

Company Registration No. SC128862 (Scotland)

Cyclops Electronics Limited

**Annual report and
group financial statements
for the year ended 31 March 2018**



Cyclops Electronics Limited

Company information

Director	Daniel Yodaiken
Company number	SC128862
Registered office	Allan House 25 Bothwell Street Glasgow G2 6NL
Independent auditor	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX
Business address	Cyclops House Link Business Park Osballdwick York YO10 3JB

Cyclops Electronics Limited

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Cyclops Electronics Limited

Strategic report

For the year ended 31 March 2018

The director presents the strategic report for the year ended 31 March 2018.

Fair review of the business

The operating results for the year and the financial position at the year end were considered satisfactory by the director.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to relate to competition from both UK and worldwide distributors, market conditions, exchange rate risk and economic downturn.

Key performance indicators

This is not a complex business. The KPIs presented here are part of a much wider reporting framework that enables the director to understand the development, performance and position of the business.

Operating profit as a percentage of gross profit: 45.0% (2017: 49.1%)

Current ratio (current assets over current liabilities): 2.85 (2017: 3.30)

Gearing (long term finance over net assets): 0.26 (2017: 0.35)

We monitor our performance through customer feedback and retention of key staff. No key contracts have been lost in the year and key staff have been retained.

Other performance indicators

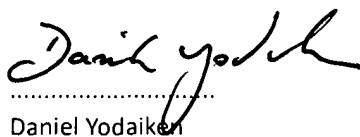
The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit, and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to a price risk or liquidity risk.

The company holds Euro and US Dollar bank accounts which are used to manage exchange risk.

Other information and explanations

The external commercial environment is expected to remain competitive in 2018 and 2019 as other distributors look to increase market share. However, the director remains confident that the future prospects of the company are satisfactory.

On behalf of the board



.....
Daniel Yodaiken

Director

.....
14/12/18

Cyclops Electronics Limited

Director's report

For the year ended 31 March 2018

The director presents his annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company and group continued to be that of the sale of electronic components.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Daniel Yodaiken

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £500,000. The director does not recommend payment of a further dividend.

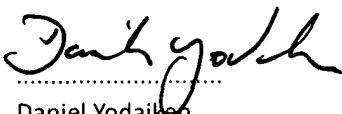
Auditor

In accordance with the company's articles, a resolution proposing that Saffery Champness LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



.....
Daniel Yodaiken

Director

Date: 14/12/18

Cyclops Electronics Limited

Director's responsibilities statement

For the year ended 31 March 2018

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of Cyclops Electronics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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.

Cyclops Electronics Limited

Independent auditor's report (continued)

To the members of Cyclops Electronics Limited

Other information

The director is 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Cyclops Electronics Limited

Independent auditor's report (continued)

To the members of Cyclops Electronics Limited

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director is responsible for assessing the group's and the parent 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 director either intend to liquidate the group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Jonathan Davis (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

17/12/18

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Cyclops Electronics Limited

Group income statement
For the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	3	17,209,201	12,930,636
Cost of sales		(12,585,590)	(9,644,408)
Gross profit		4,623,611	3,286,228
Administrative expenses		(2,543,876)	(1,672,453)
Operating profit	4	2,079,735	1,613,775
Interest receivable and similar income	8	6,705	5,630
Interest payable and similar expenses	9	(31,999)	(41,314)
Profit before taxation		2,054,441	1,578,091
Tax on profit	10	(378,664)	(357,550)
Profit for the financial year		1,675,777	1,220,541

Profit for the financial year is all attributable to the owner of the parent company.

The Income Statement has been prepared on the basis that all operations are continuing operations.

Cyclops Electronics Limited

Group statement of comprehensive income
For the year ended 31 March 2018

	2018	2017
	£	£
Profit for the year	1,675,777	1,220,541
Other comprehensive income		
Currency translation differences	24,179	18,224
Total comprehensive income for the year	<u>1,699,956</u>	<u>1,238,765</u>

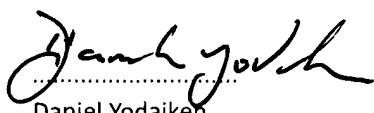
Total comprehensive income for the year is all attributable to the owners of the parent company.

