

Angus Holdings Safety Group Limited
Annual report and financial statements
For the year ended 31 December 2017

Registered Number: 08441921



Angus Holdings Safety Group Limited
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For the year ended 31 December 2017

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Angus Holdings Safety Group Limited
Directors and advisors for the year ended 31 December 2017

Directors

Christopher J. Thomas
Paul Williams
Lynda M. Guest
Charles Delle-Case

Secretary and registered office

Nicholas E. Brown
Angus Holdings Safety Group Limited
Station Road
High Bentham
Near Lancaster
LA2 7NA

Independent Auditors

Chartered Accountants and Statutory Auditors
PricewaterhouseCoopers LLP
No 1 Spinningfields
Hardman Square
Manchester
M3 3EB

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 Holdings Safety Group Limited

Strategic Report for the year ended 31 December 2017

The Directors present their strategic report and audited financial statements of the Company for the year ended 31 December 2017.

Principal activities

The principal activities of the Company are the investment in and the management and financing of the Group's trading companies. At 31 December 2017, the Company was a 100% subsidiary of Angus International Safety Group Limited. The Company's ultimate parent company is Angus International Safety Group Limited.

Review of business and future developments

During the year exceptional costs of £93,000 (2016 - £313,000) were incurred in respect of severance costs and legal costs relating to the defence of a class action in the USA against National Foam Inc., a wholly owned subsidiary, and a number of other foam manufacturers.

After the balance sheet date, National Foam Inc., a wholly owned undertaking, disposed of its US based assets and business operations relating to its hose business in the USA. The company continues to operate its foam and systems manufacturing business in the USA.

The Company's future will be to continue to provide the funding for the subsidiaries and to ensure compliance with the bank borrowing covenants.

Business risk

The Company's main business risk is connected to exchange rates as the investment in the foreign subsidiaries are US dollar based. The board will monitor this and will implement a hedging plan to offset this risk if appropriate. During the year net exchange gains on translation of foreign assets and liabilities of £228,000 (2016 - £2.315,000 gains) were credited to the profit and loss account.

Key performance indicators

The Company has made a loss for the financial year of £3.3 million (2016 £2.3 million). As the Company is an intermediary holding company, there are no other KPIs used to monitor the Company.

Results and dividends

The profit and loss account for the year is set out on page 8. No dividend has been proposed or declared for the year.

On behalf of the Board



Lynda M Guest
Director
12 June 2018

Angus Holdings Safety Group Limited

Directors' report for the year ended 31 December 2017

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

Directors

The directors of the company during the year and as the date of this report were:

Christopher J Thomas
Paul Williams
Charles Delle-Case
Lynda M Guest

Directors' indemnities

The parent company of Angus Holdings Safety Group Limited maintains Director and Officers' liability insurance on behalf of the company which is a qualifying third party indemnity provision. This has been in place for the financial year to 31 December 2017 and remains in force at the date of this report.

Review of business and future developments

As referred to on page 2 within the Strategic Report.

Employee involvement

Company policy requires that employees be kept up to date with the future of the company through a wide range of internal communications.

Equal opportunities and employment of disabled persons

Company 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.

Health and safety

Safe and healthy working conditions are necessary for employees and business. The company's policy is to follow best practice, whilst constantly looking for ways to improve.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the parent company, Angus International Safety Group Limited. The directors have received confirmation that the parent company intends to continue its support for at least one year after these financial statements are signed.

Angus Holdings Safety Group Limited

Directors' report for the year ended 31 December 2017 (continued)

Financial risk management objectives

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

Foreign exchange exposure

The company has a risk associated with changes in exchange rates and in particular the US Dollar. Movements in exchange rates naturally hedge each other as the company has both external debt and inter-company balances denominated in this currency. The Company reviews the net risk on a monthly basis and as appropriate will enter into forward sale and purchase contracts with the banks to mitigate these risks. No such contracts exist as at 31 December 2017.

Liquidity risk

Liquidity risk is managed centrally by the company's ultimate parent company to ensure that there are sufficient funds available for the company's operation.

