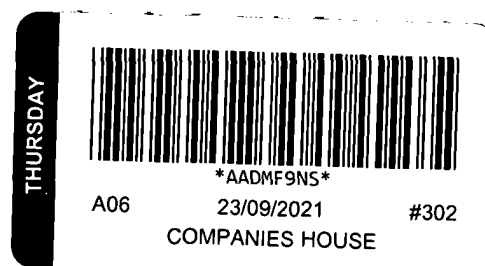


**REGISTERED NUMBER: 02880054 (England and Wales)**

**Strategic Report, Directors' Report and  
Financial Statements for the Year Ended 31 December 2020  
for  
OCEAN SAFETY LIMITED**



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**OCEAN SAFETY LIMITED**

**Contents of the Financial Statements  
for the Year Ended 31 December 2020**

|  | <b>Page</b> |
|--|-------------|
| <b>Company Information</b>               | <b>1</b>    |
| <b>Strategic Report</b>                  | <b>2</b>    |
| <b>Directors' Report</b>                 | <b>4</b>    |
| <b>Independent Auditors' Report</b>      | <b>6</b>    |
| <b>Statement of Comprehensive Income</b> | <b>9</b>    |
| <b>Statement of Financial Position</b>   | <b>10</b>   |
| <b>Statement of Changes in Equity</b>    | <b>11</b>   |
| <b>Notes to the Financial Statements</b> | <b>12</b>   |



**OCEAN SAFETY LIMITED**

**Company Information  
for the Year Ended 31 December 2020**

**DIRECTORS:**

Y F BOUCTOT  
A J RICHARDS

**REGISTERED OFFICE:**

Saxon Wharf  
Lower York Street  
Southampton  
Hampshire  
SO14 5QF

**REGISTERED NUMBER:**

02880054 (England and Wales)

**INDEPENDENT AUDITORS :**

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

## **OCEAN SAFETY LIMITED**

### **Strategic Report for the Year Ended 31 December 2020**

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

#### **REVIEW OF 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, distribution and servicing of safety, survival and water sports equipment to military, commercial and leisure markets. During the year under review no acquisitions were made. The company achieved a turnover of £11.3m (2019: £13.5m). Revenue has fallen by 16% from 2019 to 2020.

Stock has decreased by £0.3m GBP from 2019 to 2020 due to the procurement postponement in Q1 2020 instead of Q4 2019 to decrease Ocean Safety working capital requirement.

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 £11.3m (2019: £13.5m), and margin 40.0%. By the year end the company suffered a fall in net asset position by £0.8m and current assets covered current liabilities 2.7 times (2019: 4 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 2021.

#### **COVID-19**

The Covid-19 outbreak has affected the business. Since the beginning, Ocean Safety has been following all recommendations and guidelines from governments and has been really proactive to assure our employee's health and safety, while doing its best to keep serving our customers in the most efficient way. However, sales have been impacted, particularly on the leisure market and some customers' payments delayed.

Due to these exceptional circumstances, a particular attention will be paid to cash flows. This implies notably the below:

- 1) Rise of the quantities ordered to suppliers to offset the increase in lead-times related to the pandemic
- 2) Adaptation of the production tools
- 3) Optimization of the stock level
- 4) Putting emphasis on our military sales
- 5) Use of the schemes proposed by the UK government to face this crisis, notably linked to employment, deferred tax and VAT payment

**OCEAN SAFETY LIMITED**

**Strategic Report  
for the Year Ended 31 December 2020**

**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: 15th September 2021  
.....

## **OCEAN SAFETY LIMITED**

### **Directors' Report for the Year Ended 31 December 2020**

The directors present their annual report with the financial statements of the company for the year ended 31 December 2020.

#### **PRINCIPAL ACTIVITY**

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

#### **DIVIDENDS**

The dividends paid during the year ended 31 December 2020 is £1.5m (2019: £Nil).

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Y F BOUCTOT  
A J RICHARDS

#### **COVID-19**

The COVID-19 outbreak that is spreading in the UK, will affect the business significantly. Since the beginning, Ocean Safety Limited have been following all recommendations and guidelines from governments and have been really proactive to assure our employee's health and safety, while doing their best to keep serving our customers in the most efficient way. However, sales will be severely impacted and some customers' payments delayed.

