

Directors' Report and
Financial Statements for the Year Ended 31 May 2015
for
Kent Periscopes Limited

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Kent Periscopes Limited

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for the Year Ended 31 May 2015

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Kent Periscopes Limited

Company Information
for the Year Ended 31 May 2015

DIRECTORS:

S A Pender
G Owen
T Whiston
J Oliver

REGISTERED OFFICE:

6 Ffordd Richard Davies
St Asaph
Denbighshire
LL17 0LJ

REGISTERED NUMBER:

05417618 (England and Wales)

AUDITORS:

J V Banks
Chartered Accountants and Statutory Auditors
Banks House
Paradise Street
Rhyl
Denbighshire
LL18 3LW

Kent Periscopes Limited

Directors' Report
for the Year Ended 31 May 2015

The directors present their report with the financial statements of the company for the year ended 31 May 2015.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design and manufacture of optical systems.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2014 to the date of this report.

S A Pender
G Owen

Other changes in directors holding office are as follows:

T Whiston - appointed 14 January 2015
J Oliver - appointed 14 January 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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

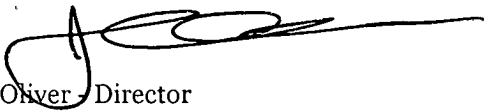
The auditors, J V Banks, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Kent Periscopes Limited

Directors' Report
for the Year Ended 31 May 2015

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J Oliver', with a long horizontal flourish extending to the right.

J Oliver - Director

12 August 2015

Independent Auditors' Report to the Members of
Kent Periscopes Limited

We have audited the financial statements of Kent Periscopes Limited for the year ended 31 May 2015 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note eighteen to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of
Kent Periscopes Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



C E Davies (Senior Statutory Auditor)
for and on behalf of J V Banks
Chartered Accountants and Statutory Auditors
Banks House
Paradise Street
Rhyl
Denbighshire
LL18 3LW

12 August 2015

Kent Periscopes Limited

Profit and Loss Account
for the Year Ended 31 May 2015

	Notes	31.5.15 £	31.5.14 £
TURNOVER	2	6,362,745	4,136,227
Cost of sales		4,301,624	2,710,294
GROSS PROFIT		2,061,121	1,425,933
Administrative expenses		1,297,172	831,268
		763,949	594,665
Other operating income		21,978	624
OPERATING PROFIT	3	785,927	595,289
Interest receivable and similar income		2,496	3,228
		788,423	598,517
Interest payable and similar charges		9,640	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		778,783	598,517
Tax on profit on ordinary activities	5	139,218	111,315
PROFIT FOR THE FINANCIAL YEAR		639,565	487,202

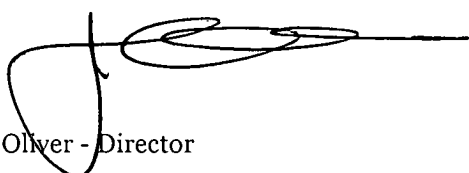
The notes form part of these financial statements

Balance Sheet
31 May 2015

	Notes	£	31.5.15	£	31.5.14	£
FIXED ASSETS						
Intangible assets	6			38,539		53,698
Tangible assets	7			129,130		62,843
				<u>167,669</u>		<u>116,541</u>
CURRENT ASSETS						
Stocks		1,374,579		504,640		
Debtors	8	2,092,197		1,548,950		
Cash at bank and in hand		1,025,578		971,502		
		<u>4,492,354</u>		<u>3,025,092</u>		
CREDITORS						
Amounts falling due within one year	9	2,085,533		1,674,842		
NET CURRENT ASSETS				<u>2,406,821</u>		<u>1,350,250</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>2,574,490</u>		<u>1,466,791</u>
CREDITORS						
Amounts falling due after more than one year	10		(457,467)			-
PROVISIONS FOR LIABILITIES	13		(23,365)			(12,698)
NET ASSETS			<u>2,093,658</u>			<u>1,454,093</u>
CAPITAL AND RESERVES						
Called up share capital	14		100			100
Profit and loss account	15		2,093,558			1,453,993
SHAREHOLDERS' FUNDS			<u>2,093,658</u>			<u>1,454,093</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 12 August 2015 and were signed on its behalf by:


J Oliver - Director

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Patents

Patents are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 3 years.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 May 2015

2. **TURNOVER**

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

An analysis of turnover by geographical market is given below:

	31.5.15	31.5.14
United Kingdom	16.06%	18.71%
Europe	10.39%	14.68%
Rest of World	73.55%	66.60%
	<u>100.00%</u>	<u>100.00%</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.5.15	31.5.14
	£	£
Depreciation - owned assets	42,187	20,948
Loss on disposal of fixed assets	1,461	1,300
Patents amortisation	7,780	6,825
Development costs amortisation	14,059	14,058
	<u>244,017</u>	<u>84,833</u>
Directors' remuneration and other benefits etc		

4. **AUDITORS' REMUNERATION**

	31.5.15	31.5.14
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>3,180</u>	<u>2,600</u>

