

Registered number: 02601923

SAFELANE GLOBAL (GILLINGHAM) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



SAFELANE GLOBAL (GILLINGHAM) LIMITED

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SAFELANE GLOBAL (GILLINGHAM) LIMITED

COMPANY INFORMATION

Directors	A C J Ainsworth R E Hunter
Registered number	02601923
Registered office	3 Courtyard Campus Way Gillingham Business Park Gillingham Kent ME8 0NZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

SAFELANE GLOBAL (GILLINGHAM) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the Strategic Report of Safelane Global (Gillingham) Limited (the "Company") for the year ended 31 December 2019.

Activities and Business model

During the year the Company was engaged in the elimination or mitigation of explosive threats, including unexploded ordnance (UXO) and land mines, both on land and under water. These services include the provision of de-mining, consultancy, training, survey, investigation and disposal.

The Company was engaged in the delivery of services to a number of principle sectors:

- Humanitarian assistance: consultancy, training, EOD and de-mining;
- UK Construction industry: intrusive and non-intrusive surveys;

These services were delivered primarily in the UK and Falkland Islands, but also in continental Europe.

On 1 September 2019, the Company transferred its trade and assets to a fellow group undertaking. From this date the Company ceased trading and the directors do not expect the Company to resume trading in the foreseeable future.

Financial review

2019 has been a successful year, with the financials below for 2019 representing 8 months revenue. Underlying business, which has now transferred to SafeLane Global Ltd remains strong, driven by ongoing strong underlying performance and also significant project wins in the first 8 months of the year. The business has been successful in maintaining margins across its underlying portfolio and benefitted from a very significant project win in 2019. Gross margin as a % of turnover was constant at 28% (2018: 28%). All trade and assets were transferred to SafeLane Global Ltd on 1st September 2019.

Key performance indicators

	2019*	2018	2017
Turnover from continuing operations (£m)	18.0	22.4	16.3
Gross profit margin %	28%	28%	36%
Overall operating profit (£m)	2.5	3.9	2.7
Operating profit margin %	13.9%	17.3%	16.4%

*8 months trading

Monthly management reports are reviewed as the principal measure of performance monitoring. The business held regular board meetings during 2019.

Principal risks and uncertainties

Following the transfer of the Company's trade and assets, the Company is no longer exposed to any significant risks, including any risks associated with Covid-19.

This Strategic Report was approved by order of the board and signed on its behalf by:



A C J Ainsworth
Director

Date: 1 MAY 2020

SAFELANE GLOBAL (GILLINGHAM) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of Safelane Global (Gillingham) Limited (the "Company") for the year ended 31 December 2019.

Results and dividends

The profit for the financial year amounted to £1,745,269 (2018: £3,237,010).

Dividends of £7,581,700 (2018: £1,428,568) were declared and paid in respect of 2019, equivalent to £7,582 (2018: £1,429) per share.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

A C J Ainsworth
C Reid (resigned 9 May 2019)
R E Hunter (appointed 9 May 2019)

Company Secretary

The Company has taken the option available to it under the Companies Act 2006 to not appoint a secretary.

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for all of the directors of SafeLane Global (Gillingham) Limited.

Financial risks management

Following the transfer of its trade and assets, the Company no longer has any material exposure to financial risks.

Existence of branches of the Company outside of the United Kingdom

The Company has branches in Cambodia, Indonesia, Iraq, and Falkland Islands.

SAFELANE GLOBAL (GILLINGHAM) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

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

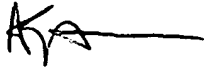
SAFELANE GLOBAL (GILLINGHAM) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

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



A C J Ainsworth
Director

Date: 1 MAY 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFELANE GLOBAL (GILLINGHAM) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Safelane Global (Gillingham) Limited's financial statements:

- 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFELANE GLOBAL (GILLINGHAM) LIMITED (CONTINUED)

also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAFELANE GLOBAL (GILLINGHAM) LIMITED (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Nott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
Date: 1 May 2020

SAFELANE GLOBAL (GILLINGHAM) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	17,995,833	22,408,644
Cost of sales		(12,915,493)	(16,184,401)
Gross profit		5,080,340	6,224,243
Administrative expenses		(2,575,681)	(2,351,030)
Operating profit	5	2,504,659	3,873,213
Interest receivable and similar income	9	1,394	193,188
Interest payable and similar expenses	10	(112,369)	(1)
Profit before taxation		2,393,684	4,066,400
Tax on profit	11	(648,415)	(829,390)
Profit for the financial year		1,745,269	3,237,010

All amounts shown above related to discontinued operations.

