK employees are members of the Angus UK Retirement Savings Plan, a Scottish Widows Personal Pension Scheme. This is a defined contribution scheme for which the employer costs of £451,000 (2019 - £451,000) are charged to the profit and loss account in the year as incurred. There are no prepayments or amounts outstanding as at 31 December 2020 (2019 – £nil).

US employees are offered a 401k scheme through the Professional Employers Organisation, which is a defined contribution scheme for the Group. Due to the arrangement with the PEO, the US salary costs are shown including pension costs.

The Group has a provision for retirement indemnities liabilities for its French subsidiaries in accordance with the collective bargaining agreements applicable at each company. The plan is unfunded by the Group.

Within France the employees receive a French retirement indemnity which is a lump sum amount paid by the French Company to the employee when he/she retires. The amount of this benefit depends on the length of service of the employee at the retirement date and is prescribed by collective bargaining agreements. Those agreements are negotiated by Unions' representatives of the employer and of the employees, by the sector of activity and at a national level. Their application is compulsory. The retirement indemnities are not linked to other French standard retirement benefits, such as pensions provided by Social Security or complementary funds (ARRCO and AGIRC).

A full actuarial valuation of the Group's French pension schemes was performed by Mercer Consulting (France) as at 31 December 2020. The schemes liabilities are estimated using the projected unit credit method. Under this method each participant's benefits under the scheme are attributed to years of service, taking into consideration the scheme's benefit allocation formula.

# Angus International Safety Group Limited

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

### 17 Post-employment benefits (continued)

	2020 £'000	2019 £'000
At 1 January	1,616	1,475
Current service cost	110	92
Interest cost	12	23
Benefits paid from plan	(78)	(71)
Actuarial loss	105	206
Liabilities extinguished on curtailment	(39)	(31)
Exchange loss	93	(78)
<b>Benefit obligation at 31 December</b>	<b>1,819</b>	<b>1,616</b>
<b>Present value of unfunded obligations</b>		
<b>Net Liability</b>		
Discount rates	0.70%	1.60%
Rate of increase in salaries	2.00%	2.00%
Rate of inflation	2.00%	2.00%
Withdrawal rate	0.00%	0.00%

Current service cost and interest are charged to administrative expenses and interest respectively in the consolidated profit and loss account. The total charge recognised in the profit and loss account is £122,000 (2019: £115,000). The actuarial loss is shown in the consolidated statement of comprehensive income.

## Angus International Safety Group Limited

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

#### 18 Called up share capital

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
<b>Allotted, and fully paid</b>				
705,505 - A1 Ordinary Shares at £0.002	1,411	1,411	1,411	1,411
1,416,375 - A2 Ordinary Shares at £0.002	2,833	2,833	2,833	2,833
396,175 - B1 Ordinary Shares at £0.01	3,962	3,962	3,962	3,962
13,430 - B2 Ordinary Shares at £0.025	336	336	336	336
60,433 - B3 Ordinary Shares at £0.01	604	604	604	604
13,430 - deferred Ordinary Shares at £0.015	201	201	201	201
80,578 - C1 Ordinary Shares at £0.005	403	403	403	403
13,430 - C2 Ordinary Shares at £0.05	672	672	672	672
<b>Total called up share capital</b>	<b>10,422</b>	<b>10,422</b>	<b>10,422</b>	<b>10,422</b>

The rights attached to each class of share are available from documentation filed with Companies House.

#### 19 Contingent liabilities

The Company and the Group are party to a loan note arrangement with its bankers through Angus Holdings Safety Group Limited whereby it has guaranteed the loans for the purchase of subsidiary assets (note 14).

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amount of guarantees in respect of performance bonds	3,374	3,916	-	-
Import letters of credit	-	2,120	-	-
Standby letters of credit	324	-	-	-

Performance bonds are in respect of guarantees to customers against product performance/failure issues of completed long term contracts. A standby letter of credit was issued during the year to a subsidiary's customer in respect of contract delivery and performance.

# Angus International Safety Group Limited

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

### 19 Contingent liabilities (continued)

During the latter part of 2016 claims were made in the USA against several foam manufacturers which included National Foam Inc. The Directors believe that the claims have no merit and therefore no provision has been made at the year-end (2019 - £nil) for any future costs relating to these matters. Costs incurred in the current year are disclosed in Note 4 – exceptional items. The timing of the resolution of proceedings is uncertain.

### 20 Capital and other commitments

At 31 December, the Group had the following capital commitments:

	2020	2019
	£'000	£'000
Contracts for future capital expenditure not provided in the financial statements		
– Property, plant and equipment	111	-

The Group had the following future minimum leases payments under non-cancellable operating leases for each of the following periods:

#### Land and buildings

	2020	2019
	£'000	£'000
Not later than one year	249	252
Later than one year and not later than five years	379	521
Later than five years	4	15
At 31 December	632	788

#### Plant and machinery

	2020	2019
	£'000	£'000
Not later than one year	263	273
Later than one year and not later than five years	208	298
At 31 December	471	571

The Company had no capital or other commitments at 31 December 2020 (2019: £nil).