Results and dividends

See reference within the Strategic Report (page 2).

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual 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 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 company and of the profit or loss of the company for that period. 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, 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 company will continue in business.

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

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

Disclosure of Information to auditors

So far as each director is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken 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 company's auditors are aware of that information.

Angus Holdings Safety Group Limited

Directors' report for the year ended 31 December 2017 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, 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

A handwritten signature in black ink, appearing to read 'L M Guest', written in a cursive style.

L M Guest

Director

12 June 2018

Angus Holdings Safety Group Limited

Independent auditors' report to the members of Angus Holdings Safety Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Angus Holdings Safety Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Angus Holdings Safety Group Limited

Independent auditors' report to the members of Angus Holdings Safety Group Limited (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Ian Marsden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
12 June 2018

Angus Holdings Safety Group Limited
Profit and loss account for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Administrative expenses		(1,858)	(2,576)
Operating loss before exceptional items		(1,765)	(2,263)
Exceptional items	3	(93)	(313)
Operating loss	2	(1,858)	(2,576)
Interest receivable and similar income	6	1,419	3,558
Interest payable and similar expenses	7	(2,760)	(3,327)
Net interest (expense)/income		(1,341)	231
Loss before taxation		(3,199)	(2,345)
Tax on loss	8	(1)	7
Loss for the financial year		(3,200)	(2,338)

There is no other comprehensive income in the year ended 31 December 2017 (2016: £nil).

Angus Holdings Safety Group Limited

Balance sheet as at 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Investments	9	8,286	8,286
		8,286	8,286
Current assets			
Debtors	10	22,759	26,478
Cash at bank and in hand		-	62
Total Assets		31,045	34,826
Capital and reserves			
Called up share capital	16	362	362
Profit and loss account		(14,585)	(11,385)
Total shareholders' deficit		(14,223)	(11,023)
Liabilities due within one year			
Creditors amounts falling due within one year	11	36,087	34,523
		36,087	34,523
Liabilities due in greater than one year			
Bank loans and overdrafts	13	9,181	11,326
		45,328	45,849
Total Liabilities and equity		31,045	34,826

The notes on pages 12 to 27 are an integral part of these financial statements.

The financial statements on pages 9 to 27 were approved by the Board of Directors on 12 June 2018 and signed on its behalf by:



L M Guest
Director

Angus Holdings Safety Group Limited: Registered No 08441921

Angus Holdings Safety Group Limited

Statement of changes in equity for the year ended 31 December 2017

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£'000	£'000	£'000
Balance as at 1 January 2016	362	(9,047)	(8,685)
Loss for the financial year	-	(2,338)	(2,338)
Other comprehensive income for the financial year	-	-	-
Total comprehensive expense for the financial year	-	(2,338)	(2,338)
Balance as at 31 December 2016	362	(11,385)	(11,023)

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£'000	£'000	£'000
Balance as at 1 January 2017	362	(11,385)	(11,023)
Loss for the financial year	-	(3,200)	(3,200)
Other comprehensive income for the financial year	-	-	-
Total comprehensive expense for the financial year	-	(3,200)	(3,200)
Balance as at 31 December 2017	362	(14,585)	(14,223)

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies

General information

Angus Holdings Safety Group Limited (the 'Company') is a private limited company limited by shares and is incorporated in the United Kingdom. It is registered in England and the address of the registered office is Station Road, High Bentham, Near Lancaster, LA2 7NA.

The principal activities of the Company are investment and financing of the trading companies of the Angus International Group and the management of the research and development facility for the group.

Statement of compliance

The financial statements of Angus Holdings 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 financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and the applicable accounting standards in the UK.

b. Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company Angus International Safety Group Limited. The directors have received confirmation that the parent company intends to continue its support for at least one year after these financial statements are signed.

c. Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Angus Fire Limited is a qualifying entity as its results are consolidated into the financial statements of Angus International Safety Group Limited which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the year as required by paragraph 4.12(a)(iv) of FRS 102; and

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

c. Exemptions for qualifying entities under FRS102 (continued)

iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d. Consolidated financial statements

The Company is a wholly owned subsidiary of Angus International Safety Group Limited, its ultimate parent. It is included in the consolidated financial statements of Angus International Safety Group Limited which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

e. Foreign currencies

i) *Functional and presentation currency*

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 the spot exchange rates at the dates of the transactions.