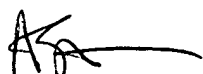
The notes on pages 12 to 28 form part of these financial statements.

SAFELANE GLOBAL (GILLINGHAM) LIMITED
REGISTERED NUMBER: 02601923

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	-	2,222
Tangible assets	14	-	1,080,698
Investments	15	-	31,119
		-	1,114,039
Current assets			
Debtors	16	436,812	5,302,358
Cash at bank and in hand	17	-	4,718,185
		436,812	10,020,543
Creditors: amounts falling due within one year	18	-	(4,801,339)
		436,812	5,219,204
Net current assets		436,812	5,219,204
Total assets less current liabilities		436,812	6,333,243
Provisions for liabilities			
Other provisions	21	-	(60,000)
Net assets		436,812	6,273,243
Capital and reserves			
Called up share capital	22	1,000	1,000
Profit and loss account	23	435,812	6,272,243
Total shareholders' funds		436,812	6,273,243

The financial statements on pages 10 to 29 were approved and authorised for issue by the board and were signed on its behalf by:



A C J Ainsworth
 Director

Date: 1 MAY 2020

The notes on pages 12 to 28 form part of these financial statements.

SAFELANE GLOBAL (GILLINGHAM) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2018	1,000	4,463,801	4,464,801
Comprehensive income for the financial year			
Profit for the financial year	-	3,237,010	3,237,010
Total comprehensive income for the financial year	-	3,237,010	3,237,010
Contributions by and distributions to owners			
Dividends: Equity capital	-	(1,428,568)	(1,428,568)
Total transactions with owners	-	(1,428,568)	(1,428,568)
At 31 December 2018 and 1 January 2019	1,000	6,272,243	6,273,243
Comprehensive income for the financial year			
Profit for the financial year	-	1,745,269	1,745,269
Total comprehensive income for the financial year	-	1,745,269	1,745,269
Contributions by and distributions to owners			
Dividends: Equity capital	-	(7,581,700)	(7,581,700)
Total transactions with owners	-	(7,581,700)	(7,581,700)
At 31 December 2019	1,000	435,812	436,812

The notes on pages 12 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Safelane Global (Gillingham) Limited is a limited liability company incorporated in England. The Registered Office is 3, The Courtyard Campus Way, Gillingham Business Park, Gillingham, Kent, ME8 0NZ.

The Company provides services to eliminate or mitigate the risks posed by unexploded ordnance (UXO) and land mines internationally both on land and underwater. These project based services include consultancy, research and development, survey, investigation and disposal.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a basis other than going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland" and the Companies Act 2006. The Company sold its trading assets during the year.

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

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SafeLane Global Holdings Limited as at 31 December 2019 and these financial statements may be obtained from 11-14 Seaton Place, St Helier, Jersey, JE4 0QH.

2.3 Going concern

Although the Company has ceased trading, the directors have no current plans to wind up the Company and hence expect it to remain dormant. Accordingly the financial statements are prepared on a going concern basis.

2.4 Consolidation

The Company is a wholly owned subsidiary of SafeLane Global Holdings Limited and is included in the consolidated financial statements of SafeLane Global Holdings Limited. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Turnover

Turnover comprises the invoiced value of services supplied net of value added tax. Turnover arising from long-term contracts reflects costs incurred to date and the directors' best estimate of profits attributable to the work performed to date. For this purpose the directors' estimate of attributable profits will include a proportion of the total profits anticipated to be made on the contract, to the extent that their realisation is reasonably foreseeable, and after making provision for all future costs.

The excess of payments received over amounts recorded as turnover is classified under creditors due within one year as deferred revenue. Amounts recoverable on contracts, being the amount by which recorded turnover is in excess of payments on account, is classified under debtors as accrued income.

Where turnover that has been recognised is found not to be recoverable due to a dispute with a customer these amounts are charged against turnover. When non-recovery is a result of the inability of the customer to meet its obligations, these amounts are charged to administrative expenses.

2.6 Intangible assets

Software

Software assets comprising of computer software are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of each asset over its expected useful life of up to 3 years.

2.7 Tangible assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	- 1 -7 years straight line
Motor vehicles	- 4 years straight line
Fixtures and fittings	- 1 -3 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.8 Investments

Investments in subsidiaries

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Investments in associates

An entity is treated as an associate undertaking where the Company has a participating interest and exercises significant influence over its operating and financial decisions.

