

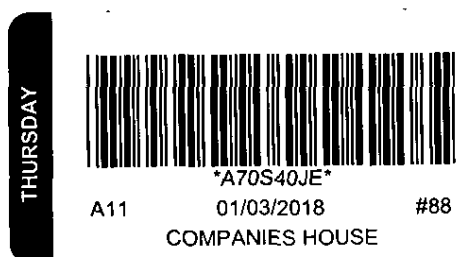
Registered number: 05417618

## Kent Periscopes Limited

Unaudited

Directors' report and financial statements

for the period ended 30 September 2017



**Kent Periscopes Limited**

**Company Information**

**Directors** S A Pender (resigned 8 July 2016)  
G Owen (resigned 8 July 2016)  
T Whiston (resigned 8 July 2016)  
J Oliver (resigned 8 July 2016)  
M Webster (appointed 8 July 2016)  
A Warnock (appointed 8 July 2016)  
A Boteler (appointed 8 July 2016)

**Registered number** 05417618

**Registered office** 6 Ffordd Richard Davies  
St Asaph Business Park  
St Asaph  
Denbighshire  
LL17 0LJ

## **Kent Periscopes Limited**

### **Contents**

	Page
<b>Directors' report</b>	1
<b>Statement of comprehensive income</b>	2
<b>Balance sheet</b>	3 - 4
<b>Statement of changes in equity</b>	5
<b>Notes to the financial statements</b>	6 - 17

## **Kent Periscopes Limited**

### **Directors' report for the period ended 30 September 2017**

The directors present their report and the financial statements for the period ended 30 September 2017.

#### **Principal activity**

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

#### **Directors**

The directors who served during the period were:

S A Pender (resigned 8 July 2016)  
G Owen (resigned 8 July 2016)  
T Whiston (resigned 8 July 2016)  
J Oliver (resigned 8 July 2016)  
M Webster (appointed 8 July 2016)  
A Warnock (appointed 8 July 2016)  
A Boteler (appointed 8 July 2016)

#### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 February 2018 and signed on its behalf.



Director

**Kent Periscopes Limited**

**Statement of comprehensive income  
for the period ended 30 September 2017**

	Note	2017 £	2016 £
Turnover		8,119,317	7,703,736
Cost of sales		(4,638,483)	(4,764,932)
<b>Gross profit</b>		<u>3,480,834</u>	<u>2,938,804</u>
Administrative expenses		(3,110,578)	(1,840,835)
Other operating income	3	31,272	11,172
<b>Operating profit</b>		<u>401,528</u>	<u>1,109,141</u>
Interest receivable and similar income		5,354	6,735
Interest payable and expenses		(1,343)	(11,792)
<b>Profit before tax</b>		<u>405,539</u>	<u>1,104,084</u>
Tax on profit		(82,211)	(225,895)
<b>Profit for the financial period</b>		<u><u>323,328</u></u>	<u><u>878,189</u></u>
<b>Other comprehensive income for the period</b>			
<b>Total comprehensive income for the period</b>		<u><u>323,328</u></u>	<u><u>878,189</u></u>

**Kent Periscopes Limited**  
Registered number: 05417618

**Balance sheet**  
as at 30 September 2017

	Note	30 September 2017 £	31 May 2016 £
<b>Fixed assets</b>			
Intangible assets	6	100,778	40,009
Tangible assets	7	206,864	155,002
		307,642	195,011
<b>Current assets</b>			
Stocks	8	2,245,788	1,330,228
Debtors: amounts falling due within one year	9	3,161,426	2,043,070
Cash at bank and in hand	10	4,022,648	3,504,745
		9,429,862	6,878,043
Creditors: amounts falling due within one year	11	(6,356,935)	(4,052,699)
		3,072,927	2,825,344
<b>Net current assets</b>		3,072,927	2,825,344
<b>Total assets less current liabilities</b>		3,380,569	3,020,355
Creditors: amounts falling due after more than one year	12	(12,451)	(20,930)
<b>Provisions for liabilities</b>			
Deferred tax	14	(22,726)	(27,578)
		(22,726)	(27,578)
<b>Net assets</b>		3,345,392	2,971,847
<b>Capital and reserves</b>			
Called up share capital		50,317	100
Profit and loss account		3,295,075	2,971,747
		3,345,392	2,971,847

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

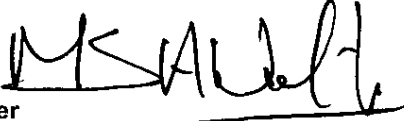
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 February 2018.