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 was determined.

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

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. Research and Development

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

h. Exceptional items

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

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

i. Employee benefits

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

i) Short term benefits

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.

ii) Defined contribution pension plans

The Company contributes to a defined contribution pension scheme, which is financially independent from the Company. Amounts payable to the scheme are charged to the profit and loss account in the year in which they arise

j. Taxation

Taxation expense for the year 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 directly in equity. In this case tax is also recognised directly in equity.

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 taxation

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

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

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

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

k. Leased assets

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 profit and loss account on a straight-line basis over the period of the lease.

l. 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 profit and loss account, 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 profit and loss account.

If an impairment loss is subsequently reversed, 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.

m. Cash and cash equivalents

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

n. Provisions and contingencies

i) Provisions

Provisions are recognised when the Company 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 Company 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.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

n. Provisions and contingencies (continued)

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 Company'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.

o. Financial Instruments

The Company has chosen to adopt the 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 the profit and loss account.

If there is a 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 the profit and loss account.

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.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 Accounting policies (continued)

o. Financial instruments (continued)

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.

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.

p. 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 Company discloses transactions with related parties which are not wholly owned with the same group in note 17.

q. Critical accounting judgments and key sources 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) 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.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

2 Operating loss

	2017	2016
	£'000	£'000
Operating loss is stated after charging:		
Research, development and sustaining expenditure	-	25
Auditors' remuneration for:		
Tax advisory services	-	12

The tax advisory services noted above are in relation to a review of the trading relationships between the Company and its subsidiaries in the various jurisdictions and the related impacts on local taxation.

Statutory audit costs of £10,000 (2016: £10,000) and tax compliance costs payable to the Company's auditors of £10,000 (2016: £15,000) have been borne by other group companies.

3 Exceptional items

Loss before taxation is arrived at after charging the following exceptional items

	2017	2016
	£'000	£'000
Reorganisation Costs	30	168
Consultancy	-	145
Legal and professional fees	63	-
	93	313

The costs of £30,000 (2016: £168,000) relate to the severance costs of employment contracts and associated legal costs.

Legal and professional fees of £63,000 were incurred in respect of fees for the defence against a class action in the USA against National Foam Inc., a 100% owned subsidiary, and a number of other foam manufacturers.

During the prior year the Company re-structured the finance arrangements of the Group and Company. The costs of £145,000 relate to fees paid to consultants who facilitated the restructuring of the Group's financing arrangements.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

4 Directors' emoluments

	2017	2016
	£'000	£'000
Aggregate emoluments	534	494

Two directors (2016: two) are members of the Angus UK Retirement Savings Plan. Company contributions of £26,000 (2016 - £43,000) were paid to this defined contribution scheme.

Highest paid Director	2017	2016
	£'000	£'000
Total emoluments	280	273

The highest paid director is a member of the Angus UK Retirement Savings Plan, a defined contribution scheme, Company contributions were £14,000 (2016: - £22,000).

One director (2016: one) is not remunerated through this Company and the value of services provided to this Company is nil.

5 Employee information

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

By activity	2017	2016
	Number	Number
Administration	8	9

Staff costs (for the above persons)	2017	2016
	£'000	£'000
Wages and salaries	907	1,264
Social security costs	124	142
Other pension costs	71	83
	1,102	1,489

Pension costs above relate to monthly contributions to the Angus UK Retirement Savings Plan.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

6 Interest receivable and similar income

	2017	2016
	£'000	£'000
Inter-company interest receivable	1,191	1,243
Foreign exchange gains	228	2,315
Interest receivable	1,419	3,558

7 Interest payable and similar expenses

	2017	2016
	£'000	£'000
Inter-company interest payable	1,891	3,131
Bank interest payable	637	176
Amortisation of debt issue costs	232	20
Interest payable and similar expenses	2,760	3,327

