

REGISTERED NUMBER: 02880054 (England and Wales)

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 December 2019
for
OCEAN SAFETY LIMITED**

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OCEAN SAFETY LIMITED

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for the Year Ended 31 December 2019**

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OCEAN SAFETY LIMITED

**Company Information
for the Year Ended 31 December 2019**

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 2019

The directors present their strategic report for the year ended 31 December 2019.

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 £13.5m (2018: £12.9m). Revenue has grown for 4.5% from 2018 to 2019.

Stock has decreased by £0.1m GBP from 2018 to 2019 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 £13.5m (2018: £12.9m), and margin 35.3%. By the year end the company had increased net asset position by £0.5m and current assets covered current liabilities 4 times (2018: 1.9 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. At the date this report was approved, 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, is not finalised and therefore there is uncertainty as to the outcome and potential future impact on the business.

The following risks and potential impacts could affect the group:

- 1) Potential delays in shipping goods to and from the EU member states, for any Group sales to EU customers, or EU based group entities;
- 2) Additional tariffs on goods shipped to and from the EU, and on group sales to EU customers, or EU based group entities; and
- 3) 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, as well as identifying natural hedging opportunities that the group structure allows.

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.

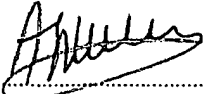
OCEAN SAFETY LIMITED

**Strategic Report
for the Year Ended 31 December 2019**

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: 22nd Sept 2020.



OCEAN SAFETY LIMITED

Directors' Report for the Year Ended 31 December 2019

The directors present their annual report with the financial statements of the company for the year ended 31 December 2019.

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 proposed for the year ended 31 December 2019 are £1.5m (2018: nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Y F BOUCTOT
A J RICHARDS

SUBSEQUENT EVENT

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.

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- 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

OCEAN SAFETY LIMITED

Directors' Report for the Year Ended 31 December 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

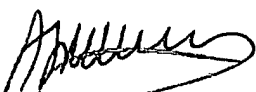
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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: 22 Sept 2020



**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 2019 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 of Ocean Safety Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 24, which include 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

**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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

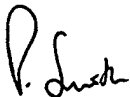
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Peter Smith FCA (Senior Statutory Auditor)
for and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Date: 22 September 2020



OCEAN SAFETY LIMITED

**Statement of Comprehensive Income
for the Year Ended 31 December 2019**

		2019	2018 as restated
	Notes	£	£
TURNOVER	4	13,484,005	12,903,447
Cost of sales		(8,714,211)	(8,264,764)
GROSS PROFIT		4,769,794	4,638,683
Administrative expenses		(4,177,155)	(4,273,550)
OPERATING PROFIT	6	592,639	365,133
Interest receivable and similar income	8	1,835	-
		594,474	365,133
Interest payable and similar expenses	9	(58,564)	(22,554)
PROFIT BEFORE TAXATION		535,910	342,579
Tax on profit	10	(9,511)	6,091
PROFIT FOR THE FINANCIAL YEAR		526,399	348,670
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>526,399</u>	<u>348,670</u>

The notes form part of these financial statements

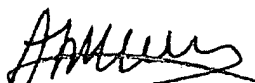


OCEAN SAFETY LIMITED (Registered number: 02880054)

