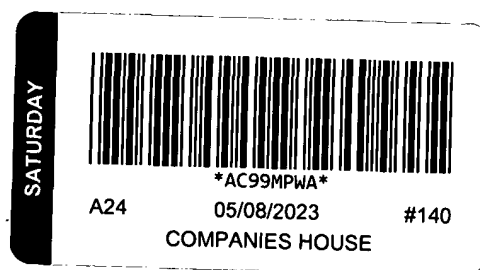

OCEAN SAFETY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



OCEAN SAFETY LIMITED

COMPANY INFORMATION

Directors

Yann Jacques Cornec
Yann Frederic Bouctot
Alistair James Danzy Hackett

Registered number

02880054

Registered office

Saxon Wharf
Lower York Street
Southampton
Hampshire
SO14 5QF

Independent auditors

Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

OCEAN SAFETY LIMITED

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OCEAN SAFETY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report for the year ended 31 December 2022.

Review of Business

The Company was acquired in October 2018 by Alliance Marine UK Holdings Limited, a wholly owned subsidiary of the France-based Alliance Marine SAS company.

The Company's principal activity is the manufacture, distribution and servicing of safety, survival and water sports equipment to military, commercial and leisure markets. The company achieved a turnover of £13.3m in 2022 (2021: £12.7m). Revenue has increased by 5% from 2021 to 2022.

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 are taken accordingly. Business KPIs include turnover £13.3m (2021: £12.7m), and operating profit £1,204k (2021: £1,341k). By the year end the company increased its net asset position by £1.2m and current assets covered current liabilities 3.9 times (2021: 3.5 times).

The directors are satisfied with the results for the period and expect the company to be profitable (before depreciation, amortisation and exceptional costs) for the foreseeable future.

Brexit

The UK formally departed the European Union on the 31st of January 2020. The outcome of the negotiations with the European Union, regarding the terms and conditions of the UK's exit from the EU and subsequent trading relationship, has been finalised in December 2020.

Subsequently to the new terms and conditions agreed, 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 if the country of origin is not the UK or a member state of the EU.
- 3) Additional requirements and compliance related issues to comply with the UK's rules and the EU's ones.
- 4) Potential changes and turbulence in exchange rates, on both sales and supplier purchases.

The directors have considered these risks, and have put in place appropriate contingency plans, additional resources, as well as identifying natural hedging opportunities that the group structure allows. The evolution of the situation will be monitored closely in 2023.

OCEAN SAFETY LIMITED

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

Research and Development

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

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

.....
Yann Jacques Cornec
Director

Date: 01/02/2023.

OCEAN SAFETY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £1,231,024 (2021 - £1,357,319).

The directors do not recommend payment of a final dividends for the year (2021: £nil).

Directors

The directors who served during the year were:

Yann Jacques Cornec
Yann Frederic Bouctot
Alistair James Danzy Hackett

Principal risks and uncertainties

The market for marine safety equipment remains competitive. The company seeks to manage the risk by a balanced portfolio of products, added value services to customers, improving response times in the supply and servicing of products and handling of customer queries.

The company buys a proportion of its material and sells some finished products in currencies other than sterling, mainly US Dollars and Euros. In addition to some natural Group hedging, and to limit risk, forward contracts are taken out for US Dollars at Group level based on rolling forecasts.

The high cost of living may have an impact on the business, especially the leisure market. The directors are continuously monitoring the inflationary situation and do not believe that this will have a long lasting impact on the business.

Financial instruments

The company monitors cash flow as part of its day to day control procedures. The board considers cash flow projections on a monthly basis as necessary and ensures that appropriate facilities are available to the company.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new and existing customers and by monitoring payments against contractual agreements.

Employees and future developments

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.

Going Concern

The company will continue to be supported by the group, and a written confirmation has been obtained from Group to the directors confirming the support will be effective for a period of at least one year from the date of signing of the accounts for the year ended 31 December 2022.