8 Tax on loss

a) Tax charge/(credit) included in profit or loss

	2017	2016
	£'000	£'000
Current tax:		
Total current tax charge	-	-
Deferred tax:		
Timing differences, origination and reversal	1	1
Adjustments in respect of prior periods	-	(8)
Total deferred tax (note 15)	1	(7)
Tax on loss	1	(7)

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

8 Tax on loss (continued)

b) Reconciliation of tax charge/(credit)

The tax charge for the year is higher (2016 credit – lower) than that calculated at the standard rate of UK corporation tax.

The differences are explained below:	2017	2016
	£'000	£'000
Loss before taxation	(3,200)	(2,345)
Tax on loss at the UK tax rate 19.25% (2016– 20.0%)	(616)	(469)
Unrecognised deferred tax	470	-
Expenses not deductible for tax purposes	1	2
Adjustments in respect of prior periods	-	(8)
Group relief for nil consideration	146	468
Tax charge/(credit) for the year	1	(7)

c) Factors affecting future tax charge

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from April 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

9 Investments

Subsidiary undertakings	2017	2016
	£'000	£'000
Eau et Feu SAS	3,090	3,090
Vanrullen Uniser SAS	655	655
Angus Flexible Pipelines Australia Pty. Limited	-	-
National Foam (Holdco) Inc.	4,541	4,541
At 31 December	8,286	8,286

The Company owns 100% of the issued share capital of Angus Fire Limited (£1) registered in England and Wales, National Foam (Holdco) Inc. registered in the USA, Eau et Feu SAS and Vanrullen Uniser SAS both registered in France and Angus Flexible Pipelines Australia Pty. Limited incorporated in Australia. The directors consider the value of investments to be supported by their underlying assets.

Subsidiary undertakings	2017	2016
	£'000	£'000
At 1 January	8,286	8,286
At 31 December	8,286	8,286

10 Debtors

	2017	2016
	£'000	£'000
Trade Debtors	2	-
Amounts owed by group undertakings	22,617	26,297
Other debtors	2	35
Deferred tax asset	6	7
Prepayments and accrued income	132	139
At 31 December	22,759	26,478

Amounts owed by Group undertakings are unsecured, interest bearing at 11% for the UK business and 6.2% for the US business, and are repayable on demand.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

11 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Bank loans and overdrafts (note 13)	1,185	1,294
Trade Creditors	12	50
Amounts owed to group undertakings	34,805	32,555
Taxation and Social Security	53	120
Accruals and deferred income	32	504
At 31 December	36,087	34,523

Amounts owed to Group undertakings relate to amounts payable to Angus International Safety Group Limited which are unsecured, interest bearing at 11%, and amounts payable to Eau et Feu SAS and Vanrullen Uniser SAS which are unsecured, interest bearing at a variable interest rate of 2.16% - 2.51%. All amounts are repayable on demand.

12 Pensions and similar obligations

The Company pensions cost charge for the year was £71,000 (2016 - £83,000) which relates to the Angus UK Retirement Savings Plan. The plan was formerly provided by Zurich whose workplace pensions and savings business was sold to Scottish Widows on 3 April 2018. There are no prepayments or amounts outstanding as at 31 December 2017.

All the Company's employees are members of The Angus UK Retirement Savings Plan, which is a defined contribution plan and is funded by contributions partly from the employees and partly from the Company. The Company costs are charged to the profit and loss account as incurred.

13 Bank loans and overdrafts

	2017	2016
	£'000	£'000
Bank loans		
Amounts due within one year	1,185	1,294
Amounts due after more than one year	9,181	11,326
Total Bank loans	10,366	12,620

The bank borrowings of £10,366,000 (2016 - £12,620,000) are denominated in US dollars and comprise:

- a) Bank loans of £11,038,000 (2016 - £13,654,000) less unamortised issue costs of £672,000 (2016-£884,000), translated at the historic exchange rate. The outstanding principle amount on the loan is \$14,920,000 (2016 - \$16,626,000).