2.9 Debtors

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

2.10 Cash and cash equivalents

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

2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.11 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.12 Creditors

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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 liability simultaneously.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

The results of overseas operations are translated at the average rates of exchange during the year and the net assets are translated into sterling at the rate of exchange ruling on the reporting date. Exchange differences which arise from translation of the operating net assets and results of foreign subsidiary undertakings are not recognised as profit or loss, but are taken to reserves via other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.14 Finance costs

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

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.16 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.19 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.20 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.21 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SAFELANE GLOBAL (GILLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Following the transfer of the Company's trade and assets, there are no significant judgements or estimates used in the preparation of these financial statements.

4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	13,102,200	15,019,552
Rest of Europe	221,596	508,553
Rest of the World	4,672,037	6,880,539
	<u>17,995,833</u>	<u>22,408,644</u>

Turnover represents the rendering of UXO mitigation and clearance services throughout 2019 and 2018.

5. Operating profit

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

	2019 £	2018 £
Depreciation of tangible assets	523,670	505,763
Amortisation of intangible assets	865	10,780
Profit on disposal of tangible assets	-	(8,163)
Profit on foreign currency translations	(39,440)	(120,009)
Impairment of trade debtors	3,278	2,465,934
Operating lease rentals	324,924	522,157
	<u>324,924</u>	<u>522,157</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>35,564</u>	<u>29,000</u>

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

SAFELANE GLOBAL (GILLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	2,228,033	5,807,011
Social security costs	84,416	419,751
Other pension costs	30,575	86,020
	<u>2,343,024</u>	<u>6,312,782</u>

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

	2019 Number	2018 Number
Administration	12	37
Operations	57	134
	<u>69</u>	<u>171</u>

8. Directors' remuneration

	2019 £	2018 £
Aggregate directors' remuneration	36,255	178,068
Directors' national insurance	3,414	25,911
Company contributions to defined contribution pension schemes	1,312	9,834
	<u>40,981</u>	<u>213,813</u>

During the year retirement benefits were accruing to 1 directors (2018: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £36,255 (2018: £157,900).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,312 (2018: £4,948).

SAFELANE GLOBAL (GILLINGHAM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Interest receivable and similar income

	2019	2018
	£	£
Bank interest and similar income	1,394	193,188

10. Interest payable and similar expenses

	2019	2018
	£	£
Other interest payable	112,369	1

11. Tax on profit

	2019	2018
	£	£
Corporation tax		
Current tax on profit for the year	452,097	850,000
Adjustments in respect of prior years	100,000	(20,610)
Total current tax	552,097	829,390
Deferred tax		
Adjustments in respect of prior years	96,318	-
Total deferred tax	96,318	-
Total tax	648,415	829,390

SAFELANE GLOBAL (GILLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	<u>2,393,684</u>	<u>4,066,400</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	454,800	772,616
Effects of:		
Expenses not deductible for tax purposes	(123,055)	77,384
Differences in overseas tax rates	120,352	-
Adjustment in respect of prior year	196,318	(20,610)
Total tax charge for the year	<u><u>648,415</u></u>	<u><u>829,390</u></u>

The tax rates that the Company is subject to on its overseas profits are higher than the UK due to operating in the following countries:

Location	Tax rate
Falkland Island	26%
Cambodia	20%
Indonesia	25%
Iraq	35%

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted on 7 September 2016 to reduce the main rate of Corporation tax to 17% from 1 April 2020 and deferred tax balances at the Balance Sheet date have been measured using this rate.

Subsequent to the Balance Sheet date, a further change was substantively enacted on 17 March 2020 to maintain the rate at 19%.

12. Dividends

	2019 £	2018 £
Dividends, equivalent to £7,582 per share (2018: £1,429)	<u><u>7,581,700</u></u>	<u><u>1,428,568</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Intangible assets

	Computer software £
Cost	
At 1 January 2019	73,085
Disposals	(73,085)
At 31 December 2019	<u>-</u>
Accumulated amortisation	
At 1 January 2019	70,863
Charge for the year	865
On disposals	(71,728)
At 31 December 2019	<u>-</u>
Net book value	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u><u>2,222</u></u>

SAFELANE GLOBAL (GILLINGHAM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Tangible assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2019	3,425,252	33,241	293,888	3,752,381
Additions	313,935	-	18,143	332,078
Disposals	(3,739,187)	(33,241)	(312,031)	(4,084,459)
At 31 December 2019	-	-	-	-
Accumulated depreciation				
At 1 January 2019	2,415,394	30,741	225,548	2,671,683
Charge for the year	507,381	1,111	15,178	523,670
Disposals	(2,922,775)	(31,852)	(240,726)	(3,195,353)
At 31 December 2019	-	-	-	-
Net book value				
At 31 December 2019	-	-	-	-
At 31 December 2018	1,009,858	2,500	68,340	1,080,698

Throughout the current and preceding years there were no assets held under finance leases or hire purchase contracts.

