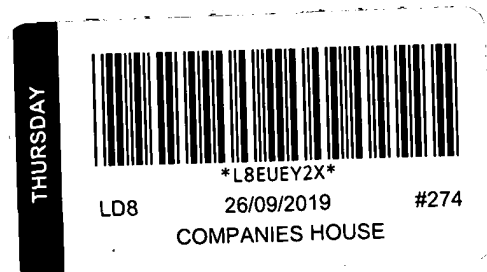


Company Registration No. 02880054 (England and Wales)

**OCEAN SAFETY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**



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# **OCEAN SAFETY LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	A J Richards Y Bouctot
<b>Company number</b>	02880054
<b>Registered office</b>	C/O Ocean Safety Ltd Saxon Wharf Southampton Hampshire SO14 5QF
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom

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# OCEAN SAFETY LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present the strategic report for the year ended 31 December 2018.

#### **Fair review of the business**

The Company was acquired in October 2018 by Alliance Marine UK Holdings Limited, a wholly owned subsidiary of Alliance Marine SAS, 55 Boulevard Pereire, Paris 75017, France.

The Company's principal activity is the manufacture, supply and servicing of marine safety and survival equipment. During the year under review, the company achieved a turnover of £12.9m (2017 - £12.6m).

The Board conducts a monthly review of management information, financial reports and cash requirements of the business, to meet the requirements of the shareholders.

We consider our key financial indicators are those that communicate the financial performance and strength of the company as a whole. KPIs are reviewed monthly and relevant actions taken. Business KPIs include turnover £12.9m (2017 - 12.6m) and gross margin 36% (2017 - 34%) . By the year end the business had seen the net asset position increase by £0.34m (2017 - decrease by £0.07m) and current assets covered current liabilities 1.9 times (2017 - 2.9 times).

The directors are satisfied with the results for the year and expect the underlying trading of the company, pre group charges to be profitable for the foreseeable future.

#### **Principal risks and uncertainties**

The market for marine safety equipment remains competitive. The Company seeks to manage the risk of losing customers to key competitors (both within the UK and worldwide) by the provision of a balanced portfolio of products, added value services to customers, improving response times in the supply and servicing of products and the handling of customer queries.

The business buys a proportion of its material and sells some finished product in currencies other than sterling, mainly US Dollars and Euros. The structure of the Group is such that natural hedging affords a degree of protection against the devaluation of sterling. Ocean Safety Limited purchases excess Euros from a company within the Group to meet liabilities arising from European suppliers.

#### **Brexit**

Subsequent to triggering article 50, the UK expects to depart the European Union during 2019. At the date this report was approved, the outcome of the negotiations with the European Union, regarding the UK's exit from the EU and subsequent trading relationship is not finalised and therefore there is uncertainty as to the outcome and potential future impact on the business.

The following risks and potential impacts could affect the group:

- 1) Potential delays in shipping goods to and from the EU member states, for any group sales to EU customers, or EU based group entities.
- 2) Additional tariffs on goods shipped to and from the EU, and on group sales to EU customers, or EU based group entities.
- 3) Potential changes and turbulence in exchange rates, on both sales and supplier purchases
- 4) Impact of a general downturn from a no-deal Brexit on sales

The directors have considered these risks, and have put in place appropriate contingency plans in place, as well as identifying natural hedging opportunities that the group structure allows.



# OCEAN SAFETY LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### Financial Instruments

The company monitors cash flow as part of its day to day control procedures, and has no bank debt. The Board considers cash flow projections on a monthly basis and ensures that appropriate facilities are available to the company as necessary.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by credit insurance policy, by running credit checks on new customers and by monitoring payments against contractual agreements. To mitigate currency risk exposure the company enters into forward-rate foreign exchange contracts principally in US Dollars.

### Employees

The directors believe that the current staff resources, coupled with the planned additions, are appropriate to manage the business requirements given the level of turnover anticipated in the coming year.

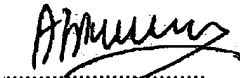
### Future Developments

The directors consider that the current level of employees and branches are sufficient to sustain the business over the coming years.

### Research and development

During the year, the company continued to be involved in the design and development of its own marine safety equipment.

On behalf of the board



.....  
A J Richards

Director

Date: 8th August 2019

# OCEAN SAFETY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### Principal activities

The principal activity of the company continued to be that of the manufacture, supply and servicing of marine safety and survival equipment.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R J Besse	(Resigned 31 May 2018)
A J Richards	
P G Fredericks	(Resigned 11 October 2018)
Y Bouctot	(Appointed 11 October 2018)

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

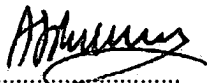
#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Disclosure in strategic report

In accordance with the Companies Act 2006 S414c(11), information in respect of business risk and future developments are shown in the strategic report.