**Kent Periscopes Limited**  
**Registered number: 05417618**

**Balance sheet (continued)**  
**as at 30 September 2017**



**M Webster**  
Director



**A Boteler**  
Director

The notes on pages 6 to 17 form part of these financial statements.

**Kent Periscopes Limited**

**Statement of changes in equity  
for the period ended 30 September 2017**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 June 2015</b>	100	2,093,558	2,093,658
<b>Comprehensive income for the year</b>			
Profit for the year	-	878,189	878,189
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	878,189	878,189
<b>Total transactions with owners</b>	-	-	-
<b>At 1 June 2016</b>	100	2,971,747	2,971,847
<b>Comprehensive income for the period</b>			
Profit for the period	-	323,328	323,328
<b>Other comprehensive income for the period</b>	-	-	-
<b>Total comprehensive income for the period</b>	-	323,328	323,328
Shares issued during the period	50,217	-	50,217
<b>Total transactions with owners</b>	50,217	-	50,217
<b>At 30 September 2017</b>	50,317	3,295,075	3,345,392

## Kent Periscopes Limited

### Notes to the financial statements for the period ended 30 September 2017

#### 1. General information

Kent Periscopes Limited is a company registered in England and Wales. Its principal activity is the design and manufacture of optical systems.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 16.

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

The following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### 2.4 Tangible fixed assets

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

## Kent Periscopes Limited

### Notes to the financial statements for the period ended 30 September 2017

#### 2. Accounting policies (continued)

##### 2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	- in accordance with the property
Plant and machinery	- 25% on reducing balance

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.

##### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.6 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.

##### 2.7 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.

##### 2.8 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

## Kent Periscopes Limited

### Notes to the financial statements for the period ended 30 September 2017

#### 2. Accounting policies (continued)

##### 2.8 Financial instruments (continued)

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.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

##### 2.9 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.

##### 2.10 Government grants

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

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

##### 2.11 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.

##### 2.12 Interest income

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

## Kent Periscopes Limited

### Notes to the financial statements for the period ended 30 September 2017

#### 2. Accounting policies (continued)

##### 2.13 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 Balance sheet 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 Balance sheet.

##### 2.14 Current and deferred taxation

The tax expense for the period 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 balance sheet 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 Balance sheet date, except that:

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

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

##### 2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**Kent Periscopes Limited**

**Notes to the financial statements  
for the period ended 30 September 2017**

**3. Other operating income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Government grants receivable	<b>31,272</b>	11,172
	<u><b>31,272</b></u>	<u>11,172</u>

**4. Employees**

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Management	<b>5</b>	7
Sales	<b>1</b>	-
Administrative	<b>32</b>	26
Direct staff	<b>14</b>	13
	<u><b>52</b></u>	<u>46</u>

**5. Taxation**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>87,063</b>	221,682
	<u><b>87,063</b></u>	<u>221,682</u>
<b>Total current tax</b>	<u><b>87,063</b></u>	<u>221,682</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(4,852)</b>	4,213
	<u><b>(4,852)</b></u>	<u>4,213</u>
<b>Taxation on profit on ordinary activities</b>	<u><b>82,211</b></u>	<u>225,895</u>

---

**Kent Periscopes Limited**

**Notes to the financial statements  
for the period ended 30 September 2017**

**5. Taxation (continued)**

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (*2016 - higher than*) the standard rate of corporation tax in the UK of 19.6% (*2016 - 20%*). The differences are explained below:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>405,539</b>	<b>1,104,084</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.6% (2016 - 20%)	<b>79,486</b>	<b>220,817</b>
<b>Effects of:</b>		
Other timing differences leading to an increase (decrease) in taxation	<b>2,725</b>	<b>5,078</b>
<b>Total tax charge for the period/year</b>	<b>82,211</b>	<b>225,895</b>

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2016 in September 2016. These included the replacement of the 18% rate from 1 April 2020 with a lower rate of 17%. To date, no further changes have been announced.