Due to these exceptional circumstances, a particular attention will be paid to cash flows. This implies notably the below:

- 1) Reduction of the quantities ordered to suppliers and negotiation to extend suppliers payment terms;
- 2) Adaptation of the productive tools;
- 3) Optimization of the stock level;
- 4) Putting emphasis on our military sales; and
- 5) Use of the schemes proposed by the UK government to face this crisis, notably linked to employment, deferred tax and VAT payment.

#### **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 product 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 both US Dollars and Euros based on rolling forecasts to manage risks.

#### **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. To mitigate currency risk exposure the company enters into forward-rate foreign exchange contracts in US Dollars.

#### **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 2020.

## **OCEAN SAFETY LIMITED**

### **Directors' Report for the Year Ended 31 December 2020**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements 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; 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.

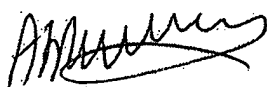
#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Constantin, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**



.....  
A J RICHARDS - Director

Date: 15th Sept 2021



**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 2020 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; and
- the related notes 1 to 23, 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 material misstatement in the financial 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.





## **Independent Auditors' Report to the Members of OCEAN SAFETY LIMITED**

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor'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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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.
- 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 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.

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

- reviewing financial statement disclosures by testing the 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 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.

**Independent Auditors' Report to the Members of  
OCEAN SAFETY LIMITED**

**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:

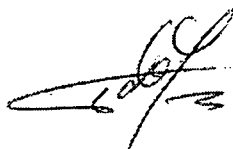
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law 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: 15 September 2021

**OCEAN SAFETY LIMITED**

**Statement of Comprehensive  
Income  
for the Year Ended 31 December 2020**

|  |       | 2020        | 2019        |
|--|-------|-------------|-------------|
|  | Notes | £           | £           |
| <b>TURNOVER</b>                                    | 4     | 11,282,900  | 13,484,005  |
| Cost of sales                                      |       | (7,159,920) | (8,714,211) |
| <b>GROSS PROFIT</b>                                |       | 4,122,980   | 4,769,794   |
| Administrative expenses                            |       | (3,568,922) | (4,177,155) |
|  |       | 554,058     | 592,639     |
| Other operating income                             |       | 178,832     | -           |
| <b>OPERATING PROFIT</b>                            | 6     | 732,890     | 592,639     |
| Interest receivable and similar income             | 8     | -           | 1,835       |
|  |       | 732,890     | 594,474     |
| Interest payable and similar expenses              | 9     | (52,338)    | (58,564)    |
| <b>PROFIT BEFORE TAXATION</b>                      |       | 680,552     | 535,910     |
| Tax on profit                                      | 10    | (27,247)    | (9,511)     |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>               |       | 653,305     | 526,399     |
| <b>OTHER COMPREHENSIVE INCOME</b>                  |       | -           | -           |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE YEAR</b> |       | 653,305     | 526,399     |

The notes form part of these financial statements

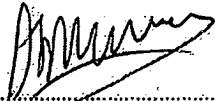
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**OCEAN SAFETY LIMITED (Registered number: 02880054)**