On behalf of the board



A J Richards  
Director

Date: 8th August 2019

# **OCEAN SAFETY LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN SAFETY LIMITED**

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## **Opinion**

We have audited the financial statements of Ocean Safety Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of 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 company's affairs as at 31 December 2018 and of its profit 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 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**

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

- 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.

## **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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **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.

AB

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCEAN SAFETY LIMITED (CONTINUED)

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 4, 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 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.

### Auditor's responsibilities for the audit of the financial statements

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

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

### 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*

Jeremy Filley FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

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# OCEAN SAFETY LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	12,903,447	12,560,370
Cost of sales		(8,264,764)	(8,325,007)
<b>Gross profit</b>		<b>4,638,683</b>	<b>4,235,363</b>
Administrative expenses		(4,294,906)	(4,100,104)
<b>Operating profit</b>	6	<b>343,777</b>	<b>135,259</b>
Interest payable and similar expenses	8	(22,554)	(206,834)
Fair value gains and losses on foreign exchange contracts		21,356	-
<b>Profit/(loss) before taxation</b>		<b>342,579</b>	<b>(71,575)</b>
Tax on profit/(loss)	9	6,091	4,852
<b>Profit/(loss) for the financial year</b>		<b>348,670</b>	<b>(66,723)</b>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.



**OCEAN SAFETY LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	10		329,165		558,651
Other intangible assets	10		36,155		122,910
Total intangible assets			365,320		681,561
Tangible assets	11		164,517		148,292
			529,837		829,853
<b>Current assets</b>					
Stocks	12	1,722,890		1,582,679	
Debtors	13	5,669,690		2,112,953	
Cash at bank and in hand		391,535		1,064,139	
			7,784,115		4,759,771
<b>Creditors: amounts falling due within one year</b>	14	(3,993,180)		(1,619,436)	
<b>Net current assets</b>			3,790,935		3,140,335
<b>Total assets less current liabilities</b>			4,320,772		3,970,188
<b>Creditors: amounts falling due after more than one year</b>	15		(7,993)		(10,506)
<b>Provisions for liabilities</b>	18		(56,305)		(51,878)
<b>Net assets</b>			4,256,474		3,907,804
<b>Capital and reserves</b>					
Called up share capital	21		121,750		121,750
Profit and loss reserves	23		4,134,724		3,786,054
<b>Total equity</b>			4,256,474		3,907,804

The financial statements on pages 7 to 25 were approved by the board of directors and authorised for issue on 20 Aug 2019 and are signed on its behalf by:

  
A J Richards  
Director



# OCEAN SAFETY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2017	121,750	3,852,777	3,974,527
Year ended 31 December 2017: Loss and total comprehensive income for the year	-	(66,723)	(66,723)
Balance at 31 December 2017	121,750	3,786,054	3,907,804
Year ended 31 December 2018: Profit and total comprehensive income for the year	-	348,670	348,670
Balance at 31 December 2018	121,750	4,134,724	4,256,474



# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Ocean Safety Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Saxon Wharf, Southampton, Hampshire, SO14 5QF.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' - Reconciliation of opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Ocean Safety Limited is a wholly owned subsidiary of Alliance Marine SAS and the results of Ocean Safety Limited are included in the consolidated financial statements Alliance Marine SAS which are available from 55 Boulevard Pereire, Paris 75017, France.

#### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The company will continue to be supported by the group, and a written confirmation has been obtained from Group to the directors.

#### Turnover

Turnover is wholly attributable to the principal activity of the company, and is recognised net of VAT and trade discounts.

Product Sales turnover is recognised at the point which goods are dispatched to customers.

Servicing income is recognised at the point at which the work is carried out.

#### Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.



# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### **Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Customer contracts	5 years
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#### **Tangible fixed assets**

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	10% - 20% straight line
Plant and machinery	7.5% - 20% straight line
Fixtures, fittings and equipment	5% - 33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

The company designs, manufactures and sells marine safety equipment and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 12 for the net carrying amount of the inventory and associated provision.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand.

#### **Financial Instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts from fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Other financial assets**

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, and amounts to fellow group companies, 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 payments discounted at a market rate of interest.

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

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.