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

13 Bank loans and overdrafts (continued)

- b) £1,144,000 of cumulative foreign exchange gains (2016 - £150,000) arising on the translation of the US Dollar denominated loan, 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 in place with the banks:

- a) Term Debt: \$17,052,000 facility which was fully drawn in the year and is due to be fully repaid in 2021. \$1,705,000 was repaid in 2017 (2016: \$426,000) and \$1,705,000 is repayable per annum in each of 2018 to 2020 with the balance of \$9,806,000 repayable in 2021. Interest is payable on the debt at a margin of 4.0% per annum. There is no facility for further drawdowns on this facility.
- b) Overdraft /RCF: £5,000,000 for a 5 year facility expiring in November 2020. Interest is payable at a margin of 4.0% per annum.
- c) Bonding Facility: £10,000,000 for a 5 year facility expiring in November 2021 of which £3,195,000 is drawn in guarantees as at 31st December 2017 (2016 £7,276,000), £23,000 (2016 £28,000) is set aside under a standby letter of credit which is not activated as at 31 December 2017 (will be activated upon receipt of advance payment from customer) and £1,260,000 (2016: £1,168,000) is set aside under an import of letter of credit (activated upon delivery of goods from supplier). Interest is payable on the debt at a margin of 3.0% per annum.

Bank loans are repayable as follows:

	2017	2016
	£'000	£'000
Amounts due within one year	1,185	1,294
Amounts due between one and five years	9,181	11,326
Total bank loan	10,366	12,620

The above analysis is net of issue costs which have been allocated across the categories based on the year in which they are expected to be amortised. Bank loans are secured over the assets to which they relate by way of a Security Agreement dated 28 June 2013 and amended and restated on 31 October 2016.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

14 Financial instruments

The Company has the following financial instruments:

	Note	2017 £'000	2016 £'000
Financial assets that are debt instruments measured at amortised cost			
- Trade Debtors	2	-	-
- Amounts owed by group undertakings	22,617	26,297	
- Other debtors	2	35	
		22,621	26,332
Financial liabilities measured at amortised cost			
- Bank loans	13	(10,366)	(12,620)
- Amounts owed to group undertakings	11	(34,805)	(32,555)
- Trade creditors	11	(12)	(50)
- Accruals	11	(32)	(504)
		(45,215)	(45,729)

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

15 Deferred Tax

Deferred tax asset

	2017 £'000	2016 £'000
At 1 January	7	-
Deferred tax (charged)/credited to profit and loss account	(1)	7
At 31 December	6	7

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.

There is an unrecognised deferred tax asset of £560,000 (2016: £155,000) that relates to the tax on accumulated losses at 31 December 2017 that are not expected to reverse in the foreseeable future.

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

16 Called up share capital

	2017	2016
	£'000	£'000
Allotted, called up and fully paid		
36,162,599 (2016: 36,162,599) shares at £0.01	362	362

17 Related party transactions

There are no related party transactions with the Company's subsidiaries, other members of the group or their directors.

18 Subsidiaries and related undertakings

The related undertakings of the Company are as follows:

Name and registered office	Country of incorporation	Nature of business	Interest
Angus Fire Limited - Station Road, High Bentham, North Yorkshire, 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

Angus Holdings Safety Group Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

19 Ultimate parent company

The Company's immediate and ultimate parent undertaking is Angus International Safety Group Limited. Angus International Safety Group Limited has no ultimate controlling party. Angus International Safety Group Limited financial statements are both the smallest and largest consolidated financial statements to include the Company.

Copies of the Angus International Safety Group Limited financial statements are publicly available and can be obtained from:

Angus International Safety Group Limited
Station Road
High Bentham
Near Lancaster
LA2 7NA

20 Post balance sheet event

After the balance sheet date, National Foam Inc., a 100% owned undertaking based in the USA sold its hose manufacturing assets and business in North Carolina to a non-related party. The manufacture of fire-fighting foam continues at the site. Proceeds from the sale of the business were used to make an advance repayment of term debt.