SAFELANE GLOBAL (GILLINGHAM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost			
At 1 January 2019	456	30,663	31,119
Disposals	(456)	(30,663)	(31,119)
At 31 December 2019	-	-	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
BACTEC Mocambique Limited	Av. Paulo Samuel Kankhomba, nr 1010, 2o Andar, Direito Maputo, Mozambique	UXO Services	Ordinary	100%
BACTEC Lao Limited	Unit 8 Phonsavanh Neua Village, Sisattanak District, PO Box 6089, Vientiane, Lao	UXO Services	Ordinary	100%

The Company disposed its subsidiaries during the year.

16. Debtors

	2019 £	2018 £
Trade debtors	-	2,789,926
Amounts owed by group undertakings	105,386	1,715,138
Other debtors	-	31,545
Tax recoverable	331,426	-
Deferred taxation (note 19)	-	96,318
Prepayments and accrued income	-	669,431
	<u>436,812</u>	<u>5,302,358</u>

All amounts shown within debtors fall due for payment within one year.

Trade debtors are shown net of a provision for impairment of £Nil (2018: £2,509,000).

Amounts due by group undertakings are interest free, unsecured and repayable on demand.

SAFELANE GLOBAL (GILLINGHAM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Cash at bank and in hand

	2019	2018
	£	£
Cash at bank and in hand	-	4,718,185
	<u> </u>	<u> </u>

18. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	-	1,473,834
Corporation tax	-	500,000
Other taxation and social security	-	582,635
Other creditors	-	66,768
Accruals and deferred income	-	2,178,102
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	4,801,339
	<u> </u>	<u> </u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

19. Financial instruments

	2019	2018
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	105,386	4,536,609
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities measured at amortised cost	-	(3,538,256)
	<u> </u>	<u> </u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, provisions and accruals.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Deferred taxation

	2019 £
At beginning of year	96,318
Adjustments in respect of prior years	(96,318)
At end of year	-

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	-	83,693
Other	-	12,625
	-	96,318

The deferred tax asset on trading losses has been recognised to the extent that the trade losses will be recoverable against profits in the foreseeable future based on current forecasts.

21. Other provisions

	Property dilapidations £
At 1 January 2019	60,000
Charged to profit or loss	(60,000)
At 31 December 2019	-

The provision for property dilapidations relates to a land and buildings operating lease that requires the Company to, on vacating the property, make good all dilapidations or other damage that occurs during the rental period. The amount is the current estimate for the costs that will need to be incurred to fulfil this obligation.

22. Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,000 (2018: 1,000) Ordinary shares of £1 each	1,000	1,000

SAFELANE GLOBAL (GILLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

23. Reserves

Profit and loss account

This reserve represents the cumulative profits and losses of the Company less any distributions made to the owners of the Company.

24. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contribution payable by the Company for the year amounted to £30,575 (2018: £86,020).

25. Commitments under operating leases

At 31 December the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	-	258,488
Later than 1 year and not later than 5 years	-	331,603
Later than 5 years	-	-
	<u>-</u>	<u>590,091</u>

26. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 to not disclose wholly owned members of the CDAC Holdings AB group.

During the year the Company purchased goods and services from AGS Advanced Geophysical Systems GmbH totalling £50,931 (2018: £43,382). Amounts owed at the reporting date were £Nil (2018: £3,543). AGS Advanced Geophysical Systems GmbH is a company incorporated in Germany that Safelane Global (Gillingham) Limited owned 35% of the ordinary share capital prior to disposing of its investment during the year.

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total compensation in respect of these individuals is £67,178 (2018: £264,151).

SAFELANE GLOBAL (GILLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

27. Ultimate parent undertaking and controlling party

The immediate parent company is SafeLane Group Limited, a company incorporated in England.

The smallest group in which the results are consolidated is SafeLane Group Limited. The UK address of the Company is Unit 2 Phocle Park, Phocle Green, Ross on Wye, HR9 7XU, England.

The ultimate parent company is CDAC Holdings AB, a company incorporated in Sweden. The consolidated accounts of the Company are publicly available in Sweden.

The ultimate controlling party is Xilos Co-investments No 1, a separate limited partnership registered in Jersey.