Cyclops Electronics Limited

Group statement of financial position
As at 31 March 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		381,591		337,410
Current assets					
Stocks	16	2,705,116		2,326,000	
Debtors	17	3,529,952		2,739,966	
Cash at bank and in hand		2,958,360		1,834,051	
		<u>9,193,428</u>		<u>6,900,017</u>	
Creditors: amounts falling due within one year	18	<u>(3,223,680)</u>		<u>(2,091,515)</u>	
Net current assets			<u>5,969,748</u>		<u>4,808,502</u>
Total assets less current liabilities			<u>6,351,339</u>		<u>5,145,912</u>
Creditors: amounts falling due after more than one year	19		<u>(1,275,000)</u>		<u>(1,275,000)</u>
Provisions for liabilities	21		<u>(258,101)</u>		<u>(252,630)</u>
Net assets			<u><u>4,818,238</u></u>		<u><u>3,618,282</u></u>
Capital and reserves					
Called up share capital	24		10,000		10,000
Capital redemption reserve			1,008		1,008
Profit and loss reserves			<u>4,807,230</u>		<u>3,607,274</u>
Total equity			<u><u>4,818,238</u></u>		<u><u>3,618,282</u></u>

The financial statements were approved and signed by the director and authorised for issue on 14/12/18.


Daniel Yodaiken
Director

Cyclops Electronics Limited

Company statement of financial position

As at 31 March 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		172,823		148,863
Investments	13		89,811		89,811
			<u>262,634</u>		<u>238,674</u>
Current assets					
Stocks	16	2,705,116		2,326,000	
Debtors	17	3,526,159		2,736,477	
Cash at bank and in hand		2,915,563		1,794,077	
		<u>9,146,838</u>		<u>6,856,554</u>	
Creditors: amounts falling due within one year	18	(3,197,514)		(2,076,210)	
Net current assets			<u>5,949,324</u>		<u>4,780,344</u>
Total assets less current liabilities			<u>6,211,958</u>		<u>5,019,018</u>
Creditors: amounts falling due after more than one year	19		(1,275,000)		(1,275,000)
Provisions for liabilities	21		(258,101)		(252,630)
Net assets			<u><u>4,678,857</u></u>		<u><u>3,491,388</u></u>
Capital and reserves					
Called up share capital	24		10,000		10,000
Capital redemption reserve			1,008		1,008
Profit and loss reserves			4,667,849		3,480,380
Total equity			<u><u>4,678,857</u></u>		<u><u>3,491,388</u></u>

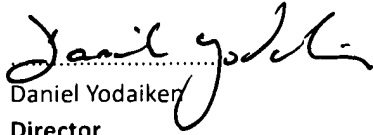
As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,687,469 (2017 - £1,228,272 profit).

Cyclops Electronics Limited

Company statement of financial position (continued)

As at 31 March 2018

The financial statements were approved and signed by the director and authorised for issue on14/12/18.....


Daniel Yodaiker
Director

Company Registration No. SC128862

Cyclops Electronics Limited

Group statement of changes in equity
For the year ended 31 March 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2016		10,000	1,008	2,818,509	2,829,517
Year ended 31 March 2017:					
Profit for the year		-	-	1,220,541	1,220,541
Other comprehensive income:					
Currency translation differences		-	-	18,224	18,224
Total comprehensive income for the year		-	-	1,238,765	1,238,765
Dividends	11	-	-	(450,000)	(450,000)
Balance at 31 March 2017		10,000	1,008	3,607,274	3,618,282
Year ended 31 March 2018:					
Profit for the year		-	-	1,675,777	1,675,777
Other comprehensive income:					
Currency translation differences on overseas subsidiaries		-	-	24,179	24,179
Total comprehensive income for the year		-	-	1,699,956	1,699,956
Dividends	11	-	-	(500,000)	(500,000)
Balance at 31 March 2018		10,000	1,008	4,807,230	4,818,238

Cyclops Electronics Limited

**Company statement of changes in equity
For the year ended 31 March 2018**

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2016		10,000	1,008	2,702,108	2,713,116
Year ended 31 March 2017:					
Profit and total comprehensive income for the year		-	-	1,228,272	1,228,272
Dividends	11	-	-	(450,000)	(450,000)
Balance at 31 March 2017		10,000	1,008	3,480,380	3,491,388
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	1,687,469	1,687,469
Dividends	11	-	-	(500,000)	(500,000)
Balance at 31 March 2018		10,000	1,008	4,667,849	4,678,857

Cyclops Electronics Limited

Group statement of cash flows
For the year ended 31 March 2018

	Notes	£	2018 £	£	2017 £
Cash flows from operating activities					
Cash generated from operations	30		2,238,428		557,189
Interest paid			(31,999)		(41,314)
Income taxes paid			(482,919)		(108,577)
Net cash inflow from operating activities			1,723,510		407,298
Investing activities					
Purchase of tangible fixed assets		(117,689)		(65,998)	
Proceeds on disposal of tangible fixed assets		7,825		6,174	
Interest received		6,705		5,630	
Net cash used in investing activities			(103,159)		(54,194)
Financing activities					
Increase in borrowings		-		325,000	
Net cash (used in)/generated from financing activities			(500,000)		325,000
Net increase in cash and cash equivalents			1,120,351		678,104
Cash and cash equivalents at beginning of year			1,834,051		1,153,558
Effect of foreign exchange rates			3,958		2,389
Cash and cash equivalents at end of year			2,958,360		1,834,051

1 Accounting policies

Company information

Cyclops Electronics Limited ("the company") is a private company limited by shares incorporated in Scotland. The registered office is Allan House, 25 Bothwell Street, Glasgow, G2 6NL.