**Statement of Financial Position  
31 December 2020**

|  |              | <b>2020</b>      | <b>2019</b>      |
|--|--------------|------------------|------------------|
|  | <b>Notes</b> | <b>£</b>         | <b>£</b>         |
| <b>FIXED ASSETS</b>                              |              |                  |                  |
| Intangible assets                                | 13           | 269,995          | 72,967           |
| Tangible assets                                  | 14           | 905,737          | 290,281          |
|  |              | <u>1,175,732</u> | <u>363,248</u>   |
| <br><b>CURRENT ASSETS</b>                        |              |                  |                  |
| Stocks   | 15           | 1,331,625        | 1,594,614        |
| Debtors  | 16           | 2,080,312        | 4,087,774        |
| Cash at bank                                     |              | 1,269,537        | 319,408          |
|  |              | <u>4,681,474</u> | <u>6,001,796</u> |
| <b>CREDITORS</b>                                 |              |                  |                  |
| Amounts falling due within one year              | 17           | (1,829,483)      | (1,498,558)      |
| <b>NET CURRENT ASSETS</b>                        |              | <u>2,851,991</u> | <u>4,503,238</u> |
| <br><b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |              | <u>4,027,723</u> | <u>4,866,486</u> |
| <br><b>CREDITORS</b>                             |              |                  |                  |
| Amounts falling due after more than one year     | 18           | (1,793)          | (7,797)          |
| <b>PROVISIONS FOR LIABILITIES</b>                | 20           | (103,063)        | (75,816)         |
| <b>NET ASSETS</b>                                |              | <u>3,922,867</u> | <u>4,782,873</u> |
| <br><b>CAPITAL AND RESERVES</b>                  |              |                  |                  |
| Called up share capital                          | 21           | 121,750          | 121,750          |
| Retained earnings                                |              | 3,801,117        | 4,661,123        |
| <b>SHAREHOLDERS' FUNDS</b>                       |              | <u>3,922,867</u> | <u>4,782,873</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 15<sup>th</sup> Sept 2021 and were signed on its behalf by:

  
 .....  
 A J RICHARDS - Director

The notes form part of these financial statements

**OCEAN SAFETY LIMITED**

**Statement of Changes in Equity  
for the Year Ended 31 December 2020**

|                                    | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£    |
|------------------------------------|------------------------------------|---------------------------|-------------------------|
| <b>Balance at 1 January 2019</b>   | 121,750                            | 4,134,724                 | 4,256,474               |
| <b>Changes in equity</b>           |                                    |                           |                         |
| Total comprehensive income         | -                                  | 526,399                   | 526,399                 |
| <b>Balance at 31 December 2019</b> | <u>121,750</u>                     | <u>4,661,123</u>          | <u>4,782,873</u>        |
| <b>Changes in equity</b>           |                                    |                           |                         |
| Dividends                          | -                                  | (1,499,137)               | (1,499,137)             |
| Total comprehensive income         | -                                  | 653,305                   | 653,305                 |
| <b>Balance at 31 December 2020</b> | <u><u>121,750</u></u>              | <u><u>3,815,291</u></u>   | <u><u>3,937,041</u></u> |

The notes form part of these financial statements

## **OCEAN SAFETY LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1. STATUTORY 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**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Going Concern**

Including the recent pandemic outbreak and at the time of 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 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 2020.

##### **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 FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Significant judgements and estimates**

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.

##### **Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **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 IAS 18 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.

## OCEAN SAFETY LIMITED

### Notes to the Financial Statements - continued for the Year Ended 31 December 2020

#### 2. ACCOUNTING POLICIES - continued

##### Impairment of intangible assets

Intangible assets are revalued on a periodic basis and tested annually for indicators of impairment. Judgements are required to make an assessment as to whether there is an indication of impairment. The impairment tests include examination of capital expenditure incurred in the financial year to ascertain whether it has resulted in an increase in value or an impairment of an asset. If the actual results differ from the assumptions, the value of intangible assets will be over or understated. This would be adjusted when the assets were next revalued.

##### Providing for doubtful debts

The Financial Statements contains estimated figures that are based on assumptions made by the Company about the future or that are otherwise uncertain. These include useful lives, valuations and bad debt provisions. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty actual results could be different from the assumptions and estimates.

##### Pensions liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the expected rate of price inflation, the rate at which salaries and pensions are expected to increase, mortality rates and rate of commutation of pensions.

##### Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment 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.

##### **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.

##### **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 values over their useful lives on the following bases:

Customer contracts

5 years

##### **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 7 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.

## OCEAN SAFETY LIMITED

### Notes to the Financial Statements - continued for the Year Ended 31 December 2020

#### 2. ACCOUNTING POLICIES - continued

##### **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 its 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.

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.

##### **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.



## OCEAN SAFETY LIMITED

### Notes to the Financial Statements - continued for the Year Ended 31 December 2020

#### 2. ACCOUNTING POLICIES - continued

##### **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.

##### 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 2020**

#### **2. 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 taxation**

Deferred tax is calculated at the 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 difference between taxable profits and total comprehensive income that arise from the inclusion on 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.