OCEAN SAFETY LIMITED

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

Ukraine War

The invasion of Ukraine by the Russian army has not directly affected the business. However, the war contributed to general inflation, especially on oil prices, that we need to take into consideration and to monitor properly. We will pay attention to ongoing developments and to the European geopolitics situation.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

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

OCEAN SAFETY LIMITED

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

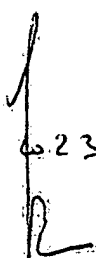
Auditors

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

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

Yann Jacques Cornec
Director

Date: 01/08/2023



OCEAN SAFETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN SAFETY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ocean Safety Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 12, which includes a statement of accounting policies

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

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

OCEAN SAFETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN SAFETY LIMITED

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

We obtained an understanding of the legal and regulatory framework[s] that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team [including relevant internal specialists such as tax, valuations, pensions, IT, forensic and industry specialists] regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

OCEAN SAFETY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OCEAN SAFETY LIMITED

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Thierry de Gennes, ACA (Senior statutory auditor)

For and on behalf of
Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ
Date: 1 August 2023

OCEAN SAFETY LIMITED

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

	Note	2022 £	2021 £
Turnover	4	13,310,061	12,675,121
Cost of sales		(8,457,296)	(7,903,100)
Gross profit		4,852,765	4,772,021
Administrative expenses		(3,648,834)	(3,445,681)
Other operating income		-	14,743
Operating profit	6	1,203,931	1,341,083
Interest receivable and similar income	9	28,850	-
Interest payable and similar expenses	8	(255)	50,232
Profit before tax		1,232,526	1,391,315
Tax on profit	10	(1,502)	(33,996)
Profit for the financial year		1,231,024	1,357,319
Other comprehensive income for the year			
Total comprehensive income for the year		1,231,024	1,357,319

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 12 to 30 form part of these financial statements.

OCEAN SAFETY LIMITED
REGISTERED NUMBER: 02880054

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	210,000	240,000
Tangible assets	12	811,813	811,122
		<u>1,021,813</u>	<u>1,051,122</u>
Current assets			
Stocks	13	2,280,017	1,611,590
Debtors: amounts falling due within one year	14	4,675,558	3,937,695
Cash at bank and in hand		591,967	536,951
		<u>7,547,542</u>	<u>6,086,236</u>
Creditors: amounts falling due within one year	15	(1,922,664)	(1,721,400)
Net current assets		<u>5,624,878</u>	<u>4,364,836</u>
Total assets less current liabilities		<u>6,646,691</u>	<u>5,415,958</u>
Creditors: amounts falling due after more than one year	16	-	(1,793)
Provisions for liabilities			
Deferred tax	18	(85,481)	(83,979)
Other provisions	19	(50,000)	(50,000)
		<u>(135,481)</u>	<u>(133,979)</u>
Net assets		<u><u>6,511,210</u></u>	<u><u>5,280,186</u></u>
Capital and reserves			
Called up share capital	20	121,750	121,750
Profit and loss account		6,389,460	5,158,436
		<u>6,511,210</u>	<u>5,280,186</u>

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

..... 31/12/2022
Yann Jacques Cornec
 Director

The notes on pages 12 to 30 form part of these financial statements.

OCEAN SAFETY LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	121,750	3,801,117	3,922,867
Comprehensive income for the year			
Profit for the year	-	1,357,319	1,357,319
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,357,319	1,357,319
	<hr/>	<hr/>	<hr/>
At 31 December 2021	121,750	5,158,436	5,280,186
Comprehensive income for the year			
Profit for the year	-	1,231,024	1,231,024
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,231,024	1,231,024
	<hr/>	<hr/>	<hr/>
At 31 December 2022	121,750	6,389,460	6,511,210

The notes on pages 12 to 30 form part of these financial statements.

OCEAN SAFETY LIMITED

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

1. General information

Ocean Safety Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102; the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. All figures are presented in British Sterling, which is the functional currency of the company, and are rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (note 3).

2.2 Going concern

The company will continue to be supported by the group, and a written confirmation has been obtained from Group to the directors confirming the support will be effective for a period of at least one year from the date of signing of the accounts for the year ended 31 December 2022.

2.3 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Alliance Marine SAS as at 31.12.2022 and these financial statements may be obtained from 55 Boulevard Pereire, Paris 75017, France.

OCEAN SAFETY LIMITED

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

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

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.

OCEAN SAFETY LIMITED

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

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Research and development

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.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 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.

2.10 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 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 estimates 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.

OCEAN SAFETY LIMITED

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

2. Accounting policies (continued)

2.12 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.