# **OCEAN SAFETY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

---

### **1 Accounting policies (Continued)**

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **Foreign exchange**

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

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

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

### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows;

#### **Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

#### **Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the value of the provision for impairment of debtors.

#### **Inventory provisioning**

The company designs, manufactures and sells marine safety equipment and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 12 for the net carrying amount of the inventory and associated provision.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Servicing of marine safety and survival equipment	1,594,502	1,566,487
Manufacture and supply of marine safety and survival equipment	11,308,945	10,993,883
	<u>12,903,447</u>	<u>12,560,370</u>

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Turnover and other revenue (Continued)

	2018 £	2017 £
Turnover analysed by geographical market		
UK	10,363,896	10,184,519
Europe	1,696,295	1,654,979
Rest of world	843,256	720,872
	<u>12,903,447</u>	<u>12,560,370</u>

### 4 Employees

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

	2018 Number	2017 Number
Sales	18	20
Administration	35	33
Production	20	24
	<u>73</u>	<u>77</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,078,207	1,971,506
Social security costs	212,141	194,591
Pension costs	27,524	18,212
	<u>2,317,872</u>	<u>2,184,309</u>

### 5 Directors' remuneration

Remuneration of the highest paid directors is not disclosed for the current year as the total remuneration was less than £200,000.

The directors of Ocean Safety Limited are remunerated through other group entities.

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 6 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(23,113)	(23,527)
Research and development costs	42,433	29,294
Depreciation of owned tangible fixed assets	47,497	84,169
Depreciation of tangible fixed assets held under finance leases	12,346	4,896
Profit on disposal of tangible fixed assets	(7,149)	(4,000)
Amortisation of intangible assets	316,241	293,092
Cost of stocks recognised as an expense	7,692,922	7,759,379
Impairment of stocks recognised or reversed	70,000	73,000
Operating lease charges	227,954	201,726

### 7 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	18,000	17,070
<b>For other services</b>		
Taxation compliance services	2,800	2,750
All other non-audit services	3,675	3,085
	6,475	5,835

### 8 Interest payable and similar expenses

	2018	2017
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	22,554	1,781
Interest payable to group undertakings	-	205,053
	22,554	206,834

### 9 Taxation

	2018	2017
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(7,245)
Adjustments in respect of prior periods	(10,518)	-
Total current tax	(10,518)	(7,245)

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 9 Taxation (Continued)

#### Deferred tax

Origination and reversal of timing differences	4,427	(16,742)
Adjustment in respect of prior periods	-	19,135
	<u>4,427</u>	<u>2,393</u>
Total deferred tax	4,427	2,393
	<u>4,427</u>	<u>2,393</u>
Total tax credit	(6,091)	(4,852)
	<u>(6,091)</u>	<u>(4,852)</u>

The main rate of corporation tax for UK companies reduced from 21% to 20% from 1 April 2015. The Finance (No.2) Act 2015 reduced the rate further to 19% from 1 April 2017. The Finance Act 2016 further reduced the rate of corporation tax to 17% from 1 April 2020. This was substantively enacted on 6 September 2016 and the rate has therefore been used to calculate deferred tax balances in these financial statements.

The total tax credit for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit/(loss) before taxation	<u>342,579</u>	<u>(71,575)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	65,090	(13,778)
Tax effect of expenses that are not deductible in determining taxable profit	2,072	559
Adjustments in respect of prior years	(10,518)	11,890
Group relief	(59,459)	(3,523)
Other timing differences	(3,276)	-
	<u>(6,091)</u>	<u>(4,852)</u>
Taxation credit for the year	(6,091)	(4,852)

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# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 10 Intangible fixed assets

	Goodwill	Customer contracts	Total
	£	£	£
<b>Cost</b>			
At 1 January 2018 and 31 December 2018	1,899,152	144,620	2,043,772
<b>Amortisation and impairment</b>			
At 1 January 2018	1,340,501	21,710	1,362,211
Amortisation charged for the year	229,486	86,755	316,241
At 31 December 2018	1,569,987	108,465	1,678,452
<b>Carrying amount</b>			
At 31 December 2018	329,165	36,155	365,320
At 31 December 2017	558,651	122,910	681,561

The amortisation arising on goodwill is charged through administrative expenses.

### 11 Tangible fixed assets

	Land and buildings leasehold	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2018	149,984	226,288	262,123	38,990	677,385
Additions	22,783	44,709	8,576	17,365	93,433
Disposals	(7,240)	(24,020)	(48,541)	(33,580)	(113,381)
At 31 December 2018	165,527	246,977	222,158	22,775	657,437
<b>Depreciation and impairment</b>					
At 1 January 2018	118,136	180,075	194,595	36,287	529,093
Depreciation charged in the year	11,442	16,040	29,658	2,703	59,843
Eliminated in respect of disposals	(7,240)	(24,020)	(48,541)	(16,215)	(96,016)
At 31 December 2018	122,338	172,095	175,712	22,775	492,920
<b>Carrying amount</b>					
At 31 December 2018	43,189	74,882	46,446	-	164,517
At 31 December 2017	31,848	46,213	67,528	2,703	148,292

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# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2018 £	2017 £
Plant and machinery	13,248	-
Fixtures, fittings and equipment	13,288	20,280
	<u>26,536</u>	<u>20,280</u>
Depreciation charge for the year in respect of leased assets	<u>12,346</u>	<u>4,896</u>

The fixed charge held over all leasehold property was released in the year.