##### **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.

##### **Foreign currencies**

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.

##### **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.

## **OCEAN SAFETY LIMITED**

### **Notes to the Financial Statements - continued for the Year Ended 31 December 2020**

#### **2. ACCOUNTING POLICIES - continued**

##### **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.

##### **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.

##### **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.

## OCEAN SAFETY LIMITED

### Notes to the Financial Statements - continued for the Year Ended 31 December 2020

#### 3. CRITICAL ACCOUNTING 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 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.

##### **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 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.

##### 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.

# OCEAN SAFETY LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business for the year ended 31 December 2020 is given below:

|                            | 2020              | 2019              |
|----------------------------|-------------------|-------------------|
|                            | £                 | £                 |
| Servicing                  | 1,344,180         | 1,579,674         |
| Distribution/Manufacturing | 9,938,720         | 11,904,331        |
|                            | <u>11,282,900</u> | <u>13,484,005</u> |

An analysis of turnover by geographical market is given below:

|                   | 2020              | 2019              |
|-------------------|-------------------|-------------------|
|                   | £                 | £                 |
| United Kingdom    | 8,583,680         | 10,363,204        |
| Rest of the World | 2,699,220         | 3,120,801         |
|                   | <u>11,282,900</u> | <u>13,484,005</u> |

### 5. EMPLOYEES AND DIRECTORS

|                       | 2020             | 2019             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,966,216        | 2,255,100        |
| Social security costs | 182,289          | 211,504          |
| Other pension costs   | 39,991           | 41,794           |
|                       | <u>2,188,496</u> | <u>2,508,398</u> |

The average number of employees during the year was as follows:

|                | 2020      | 2019      |
|----------------|-----------|-----------|
| Sales          | 10        | 12        |
| Administration | 41        | 40        |
| Production     | 18        | 26        |
|                | <u>69</u> | <u>78</u> |

Remuneration of the highest paid directors 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 £8,087 (2019: £9,190).

# OCEAN SAFETY LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

|                                  | 2020           | 2019           |
|----------------------------------|----------------|----------------|
|                                  | £              | £              |
| Other operating leases           | 258,270        | 344,469        |
| Depreciation - owned assets      | 310,020        | 68,092         |
| Goodwill amortisation            | 95,765         | 263,405        |
| Customers contracts amortisation | 7,207          | 28,948         |
| Foreign exchange differences     | 38,139         | (7,375)        |
| Research and development costs   | 33,470         | 64,784         |
|                                  | <u>258,270</u> | <u>344,469</u> |

### 7. AUDITORS' REMUNERATION

|  | 2020          | 2019          |
|--|---------------|---------------|
|  | £             | £             |
| Fees payable to the company's auditors for the audit of the company's financial statements | 16,000        | 15,500        |
|  | <u>16,000</u> | <u>15,500</u> |

### 8. INTEREST RECEIVABLE AND SIMILAR INCOME

|               | 2020     | 2019         |
|---------------|----------|--------------|
|               | £        | £            |
| Bank interest | -        | 1,835        |
|               | <u>-</u> | <u>1,835</u> |

### 9. INTEREST PAYABLE AND SIMILAR EXPENSES

|                                | 2020          | 2019          |
|--------------------------------|---------------|---------------|
|                                | £             | £             |
| Bank interest                  | 682           | 1,906         |
| Foreign exchange contract loss | 51,656        | 56,658        |
|                                | <u>52,338</u> | <u>58,564</u> |

### 10. TAXATION

#### Analysis of the tax charge

The tax charge on the profit for the year was as follows:

|  | 2020          | 2019         |
|--|---------------|--------------|
|  | £             | £            |
| Deferred tax:                          |               |              |
| Deferred tax                           | 27,075        | 9,428        |
| Adjustment in respect of prior periods | 172           | 83           |
| Total deferred tax                     | <u>27,247</u> | <u>9,511</u> |
| Tax on profit                          | <u>27,247</u> | <u>9,511</u> |