2.13 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

OCEAN SAFETY LIMITED

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

2. Accounting policies (continued)

2.14 Intangible assets

Goodwill

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-rate on the basis of the carrying amount of each asset in the unit.

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life (10 years).

Other 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.

The estimated useful lives range as follows:

Customer contracts	-	5	years
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2.15 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 the straight-line method.

Depreciation is provided on the following basis:

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

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

OCEAN SAFETY LIMITED

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

2. Accounting policies (continued)

2.16 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.

Recoverable amount is the higher of fair value less 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.

2.17 Stocks

Stocks are 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. Work in progress and finished goods include labour and attributable overheads.

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.

2.18 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.

2.19 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.

2.20 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.

OCEAN SAFETY LIMITED

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

2. Accounting policies (continued)

2.21 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.22 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 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.

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.

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 a contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

OCEAN SAFETY LIMITED

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

2. Accounting policies (continued)

Derecognition of financial liabilities

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

2.23 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.

2.24 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 assets are consumed.

3. Judgments in applying accounting policies 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 experiences 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 estimates 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 FOR THE YEAR ENDED 31 DECEMBER 2022

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:

Revenue recognition

In making the revenue recognition judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 section 23 Revenue and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Useful economic lives of intangible assets

Useful lives are based on the management's estimates of the period that the assets generate revenue. These estimates are reviewed at least annually and changes to these estimates can result in significant variations in the carrying value and amounts charged to profit and loss. The carrying amount of intangible assets by each class is included in note 11.

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 reassessed annually. They are amended when necessary to reflect 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 more events that occurred after the initial recognition of the financial asset, the estimated future 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 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.

OCEAN SAFETY LIMITED

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
Distribution/Manufacturing	11,868,789	11,380,779
Servicing	1,441,272	1,294,342
	<u>13,310,061</u>	<u>12,675,121</u>

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	9,990,765	9,803,219
Rest of the world	3,319,296	2,871,902
	<u>13,310,061</u>	<u>12,675,121</u>

OCEAN SAFETY LIMITED

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

5. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	2,159,531	1,967,914
Social security costs	213,184	187,348
Cost of defined contribution scheme	42,728	40,261
	<u>2,415,443</u>	<u>2,195,523</u>

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

	2022 No.	2021 No.
Sales	9	9
Administration	43	40
Production	16	16
	<u>68</u>	<u>65</u>

Remuneration of the highest paid director is not disclosed for the current year as the total remuneration was less than £250,000.

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

The company operated 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 £9,019 (2021: £8,457).

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Research & development charged as an expense	37,055	32,860
Exchange differences	(12,796)	45,235
Goodwill amortisation	30,000	30,000
Depreciation - owned assets	175,142	150,746
Other operating lease rentals	<u>277,547</u>	<u>264,409</u>

OCEAN SAFETY LIMITED

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

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	18,500	16,800

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	255	438
Loans from group undertakings	-	(50,670)
	<u>255</u>	<u>(50,232)</u>

9. Interest receivable

	2022 £	2021 £
Interest receivable from group companies	28,850	-
	<u>28,850</u>	<u>-</u>

OCEAN SAFETY LIMITED

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

10. Taxation

	2022 £	2021 £
Total current tax	-	-
Deferred tax		
Deferred tax	21,898	33,996
Adjustments in respect of prior periods	(20,396)	-
Total deferred tax	1,502	33,996
Tax on profit	1,502	33,996

Factors affecting tax charge for the year

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

	2022 £	2021 £
Profit on ordinary activities before tax	1,232,526	1,391,315
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	234,180	264,350
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,279	21,654
Adjustments to tax charge in respect of prior periods	(20,396)	3,079
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(5,600)
Remeasurement of deferred tax for changes in tax rates	5,255	17,729
Group relief	(238,816)	(267,216)
Total tax charge for the year	1,502	33,996

OCEAN SAFETY LIMITED

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

10. Taxation (continued)

Factors that may affect future tax charges

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023.

Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023.