# Angus International Safety Group Limited

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

### 21 Related party transactions

Lloyds Development Capital ("LDC"), a private equity house, has invested in the Company through the following funds: LDC Fund II LP, LDC Parallel II LP and LDC Holdings ("the Funds"). As part of the financing of the acquisition of the businesses from United Technologies Corporation in 2013, the Funds provided loan notes of £35,206,000. The annual interest charge on these notes is 11% compounded. The balance outstanding as at 31 December 2019 is £16,785,000 principal (2019 - £18,716,000) and accrued interest is £27,454,000 (2019 - £22,722,000).

The Manager of the Funds is LDC, to whom the Group pays an annual management charge of £200,000. The balance outstanding with LDC as at 31 December 2020 relating to the management fee is £33,000 (2019 - £17,000).

The Chairman, non-executive director and management directors are shareholders of the Company. As part of the financing of the acquisition of the businesses, loan notes were provided of £2,432,000. Post-acquisition, additional loan notes of £100,000 were provided. The annual interest charge on these notes is 11% compounded. The balance of the loan notes as at 31 December 2020 is £1,204,000 (2019 - £1,343,000), and the accrued interest charge on the loan notes since acquisition is £1,964,000 (2018 - £1,625,000).

	Share subscription value	Number of shares	Class of share	Loan notes principal	Interest accrued	Total outstanding at 31 December 2020
	£'000	Number		£	£	£
C. Thomas	19	189,029	A1,A2,C1	486,916	796,418	1,283,334
C. Milburn	3	26,859	A1,A2,C2	93,822	147,838	241,660
P. Williams	25	141,012	B1	50,419	82,472	132,891
L. Guest	11	60,433	B3	21,607	34,206	55,813
C. Delle Case	10	53,719	B1	19,207	31,451	50,658
N Barker	7	40,288	B1	14,406	23,553	37,959
Other	31	188,015	B1,B2,D	62,423	103,201	165,624
	<b>106</b>	<b>699,355</b>		<b>748,800</b>	<b>1,219,139</b>	<b>1,967,939</b>

The directors consider The Moorings Consultancy Limited ("Moorings") to be a related party due to its association with the Chairman. Moorings provides management advice. During the year consultancy fees of £30,000 (2019 - £31,000) were paid or accrued for Moorings. The balance outstanding as at 31 December 2020 is £9,000 (2019 - £3,000) and is included in trade creditors or accruals

## Angus International Safety Group Limited

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

#### 22 Subsidiaries and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

Name and registered office	Country of incorporation	Nature of business	Interest
Angus Holdings Safety Group Limited – Station Road, High Bentham, Near Lancaster, LA2 7NA	UK	Management Company	100% ordinary shares
Angus Fire Limited - Station Road, High Bentham, Near Lancaster, LA2 7NA	UK	Manufacturer	100% ordinary shares
Eau et Feu SAS – Rue Aloys Senefelder, 51100, Reims	France	Manufacturer	100% ordinary shares
Vanrullen Uniser SAS – Avenue des Nations Unites, Espace Galilee, Cellule 6 Bis Z' 59270, Bailleul	France	Wholesaler	100% ordinary shares
National Foam (Holdco) Inc. - 141 Junny Road, Angier, NC 27501	USA	Holding Company	100% ordinary shares
National Foam Inc. – 141 Junny Road, Angier, NC 27501	USA	Manufacturer	100% ordinary shares
Angus Flexible Pipelines Australia Pty. Limited - 9/67 Depot Street, Banyo, Queensland 4014	Australia	Wholesaler	100% ordinary shares

#### 23 Controlling party

There is no ultimate controlling party of the Company.

# Angus International Safety Group Limited

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

### 24 Notes to the cash flow statement

	2020 Group £'000	2019 Group £'000
Loss for the financial year	(5,953)	(580)
Adjustments for:		
Tax on (loss)/profit	(360)	1,303
Net interest expense	5,874	5,314
Operating (loss)/profit	(439)	6,037
Amortisation of intangible assets	2,385	2,385
Depreciation of tangible assets	716	849
Loss on disposal of fixed assets	-	24
Post-employment benefits less payments	33	21
Other provisions movement	(787)	(85)
Working capital movements		
- Decrease/(Increase) in inventories	2,273	(1,739)
- (Increase)/Decrease in debtors	(551)	1,011
- Increase/(Decrease) in creditors	2,029	(1,595)
Cash flow from operating activities	5,659	6,908



# Angus International Safety Group Limited

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

### 25 Analysis of changes in net debt

	At 1 January 2020	Cash flows	Non cash changes	Foreign exchange movements	As at 31 December 2020
	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	2,619	1,108	=	30	3,757
<b>Cash and cash equivalents</b>					
Bank loans	(2,478)	699	(173)	50	(1,902)
Shareholder loans	(44,312)	2,070	(5,164)	-	(47,406)
<b>Borrowings</b>	<b>(46,790)</b>	<b>2,769</b>	<b>(5,337)</b>	<b>50</b>	<b>(49,308)</b>
<b>Total</b>	<b>(44,171)</b>	<b>3,877</b>	<b>(5,337)</b>	<b>80</b>	<b>(45,551)</b>

Non cash movements relate to accrued interest and amortised issue costs in the year (note 6).

### 26 Post balance sheet event

After the balance sheet date, the repayment date of the shareholder loan notes has been extended to the earliest of the date of exit (substantial change in major shareholder) or 31 December 2026.