# OCEAN SAFETY LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 10. TAXATION - continued

#### Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

|   | 2020      | 2019      |
|---|-----------|-----------|
|   | £         | £         |
| Profit before tax   | 680,552   | 535,910   |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) | 129,305   | 101,823   |
| Effects of:   |           |           |
| Expenses not deductible for tax purposes  | 6,101     | 12,075    |
| Adjustments to tax charge in respect of previous periods                                | (2,563)   | 83        |
| Group relief  | (118,759) | (100,569) |
| R&D expenditure credits   | -         | (3,901)   |
| Remeasurement of deferred tax for changes in tax rates                                  | 1,584     | -         |
| Deferred tax on assets transferred in from Ocean Safety Rental                          | 26,038    | -         |
| Release of deferred tax on historic acquisitions  | (14,459)  | -         |
| Total tax charge  | 27,247    | 9,511     |

### 11. DIVIDENDS

|                           | 2020      | 2019 |
|---------------------------|-----------|------|
|                           | £         | £    |
| Ordinary shares of 1 each |           |      |
| Final                     | 1,499,137 | -    |

# OCEAN SAFETY LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 12. PRIOR YEAR ADJUSTMENT

The accounts have been restated due to a reclassification between Debtors/Creditors amount due/owed within one year and amount due/owed after more than one year. The changes have resulted in no impact on the profit before tax for the year ended 31st December 2019.

| <b>Debtors</b>                                    | <b>2019<br/>as restated<br/>£</b> | <b>2019<br/>as filed<br/>£</b> |
|---|-----------------------------------|--------------------------------|
| Amounts falling due within one year:              |                                   |                                |
| Trade debtors                                     | 1,023,683                         | 1,023,683                      |
| Amounts owed by group undertakings                | 290,081                           | 3,003,178                      |
| Other debtors                                     | 2,110                             | 2,110                          |
| Prepayments and accrued income                    | 106,082                           | 106,082                        |
|   | <u>1,421,956</u>                  | <u>4,135,053</u>               |
| <br>Amounts falling due after more than one year: |                                   |                                |
| Amounts owed by group undertakings                | <u>2,665,818</u>                  | <u>-</u>                       |
| <br>Aggregate amounts                             | <u>4,087,774</u>                  | <u>4,135,053</u>               |
| <br>  |                                   |                                |
| <b>Creditors</b>                                  | <b>2019<br/>as restated<br/>£</b> | <b>2019<br/>as filed<br/>£</b> |
| Finance leases                                    | 1,409                             | 1,409                          |
| Trade creditors                                   | 724,853                           | 724,853                        |
| Amounts owed to group undertakings                | 446,522                           | 493,801                        |
| Social security and other taxes                   | 212,491                           | 212,491                        |
| Other creditors                                   | 9,190                             | 9,190                          |
| Accruals and deferred income                      | 104,093                           | 104,093                        |
|   | <u>1,498,558</u>                  | <u>1,545,837</u>               |





**OCEAN SAFETY LIMITED**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**13. INTANGIBLE FIXED ASSETS**

|                       | <b>Goodwill<br/>£</b> | <b>Customers<br/>contracts<br/>£</b> | <b>Totals<br/>£</b> |
|-----------------------|-----------------------|--------------------------------------|---------------------|
| <b>COST</b>           |                       |                                      |                     |
| At 1 January 2020     | 1,899,152             | 144,620                              | 2,043,772           |
| Additions             | 300,000               | -                                    | 300,000             |
| At 31 December 2020   | 2,199,152             | 144,620                              | 2,343,772           |
| <b>AMORTISATION</b>   |                       |                                      |                     |
| At 1 January 2020     | 1,833,392             | 137,413                              | 1,970,805           |
| Amortisation for year | 95,765                | 7,207                                | 102,972             |
| At 31 December 2020   | 1,929,157             | 144,620                              | 2,073,777           |
| <b>NET BOOK VALUE</b> |                       |                                      |                     |
| At 31 December 2020   | 269,995               | -                                    | 269,995             |
| At 31 December 2019   | 65,760                | 7,207                                | 72,967              |