**Kent Periscopes Limited**

**Notes to the financial statements  
for the period ended 30 September 2017**

**6. Intangible assets**

	Patents £	Develop- ment £	Total £
<b>Cost</b>			
At 1 June 2016	53,338	78,292	131,630
Additions	2,489	94,946	97,435
At 30 September 2017	55,827	173,238	229,065
<b>Amortisation</b>			
At 1 June 2016	33,121	58,500	91,621
Charge for the year	-	36,666	36,666
At 30 September 2017	33,121	95,166	128,287
<b>Net book value</b>			
At 30 September 2017	22,706	78,072	100,778
At 31 May 2016	20,217	19,792	40,009

Kent Periscopes Limited

Notes to the financial statements  
for the period ended 30 September 2017

7. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 June 2016	22,243	316,922	339,165
Additions	18,333	115,180	133,513
At 30 September 2017	<u>40,576</u>	<u>432,102</u>	<u>472,678</u>
<b>Depreciation</b>			
At 1 June 2016	6,729	177,434	184,163
Charge for the period on owned assets	11,093	70,558	81,651
At 30 September 2017	<u>17,822</u>	<u>247,992</u>	<u>265,814</u>
<b>Net book value</b>			
At 30 September 2017	<u>22,754</u>	<u>184,110</u>	<u>206,864</u>
At 31 May 2016	<u>15,514</u>	<u>139,488</u>	<u>155,002</u>

The net book value of land and buildings may be further analysed as follows:

	30 September 2017 £	31 May 2016 £
Long leasehold	22,754	15,514
	<u>22,754</u>	<u>15,514</u>

Kent Periscopes Limited

Notes to the financial statements  
for the period ended 30 September 2017

8. Stocks

	<b>30 September 2017 £</b>	<i>31 May 2016 £</i>
Raw materials and consumables	<b>1,693,262</b>	<i>902,460</i>
Work in progress	<b>289,958</b>	<i>303,475</i>
Finished goods and goods for resale	<b>262,568</b>	<i>124,293</i>
	<b><u>2,245,788</u></b>	<i><u>1,330,228</u></i>

9. Debtors

	<b>30 September 2017 £</b>	<i>31 May 2016 £</i>
Trade debtors	<b>2,614,040</b>	<i>1,866,258</i>
Other debtors	<b>431,354</b>	<i>13,362</i>
Prepayments and accrued income	<b>116,032</b>	<i>163,450</i>
	<b><u>3,161,426</u></b>	<i><u>2,043,070</u></i>

10. Cash and cash equivalents

	<b>30 September 2017 £</b>	<i>31 May 2016 £</i>
Cash at bank and in hand	<b>4,022,648</b>	<i>3,504,745</i>
	<b><u>4,022,648</u></b>	<i><u>3,504,745</u></i>

**Kent Periscopes Limited**

**Notes to the financial statements  
for the period ended 30 September 2017**

**11. Creditors: Amounts falling due within one year**

	<b>30 September 2017</b>	<i>31 May 2016</i>
	<b>£</b>	<b>£</b>
Trade creditors	902,168	739,061
Amounts owed to group undertakings	7,560	-
Corporation tax	87,064	221,682
Other taxation and social security	93,976	35,093
Obligations under finance lease and hire purchase contracts	6,333	6,440
Other creditors	-	109,830
Accruals and deferred income	5,259,834	2,940,593
	<b>6,356,935</b>	<i>4,052,699</i>
	<b>6,356,935</b>	<i>4,052,699</i>

**12. Creditors: Amounts falling due after more than one year**

	<b>30 September 2017</b>	<i>31 May 2016</i>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	12,451	20,930
	<b>12,451</b>	<i>20,930</i>
	<b>12,451</b>	<i>20,930</i>

**13. Financial instruments**

	<b>30 September 2017</b>	<i>31 May 2016</i>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	4,022,648	3,504,745
	<b>4,022,648</b>	<i>3,504,745</i>
	<b>4,022,648</b>	<i>3,504,745</i>

**Kent Periscopes Limited**

**Notes to the financial statements  
for the period ended 30 September 2017**

**14. Deferred taxation**

	<b>2017 £</b>
At beginning of year	(27,578)
Charged to profit or loss	4,852
<b>At end of year</b>	<b><u>(22,726)</u></b>

The provision for deferred taxation is made up as follows:

	<b>30 September 2017 £</b>
Accelerated capital allowances	(22,726)
	<b><u>(22,726)</u></b>

**15. Controlling party**

Gooch & Housego PLC is the controlling party of the company by virtue of it owning 100% of the issued share capital of Kent Periscopes Limited.

**Kent Periscopes Limited**

**Notes to the financial statements  
for the period ended 30 September 2017**

**16. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.