### 12 Stocks

	2018 £	2017 £
Raw materials and consumables	670,765	728,905
Finished goods and goods for resale	1,052,125	853,774
	<u>1,722,890</u>	<u>1,582,679</u>

Finished goods with a value of £1,122,125 (2017 - £926,774) has been written down to £1,052,125 (2017 - £853,774). No earlier stock write down has been reversed during the current or preceding period.

### 13 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,263,177	1,103,638
Corporation tax recoverable	10,518	7,245
Amounts owed by group undertakings	4,252,315	864,113
Derivative financial instruments	21,356	-
Other debtors	3,526	2,000
Prepayments and accrued income	118,798	135,957
	<u>5,669,690</u>	<u>2,112,953</u>

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

Trade debtors are stated after provisions for impairment of £12,000 (2017 - £14,953).

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Notes	2018 £	2017 £
Obligations under finance leases	16	12,608	7,678
Trade creditors		1,031,455	1,198,565
Amounts due to group undertakings		2,675,353	8,340
Other taxation and social security		89,831	235,380
Other creditors		54,770	59,306
Accruals and deferred income		129,163	110,167
		<u>3,993,180</u>	<u>1,619,436</u>

Amounts due to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

### 15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	16	<u>7,993</u>	<u>10,506</u>

### 16 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Less than one year	12,608	7,678
Between one and five years	<u>7,993</u>	<u>10,506</u>
	<u>20,601</u>	<u>18,184</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 17 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	5,519,018	1,969,751
Instruments measured at fair value through profit or loss	<u>21,356</u>	<u>-</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>3,890,741</u>	<u>1,376,378</u>



# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 18 Provisions for liabilities

	Notes	2018 £	2017 £
Dilapidations		40,000	40,000
Deferred tax liabilities	19	16,305	11,878
		<u>56,305</u>	<u>51,878</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

**Dilapidations  
£**

At 1 January 2018 and 31 December 2018 40,000

#### *Dilapidation provision*

A provision is recognised for the cost of restoring the company's rented premises to its original state. It is expected that these costs will be incurred at the end of the lease term.

### 19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
Accelerated capital allowances	<u>10,682</u>	<u>11,878</u>
<b>Statutory database figures differ from the trial balance:</b>		
Deferred tax balances	16,305	11,878
Difference	(5,623)	-
<b>Movements in the year:</b>		<b>2018 £</b>
Liability at 1 January 2018		11,878
Credit to profit or loss		<u>(1,196)</u>
Liability at 31 December 2018		<u>10,682</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

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# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 20 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	27,524	18,212

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the balance sheet date there was outstanding contributions of £6,007 (2017 - £3,589).

### 21 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
121,750 Ordinary shares of £1 each	121,750	121,750
	121,750	121,750

The ordinary shares have full voting rights. There are no restrictions.

### 22 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	346,665	168,161
Between one and five years	670,980	264,647
In over five years	-	4,068
	1,017,645	436,876

Leases of £900,349 (2017 - £413,609) relate to properties used by the company and expire between July 2019 and February 2023. The remaining leases relate to vehicles and expire between December 2020 and August 2021.

### 23 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# OCEAN SAFETY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 24 Financial commitments, guarantees and contingent liabilities

In the prior period, the company was subject to a bank guarantee in respect to a unilateral security held over the group's previous parent company. The amount of the secured debt was £7,931,727.

The company is registered with H M Revenue and Customs as a member of a group for VAT purposes and as a result is jointly and severally liable on a continuing basis for amounts owing by other members of that group in respect of unpaid VAT. The total value of the VAT liability of the group at 31 December 2018 was £43,892 (2017 - £89,308).

### 25 Controlling party

The ultimate parent company of Ocean Safety Limited is AMG International SAS, a company incorporated in France.

The smallest group accounts in which the company's accounts are consolidated is Alliance Marine SAS. Alliance Marine SAS prepares group financial statements and copies can be obtained from 55 Boulevard Pereire, Paris 75017, France.

The largest group accounts in which the company's accounts are consolidated is AMG International SAS. AMG International SAS prepares group financial statements and copies can be obtained from 1522 Avenue de Draguignan, La Garde 83130, France. No other group accounts include the results of the company.