**14. TANGIBLE FIXED ASSETS**

|                        | <b>Long<br/>leasehold<br/>£</b> | <b>Hire Fleet<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> |
|------------------------|---------------------------------|-------------------------|--------------------------------------|
| <b>COST</b>            |                                 |                         |                                      |
| At 1 January 2020      | 292,715                         | -                       | 272,184                              |
| Additions              | 49,966                          | 813,346                 | 30,711                               |
| Disposals              | -                               | (6,567)                 | -                                    |
| At 31 December 2020    | 342,681                         | 806,779                 | 302,895                              |
| <b>DEPRECIATION</b>    |                                 |                         |                                      |
| At 1 January 2020      | 121,616                         | -                       | 190,441                              |
| Charge for year        | 22,516                          | 246,133                 | 18,998                               |
| Eliminated on disposal | -                               | (16,010)                | -                                    |
| At 31 December 2020    | 144,132                         | 230,123                 | 209,439                              |
| <b>NET BOOK VALUE</b>  |                                 |                         |                                      |
| At 31 December 2020    | 198,549                         | 576,656                 | 93,456                               |
| At 31 December 2019    | 171,099                         | -                       | 81,743                               |

**OCEAN SAFETY LIMITED**

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**14. TANGIBLE FIXED ASSETS - continued**

|                        | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Totals<br/>£</b> |
|------------------------|--|---------------------------------|---------------------|
| <b>COST</b>            |  |                                 |                     |
| At 1 January 2020      | 204,704                                    | 22,775                          | 792,378             |
| Additions              | 17,005                                     | 5,110                           | 916,138             |
| Disposals              | (4,948)                                    | -                               | (11,515)            |
| At 31 December 2020    | <u>216,761</u>                             | <u>27,885</u>                   | <u>1,697,001</u>    |
| <b>DEPRECIATION</b>    |  |                                 |                     |
| At 1 January 2020      | 167,265                                    | 22,775                          | 502,097             |
| Charge for year        | 22,231                                     | 142                             | 310,020             |
| Eliminated on disposal | (4,843)                                    | -                               | (20,853)            |
| At 31 December 2020    | <u>184,653</u>                             | <u>22,917</u>                   | <u>791,264</u>      |
| <b>NET BOOK VALUE</b>  |  |                                 |                     |
| At 31 December 2020    | <u>32,108</u>                              | <u>4,968</u>                    | <u>905,737</u>      |
| At 31 December 2019    | <u>37,439</u>                              | <u>-</u>                        | <u>290,281</u>      |

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

|  | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|--|-------------------|-------------------|
| Plant and machinery  | 9,848             | 4,896             |
| Fixtures and fittings  | -                 | 11,132            |
|  | <u>9,848</u>      | <u>16,028</u>     |
| Depreciation charge for the year in respect of leased assets | <u>1,177</u>      | <u>8,871</u>      |

**15. STOCKS**

|                  | <b>2020<br/>£</b> | <b>2019<br/>£</b> |
|------------------|-------------------|-------------------|
| Raw materials    | 682,870           | 670,140           |
| Goods in transit | 4,916             | 25,932            |
| Finished goods   | 643,839           | 898,542           |
|                  | <u>1,331,625</u>  | <u>1,594,614</u>  |

Finished goods with a value of £734,823 (2019: £947,238) has been written down to £643,839 (2019: £898,238). No earlier stock write down has been reversed during the current or preceding period.

The difference between purchase price of stocks and their replacement cost is not material.

# OCEAN SAFETY LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 16. DEBTORS

|   | 2020             | 2019<br>as restated |
|---|------------------|---------------------|
|   | £                | £                   |
| Amounts falling due within one year:          |                  |                     |
| Trade debtors                                 | 1,032,957        | 1,023,683           |
| Amounts owed by group undertakings            | 78,613           | 290,081             |
| Other debtors                                 | 2,000            | 2,110               |
| Prepayments and accrued income                | 24,581           | 106,082             |
|   | <u>1,138,151</u> | <u>1,421,956</u>    |
| Amounts falling due after more than one year: |                  |                     |
| Amounts owed by group undertakings            | <u>942,161</u>   | <u>2,665,818</u>    |
| Aggregate amounts                             | <u>2,080,312</u> | <u>4,087,774</u>    |