**Statement of Financial Position
31 December 2019**

		2019	2018
	Notes	£	as restated £
FIXED ASSETS			
Intangible assets	12	72,967	365,320
Tangible assets	13	290,281	164,517
		<u>363,248</u>	<u>529,837</u>
 CURRENT ASSETS			
Stocks	14	1,594,614	1,722,890
Debtors	15	4,135,053	5,669,690
Cash at bank		319,408	391,535
		<u>6,049,075</u>	<u>7,784,115</u>
CREDITORS			
Amounts falling due within one year	16	(1,545,837)	(3,993,180)
NET CURRENT ASSETS		<u>4,503,238</u>	<u>3,790,935</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,866,486	4,320,772
 CREDITORS			
Amounts falling due after more than one year	17	(7,797)	(7,993)
PROVISIONS FOR LIABILITIES	20	(75,816)	(56,305)
NET ASSETS		<u><u>4,782,873</u></u>	<u><u>4,256,474</u></u>
 CAPITAL AND RESERVES			
Called up share capital	21	121,750	121,750
Retained earnings		4,661,123	4,134,724
SHAREHOLDERS' FUNDS		<u><u>4,782,873</u></u>	<u><u>4,256,474</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 22nd Sept 2020 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 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	121,750	3,786,054	3,907,804
Changes in equity			
Total comprehensive income	-	348,670	348,670
Balance at 31 December 2018	121,750	4,134,724	4,256,474
Changes in equity			
Total comprehensive income	-	526,399	526,399
Balance at 31 December 2019	121,750	4,661,123	4,782,873

The notes form part of these financial statements

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OCEAN SAFETY LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

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.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

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
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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 2019

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

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

Stocks

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

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand.

OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial assets that meet the conditions in FRS 102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

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.

OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future disbursements discounted at a market rate of interest.

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.

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.

OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

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

Lease 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.

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.

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OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

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 2019

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 2019 is given below:

	2019 £	2018 £
Servicing	1,579,674	1,568,253
Distribution/Manufacturing	11,904,331	11,335,194
	<u>13,484,005</u>	<u>12,903,447</u>

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
United Kingdom	10,363,204	10,363,896
Rest of the World	3,120,801	2,539,551
	<u>13,484,005</u>	<u>12,903,447</u>

5. EMPLOYEES AND DIRECTORS

	2019 £	2018 as restated £
Wages and salaries	2,255,100	2,078,207
Social security costs	211,504	212,141
Other pension costs	41,794	27,524
	<u>2,508,398</u>	<u>2,317,872</u>

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

	2019	2018 as restated
Sales	12	18
Administration	40	35
Production	26	20
	<u>78</u>	<u>73</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 £63,388 (2018: 54,770).

OCEAN SAFETY LIMITED

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

6. OPERATING PROFIT

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

	2019	2018 as restated
	£	£
Other operating leases	344,469	369,570
Depreciation - owned assets	68,092	59,843
Goodwill amortisation	263,405	229,486
Customers contracts amortisation	28,948	86,755
Foreign exchange differences	(7,375)	(44,469)
Research and development costs	64,784	42,433
	<u>64,784</u>	<u>42,433</u>

7. AUDITORS' REMUNERATION

	2019	2018 as restated
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	15,500	24,475
	<u>15,500</u>	<u>24,475</u>

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018 as restated
	£	£
Bank interest	1,835	-
	<u>1,835</u>	<u>-</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018 as restated
	£	£
Bank interest	1,906	5,298
Foreign exchange contract loss	56,658	17,256
	<u>58,564</u>	<u>22,554</u>

OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

10. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2019	2018 as restated
	£	£
Current tax:		
UK corporation tax	-	(10,518)
Deferred tax:		
Deferred tax	9,428	4,427
Adjustment in respect of prior periods	83	-
Total deferred tax	9,511	4,427
Tax on profit	9,511	(6,091)

Reconciliation of total tax charge/(credit) 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:

	2019	2018 as restated
	£	£
Profit before tax	535,910	342,579
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	101,823	65,090
Effects of:		
Expenses not deductible for tax purposes	12,075	2,072
Adjustments to tax charge in respect of previous periods	83	(10,518)
Group relief	(100,569)	(59,459)
Other timing differences	-	(3,276)
R&D expenditure credits	(3,901)	-
Total tax charge/(credit)	9,511	(6,091)

11. PRIOR YEAR ADJUSTMENT

The accounts for the year ending 31.12.2018 have been restated so that the other operating income consisting in foreign exchange income unrealised for £21,356 could be reclassified as administrative expenses.