5. **TAXATION**

Analysis of the tax charge

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

	31.5.15	31.5.14
	£	£
Current tax:		
UK corporation tax	128,551	107,482
Deferred tax	<u>10,667</u>	<u>3,833</u>
Tax on profit on ordinary activities	<u>139,218</u>	<u>111,315</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2015

6. INTANGIBLE FIXED ASSETS

	Patents £	Development costs £	Totals £
COST			
At 1 June 2014	26,508	70,292	96,800
Additions	8,141	-	8,141
Disposals	(2,630)	-	(2,630)
At 31 May 2015	32,019	70,292	102,311
AMORTISATION			
At 1 June 2014	15,306	27,796	43,102
Amortisation for year	7,780	14,059	21,839
Eliminated on disposal	(1,169)	-	(1,169)
At 31 May 2015	21,917	41,855	63,772
NET BOOK VALUE			
At 31 May 2015	10,102	28,437	38,539
At 31 May 2014	11,202	42,496	53,698

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 June 2014	1,571	154,653	156,224
Additions	15,295	93,179	108,474
At 31 May 2015	16,866	247,832	264,698
DEPRECIATION			
At 1 June 2014	1,571	91,810	93,381
Charge for year	3,059	39,128	42,187
At 31 May 2015	4,630	130,938	135,568
NET BOOK VALUE			
At 31 May 2015	12,236	116,894	129,130
At 31 May 2014	-	62,843	62,843

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.15 £	31.5.14 £
Trade debtors	1,959,305	1,481,824
Purchase ledger debit balances	3,665	-
Other debtors	238	238
VAT	51,840	7,046
Prepayments	77,149	59,842
	2,092,197	1,548,950

Notes to the Financial Statements - continued
for the Year Ended 31 May 2015

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.15 £	31.5.14 £
Bank loans and overdrafts	142,533	-
Trade creditors	852,702	771,645
Tax	128,551	107,482
Social security and other taxes	23,784	16,568
Other creditors	253,548	357,974
Directors' current accounts	-	42
Accrued expenses	660,617	421,131
Deferred government grants	23,798	-
	<u>2,085,533</u>	<u>1,674,842</u>

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

	31.5.15 £	31.5.14 £
Bank loans - 1-2 years	197,640	-
Bank loans - 2-5 years	259,827	-
	<u>457,467</u>	<u>-</u>

11. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.5.15 £	31.5.14 £
Expiring:		
Within one year	9,996	26,400
Between one and five years	7,070	9,142
In more than five years	13,000	-
	<u>30,066</u>	<u>35,542</u>

12. SECURED DEBTS

The following secured debts are included within creditors:

	31.5.15 £	31.5.14 £
Bank loans	<u>600,000</u>	<u>-</u>

The Royal Bank of Scotland holds a debenture dated 5 March 2014 over all the assets of the company.

13. PROVISIONS FOR LIABILITIES

	31.5.15 £	31.5.14 £
Deferred tax		
Accelerated capital allowances	<u>23,365</u>	<u>12,698</u>

Notes to the Financial Statements - continued
for the Year Ended 31 May 2015

13. **PROVISIONS FOR LIABILITIES - continued**

				Deferred tax £
Balance at 1 June 2014				12,698
Provided during year				10,667
Balance at 31 May 2015				23,365

14. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.5.15 £	31.5.14 £
1,000	Ordinary	0.1	100	100

During the year each £1 ordinary share was sub divided into 100 £0.10 ordinary shares.

15. **RESERVES**

		Profit and loss account £
At 1 June 2014		1,453,993
Profit for the year		639,565
At 31 May 2015		2,093,558

16. **CAPITAL COMMITMENTS**

	31.5.15 £	31.5.14 £
Contracted but not provided for in the financial statements	18,848	30,066

17. **RELATED PARTY DISCLOSURES**

During the year the company purchased net goods and services on normal commercial terms totalling £468,558 from GMT International, a partnership controlled by Mr G Owen (director) and Mr S A Pender (director). At the balance sheet date the company was owed £16,595 by GMT International (included in trade debtors). At the balance sheet date the company owed GMT International £98,480 (included in trade creditors).

During the year the following directors offered security in respect of the banking facilities and loan provided to the Company by the Royal Bank of Scotland: G Owen, a Personal Guarantee limited to £50,000 and a legal charge over a private residence; S A Pender, a personal guarantee limited to £50,000, and legal charge over a private residence and a cash deposit; and T Whiston, a personal guarantee limited to £50,000 and a legal charge over a cash deposit.

18. **APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

19. ULTIMATE CONTROLLING PARTY

The company is controlled by its directors and shareholders with no individual having overall control.

20. SHARE-BASED PAYMENT TRANSACTIONS

On 14 January 2015 the company granted 82 equity share options under an EMI scheme to 4 employees. The exercise price is £913 per share. They are exit only options exercisable at or immediately before a trade sale or floatation of the company and will lapse in 10 years.