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

### 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2020             | 2019<br>as restated |
|------------------------------------|------------------|---------------------|
|                                    | £                | £                   |
| Finance leases (see note 19)       | 3,002            | 1,409               |
| Trade creditors                    | 681,782          | 724,853             |
| Amounts owed to group undertakings | 482,174          | 446,522             |
| Social security and other taxes    | 132,020          | 212,491             |
| Other creditors                    | 59,827           | 9,190               |
| Accruals and deferred income       | 470,678          | 104,093             |
|                                    | <u>1,829,483</u> | <u>1,498,558</u>    |

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

### 18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|                              | 2020         | 2019         |
|------------------------------|--------------|--------------|
|                              | £            | £            |
| Finance leases (see note 19) | <u>1,793</u> | <u>7,797</u> |

# OCEAN SAFETY LIMITED

## Notes to the Financial Statements - continued for the Year Ended 31 December 2020

### 19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

|                            | Finance leases |              |
|----------------------------|----------------|--------------|
|                            | 2020           | 2019         |
|                            | £              | £            |
| Net obligations repayable: |                |              |
| Within one year            | 3,002          | 1,409        |
| Between one and five years | 1,793          | 7,797        |
|                            | <u>4,795</u>   | <u>9,206</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.

|                            | Non-cancellable operating leases |                  |
|----------------------------|----------------------------------|------------------|
|                            | 2020                             | 2019             |
|                            | £                                | £                |
| Within one year            | 247,818                          | 210,865          |
| Between one and five years | 743,409                          | 615,257          |
| In more than five years    | 409,257                          | 309,603          |
|                            | <u>1,400,484</u>                 | <u>1,135,725</u> |

Leases of £1,330,864 (2019: £1,014,988) relate to properties used by the company and expire between June 2022 and February 2030. The remaining leases relate to vehicles and printers and expire between February 2021 and July 2024.

### 20. PROVISIONS FOR LIABILITIES

|                             | 2020           | 2019          |
|-----------------------------|----------------|---------------|
|                             | £              | £             |
| Deferred tax                | 53,063         | 25,816        |
| Other provisions            | 50,000         | 50,000        |
|                             | <u>103,063</u> | <u>75,816</u> |
|                             |                |               |
|                             | Deferred tax   | Dilapidations |
|                             | £              | £             |
| Balance at 1 January 2020   | 25,816         | 50,000        |
| Other                       | 27,247         | -             |
| Balance at 31 December 2020 | <u>53,063</u>  | <u>50,000</u> |

## OCEAN SAFETY LIMITED

### Notes to the Financial Statements - continued for the Year Ended 31 December 2020

#### 20. PROVISIONS FOR LIABILITIES - continued

##### 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.

##### 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.

#### 21. CALLED UP SHARE CAPITAL

##### Allotted, issued and fully paid:

| Number: | Class:   | Nominal value: | 2020           | 2019           |
|---------|----------|----------------|----------------|----------------|
|         |          |                | £              | £              |
| 121,750 | Ordinary | 1              | <u>121,750</u> | <u>121,750</u> |

#### 22. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

The company is registered with HM Revenue and Customs as a member group 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 2020 was £73,221 (2019: £147,423 ).

#### 23. 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.

#### 24. COVID-19

The COVID-19 outbreak that is spreading in the UK, will affect the business significantly. Since the beginning, Ocean Safety Limited have been following all recommendations and guidelines from governments and have been really proactive to assure our employee's health and safety, while doing their best to keep serving our customers in the most efficient way. However, sales will be severely impacted and some customers' payments delayed. Due to these exceptional circumstances, a particular attention will be paid to cash flows. This implies notably the below:

- 1) Reduction of the quantities ordered to suppliers and negotiation to extend suppliers payment terms;
- 2) Adaptation of the productive tools;
- 3) Optimization of the stock level;
- 4) Putting emphasis on our military sales; and
- 5) Use of the schemes proposed by the UK government to face this crisis, notably linked to employment, deferred tax and VAT payment.