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OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

12. INTANGIBLE FIXED ASSETS

	Goodwill £	Customers contracts £	Totals £
COST			
At 1 January 2019			
and 31 December 2019	1,899,152	144,620	2,043,772
AMORTISATION			
At 1 January 2019	1,569,987	108,465	1,678,452
Amortisation for year	263,405	28,948	292,353
At 31 December 2019	1,833,392	137,413	1,970,805
NET BOOK VALUE			
At 31 December 2019	65,760	7,207	72,967
At 31 December 2018	329,165	36,155	365,320

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2019	165,527	246,977	222,158	22,775	657,437
Additions	148,141	26,859	20,509	-	195,509
Disposals	(20,953)	(1,652)	(37,963)	-	(60,568)
At 31 December 2019	292,715	272,184	204,704	22,775	792,378
DEPRECIATION					
At 1 January 2019	122,338	172,095	175,712	22,775	492,920
Charge for year	18,581	19,998	29,513	-	68,092
Eliminated on disposal	(19,303)	(1,652)	(37,960)	-	(58,915)
At 31 December 2019	121,616	190,441	167,265	22,775	502,097
NET BOOK VALUE					
At 31 December 2019	171,099	81,743	37,439	-	290,281
At 31 December 2018	43,189	74,882	46,446	-	164,517

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

	2019 £	2018 £
Plant and machinery	4,896	13,248
Fixtures and fittings	11,132	13,288
	16,028	26,536
Depreciation charge for the year in respect of leased assets	8,871	12,346

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OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

14. STOCKS

	2019	2018 as restated
	£	£
Raw materials	670,140	670,765
Goods in transit	25,932	41,206
Finished goods	898,542	1,010,919
	<u>1,594,614</u>	<u>1,722,890</u>

Finished goods with a value of £947,238 (2018: £1,080,919) has been written down to £898,238 (2018: £1,010,919). 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.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018 as restated
	£	£
Trade debtors	1,023,683	1,263,177
Amounts owed by group undertakings	3,003,178	4,252,315
Other debtors	2,110	3,526
Derivative Financial Instruments	-	21,356
Tax	-	10,518
Prepayments and accrued income	106,082	118,798
	<u>4,135,053</u>	<u>5,669,690</u>

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

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018 as restated
	£	£
Finance leases (see note 18)	1,409	12,608
Trade creditors	724,853	1,031,455
Amounts owed to group undertakings	493,801	2,675,353
Social security and other taxes	212,491	89,831
Other creditors	9,190	54,770
Accruals and deferred income	104,093	129,163
	<u>1,545,837</u>	<u>3,993,180</u>

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018 as restated
	£	£
Finance leases (see note 18)	<u>7,797</u>	<u>7,993</u>



OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2019	2018
		as restated
	£	£
Net obligations repayable:		
Within one year	1,409	12,608
Between one and five years	7,797	7,993
	<u>9,206</u>	<u>20,601</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	
	2019	2018
		as restated
	£	£
Within one year	210,865	346,665
Between one and five years	615,257	670,980
In more than five years	309,603	-
	<u>1,135,725</u>	<u>1,017,645</u>

Leases of £1,014,988 (2018: £900,349) relate to properties used by the company and expire between June 2022 and August 2027. The remaining leases relate to vehicles and expire between February 2021 and July 2023.

19. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,026,861	5,519,018
Instruments measured at fair value through profit and loss	0	21,356
	<u>4,026,861</u>	<u>5,540,374</u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,322,747	3,890,741
	<u>1,322,747</u>	<u>3,890,741</u>

20. PROVISIONS FOR LIABILITIES

	2019	2018
	£	as restated £
Deferred tax	25,816	16,305
Other provisions	50,000	40,000
	<u>75,816</u>	<u>56,305</u>

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OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

20. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Dilapidati ons £
Balance at 1 January 2019	16,305	40,000
Other	9,511	10,000
	<hr/>	<hr/>
Balance at 31 December 2019	25,816	50,000
	<hr/>	<hr/>

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:	2019 £	2018 as restated £
121,750	Ordinary	1	121,750	121,750
			<hr/>	<hr/>

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 2019 was £147,423 (2018: £27,179).

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.



OCEAN SAFETY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2019

24. SUBSEQUENT EVENT

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.