

**Reacton Fire Suppression Limited**

**Financial statements**

**For the year ended 31 January 2022**

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**Reacton Fire Suppression Ltd**Registered number: SC166108

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**Balance sheet****As at 31 January 2022**

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		2022	2021
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	4	947,364	633,763
Tangible assets	5	33,463	86,831
Investments	6	16,217	16,217
		<u>997,044</u>	<u>736,811</u>
<b>Current assets</b>			
Stock		483,321	267,922
Debtors	7	2,230,205	1,721,356
Bank and cash balances		20,076	12,200
		<u>2,733,602</u>	<u>2,001,478</u>
Creditors: amounts falling due within one year	8	(400,122)	(290,937)
<b>Net current assets</b>		<u>2,333,480</u>	<u>1,710,541</u>
<b>Total assets less current liabilities</b>		<u>3,330,524</u>	<u>2,447,352</u>
Creditors: amounts falling due after more than one year	9	(2,638,884)	(2,412,615)
<b>Net assets</b>		<u><u>691,640</u></u>	<u><u>34,737</u></u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		691,638	34,735
		<u><u>691,640</u></u>	<u><u>34,737</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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**Reacton Fire Suppression Ltd**

Registered number: SC166108

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**Balance sheet (continued)**

As at 31 January 2022

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The financial statements were approved and authorised for issue by the board; and were signed on its behalf on 20 April 2022.

**E M J Barnes**

**Director**

*The notes on pages 3 to 9 form part of these financial statements.*

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# Reacton Fire Suppression Ltd

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## Notes to the financial statements For the year ended 31 January 2022

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### 1. General information

Reacton Fire Suppression Ltd is a private company limited by shares, incorporated in Scotland. Its registered office is Summit House, 4 - 5 Mitchell Street, Edinburgh, EH6 7BD. Its principal place of business is Waterhouse Business Park, 14 Baynes Place, Chelmsford, CM1 2QX.

Following years of focus on research and development, the company has experienced significant growth in sales and future orders. The brand continues to attract new customers and new market segments as the products continue to evolve and develop. Investments have been made in manufacturing technology and stock holding to support larger global orders.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2. Accounting policies (continued)****2.3 Intangible assets**

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

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

**2.4 Tangible fixed assets**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight line and reducing balance basis.

Depreciation is provided at the following rates:

Plant and machinery	-	10%	straight line
Motor vehicles	-	15%	reducing balance
Office equipment	-	33%	straight line

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

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

**2.5 Stock**

Stock is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stock is assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.6 Debtors**

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

**2.7 Cash and cash equivalents**

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

**2. Accounting policies (continued)****2.8 Financial instruments**

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

**2.9 Creditors**

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

**2.10 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**2.11 Finance costs**

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

**2.12 Operating leases: the company as lessee**

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

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

**2.13 Pensions****Defined contribution pension plan**

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

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

**2.14 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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## Reacton Fire Suppression Ltd

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### Notes to the financial statements For the year ended 31 January 2022

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#### 2. Accounting policies (continued)

##### 2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 10 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 11 (2021 - 17).

#### 4. Intangible assets

	Development costs £
<b>Cost</b>	
At 1 February 2021	1,380,139
Additions	499,120
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At 31 January 2022	1,879,259
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<b>Amortisation</b>	
At 1 February 2021	746,376
Charge for the year	185,519
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At 31 January 2022	931,895
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<b>Net book value</b>	
At 31 January 2022	<hr/> <hr/> 947,364
At 31 January 2021	<hr/> <hr/> 633,763

## Reacton Fire Suppression Ltd

### Notes to the financial statements For the year ended 31 January 2022

#### 5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>				
At 1 February 2021	16,174	93,500	1,502	111,176
Additions	-	-	8,055	8,055
Disposals	-	(66,000)	-	(66,000)
At 31 January 2022	16,174	27,500	9,557	53,231
<b>Depreciation</b>				
At 1 February 2021	6,615	17,120	610	24,345
Charge for the year: owned	1,617	-	2,389	4,006
Charge for the year: financed	-	9,075	-	9,075
Disposals	-	(17,658)	-	(17,658)
At 31 January 2022	8,232	8,537	2,999	19,768
<b>Net book value</b>				
At 31 January 2022	7,942	18,963	6,558	33,463
<i>At 31 January 2021</i>	<i>9,559</i>	<i>76,380</i>	<i>892</i>	<i>86,831</i>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Motor vehicles	18,963	76,380



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## Reacton Fire Suppression Ltd

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### Notes to the financial statements For the year ended 31 January 2022

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#### 6. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 February 2021	16,217
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At 31 January 2022	16,217
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#### 7. Debtors

	2022 £	2021 £
Trade debtors	454,937	347,547
Amounts owed by group undertakings	1,199,317	1,109,510
Other debtors	520,974	247,919
Prepayments and accrued income	54,977	16,380
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	2,230,205	1,721,356
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Included within other debtors due within one year are loans to the directors E Barnes and S Malins, amounting to £Nil (2021 - £3,118) and £Nil (2021 - £1,047) respectively, and the maximum balances outstanding during the year were £3,118 and £1,047 respectively. No interest has been charged on these loans.

#### 8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	259,814	153,091
Other taxation and social security	69,276	57,992
Obligations under finance lease and hire purchase contracts	6,176	31,387
Other creditors	-	1,456
Accruals and deferred income	64,856	47,011
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	400,122	290,937
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## Reacton Fire Suppression Ltd

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### Notes to the financial statements For the year ended 31 January 2022

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#### 9. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	8,051	57,259
Amounts owed to associates	2,630,833	2,355,356
	<u>2,638,884</u>	<u>2,412,615</u>

#### 10. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £6,203 (2021 - £9,499).

#### 11. Related party transactions

During the year, the company was charged a management fee by an associated company, Dunmow Skips Ltd, amounting to £56,774 (2021 - £100,833) and by its parent company, Fire Suppression Solutions Limited, amounting to £Nil (2021 - £10,000). At the balance sheet date, the company was owed £1,199,317 (2021 - £1,106,286) by Fire Suppression Solutions Limited and £Nil (2021 - £3,223) by Fireward Limited, another associated company. The company owed £2,630,833 (2021 - £2,355,356) to Dunmow Skips Ltd. No interest was charged on these loans.

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