As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

11. Intangible assets

	Customer contracts £	Goodwill £	Total £
Cost			
At 1 January 2022	144,620	300,000	444,620
At 31 December 2022	144,620	300,000	444,620
Amortisation			
At 1 January 2022	144,620	60,000	204,620
Charge for the year on owned assets	-	30,000	30,000
At 31 December 2022	144,620	90,000	234,620
Net book value			
At 31 December 2022	-	210,000	210,000
At 31 December 2021	-	240,000	240,000

OCEAN SAFETY LIMITED

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

12. Tangible fixed assets

	Long leasehold £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Hire Fleet. £	Total £
Cost or valuation						
At 1 January 2022	364,780	276,843	22,775	253,891	826,022	1,744,311
Additions	53,189	54,144	-	6,240	78,172	191,745
Disposals	-	(659)	-	(3,476)	(33,213)	(37,348)
At 31 December 2022	<u>417,969</u>	<u>330,328</u>	<u>22,775</u>	<u>256,655</u>	<u>870,981</u>	<u>1,898,708</u>
Depreciation						
At 1 January 2022	172,676	205,368	22,775	220,126	312,244	933,189
Charge for the year on owned assets	33,699	31,216	-	17,540	92,687	175,142
Disposals	-	(659)	-	(3,476)	(17,301)	(21,436)
At 31 December 2022	<u>206,375</u>	<u>235,925</u>	<u>22,775</u>	<u>234,190</u>	<u>387,630</u>	<u>1,086,895</u>
Net book value						
At 31 December 2022	<u>211,594</u>	<u>94,403</u>	<u>-</u>	<u>22,465</u>	<u>483,351</u>	<u>811,813</u>
At 31 December 2021	<u>192,104</u>	<u>71,475</u>	<u>-</u>	<u>33,765</u>	<u>513,778</u>	<u>811,122</u>

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

	2022 £	2021 £
Plant and machinery	-	8,563
	<u>-</u>	<u>8,563</u>
	2022 £	2021 £
Depreciation charge for the year in respect of leased assets	1	1,285
	<u>1</u>	<u>1,285</u>

OCEAN SAFETY LIMITED

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

13. Stocks

	2022 £	2021 £
Raw materials and consumables	705,451	558,198
Goods in transit	14,698	-
Finished goods and goods for resale	1,559,868	1,053,392
	<u>2,280,017</u>	<u>1,611,590</u>

14. Debtors

	2022 £	2021 £
Trade debtors	1,361,021	1,054,321
Amounts owed by group undertakings	3,219,949	2,927,042
Other debtors	2,054	930
Prepayments and accrued income	92,534	(74,070)
Tax recoverable	-	29,472
	<u>4,675,558</u>	<u>3,937,695</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Payments received on account	180,318	-
Trade creditors	729,033	605,830
Amounts owed to group undertakings	302,143	359,928
Other taxation and social security	209,498	210,016
Other creditors	9,020	8,457
Accruals and deferred income	492,652	537,169
	<u>1,922,664</u>	<u>1,721,400</u>

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

OCEAN SAFETY LIMITED

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

16. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	-	1,793
	<u>-</u>	<u>1,793</u>

17. Leasing agreements

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	293,099	214,612
Between 1-5 years	936,003	704,194
Over 5 years	292,660	240,809
	<u>1,521,762</u>	<u>1,159,615</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.

Leases of £1,018,597 (2021: £1,119,016) relate to properties used by the company and expire between August 2027 and February 2033. The remaining leases relate to vehicles and printers and expire between February 2024 and July 2027.

18. Deferred taxation

	2022 £	2021 £
At beginning of year	(83,979)	(53,063)
Charged to profit or loss	(1,502)	(30,916)
At end of year	<u>(85,481)</u>	<u>(83,979)</u>

OCEAN SAFETY LIMITED

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

18. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(103,569)	(101,786)
Short term timing differences	18,088	14,797
Other	-	3,010
	<u>(85,481)</u>	<u>(83,979)</u>

Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

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.

19. Other Provisions

	Dilapidation £
At 1 January 2022	50,000
At 31 December 2022	<u>50,000</u>

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.

OCEAN SAFETY LIMITED

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

20. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
121,750 (2021 - 121,750) Ordinary shares of £1.00 each	121,750	121,750

21. Financial commitments, guarantees and contingent liabilities

The company is registered with HM Revenue and Customs as a member of a group for VAT purposes and as a result is jointly 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 as 31 December 2022 was £135,623 (2021: £160,007).

22. 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 by 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.