The group consists of Cyclops Electronics Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available group financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the group financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1 Accounting policies (continued)

The group financial statements incorporate those of Cyclops Electronics Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2018.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	See comment below
Fixtures and fittings	20% straight line
Computers	33% and 50% straight line
Motor vehicles	25% reducing balance

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 is recognised in the income statement.

1 Accounting policies (continued)

The freehold land and buildings represents land that is being developed and therefore no depreciation has been charged on the cost amount.

1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

1.7 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group 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 instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group 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 any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the 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 group.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the financial statements (continued)
For the year ended 31 March 2018

1 Accounting policies (continued)

1.14 Leases

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 lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock valuation

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Consequently included within the stock valuation, are the provisions which management have made to more fairly reflect the value of the stock. Several different types of stock are included within the accounts, including Trading Specialist stock, for which a set method is in place to calculate a provision for these lines. This stock is purchased speculatively by the company, leading to it being a higher risk area. For the value of any Trading Specialist stock over 12 months old, a 2% provision is made every month. For all other stock, provisions are included on a line by line basis as required.

Notes to the financial statements (continued)
For the year ended 31 March 2018

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Sales of goods	17,135,559	12,873,415
Management charges	73,642	57,221
	<u>17,209,201</u>	<u>12,930,636</u>

	2018 £	2017 £
Other significant revenue		
Interest income	6,705	5,630
	<u>6,705</u>	<u>5,630</u>

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	4,122,916	3,361,966
Rest of Europe	9,341,199	6,077,399
United States of America	2,142,516	1,680,983
Rest of world	1,602,570	1,810,288
	<u>17,209,201</u>	<u>12,930,636</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	72,673	(339,341)
Depreciation of owned tangible fixed assets	89,197	74,099
Profit on disposal of intangible assets	(3,293)	(1,837)
Cost of stocks recognised as an expense	10,444,558	7,881,035
Operating lease charges	138,588	150,707
	<u>10,632,623</u>	<u>7,765,763</u>

Cyclops Electronics Limited

Notes to the financial statements (continued)
For the year ended 31 March 2018

5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	10,800	10,250
For other services		
All other non-audit services	3,300	3,000

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Sales	64	56	64	56
Administration	36	38	36	38
	100	94	100	94

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	3,294,198	2,420,618	3,294,198	2,420,618
Social security costs	350,704	238,466	350,704	238,466
Pension costs	22,577	24,205	22,577	24,205
	3,667,479	2,683,289	3,667,479	2,683,289

7 Director's remuneration

	2018 £	2017 £
Remuneration for qualifying services	527,276	27,928

Cyclops Electronics Limited**Notes to the financial statements (continued)****For the year ended 31 March 2018****7 Director's remuneration (continued)**

The number of directors for whom retirement benefits were accruing under defined contribution schemes amounted to 1 (2017: 1)

8 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	6,705	5,630

9 Interest payable and similar expenses

	2018	2017
	£	£
Other interest on financial liabilities	31,999	38,448
Other interest	-	2,866
Total finance costs	31,999	41,314

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	391,844	357,551
Adjustments in respect of prior periods	(18,651)	(1)
Total current tax	373,193	357,550
Deferred tax		
Origination and reversal of timing differences	5,471	-
Total tax charge for the year	378,664	357,550

Cyclops Electronics Limited**Notes to the financial statements (continued)**
For the year ended 31 March 2018**10 Taxation (continued)**

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Profit before taxation	<u>2,054,441</u>	<u>1,578,091</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	390,344	315,618
Tax effect of expenses that are not deductible in determining taxable profit	6,365	26,388
Adjustments in respect of prior years	-	183
Under/(over) provided in prior years	(17,533)	-
Unprovided deferred tax	-	13,057
Change in deferred tax rate	(512)	2,304
Taxation charge for the year	<u>378,664</u>	<u>357,550</u>

11 Dividends

	2018	2017
	£	£
Final paid	<u>500,000</u>	<u>450,000</u>

Cyclops Electronics Limited

Notes to the financial statements (continued)
For the year ended 31 March 2018

12 Tangible fixed assets

Group	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2017	344,079	727,601	226,293	34,922	1,332,895
Additions	-	80,477	31,285	5,927	117,689
Disposals	-	(5,500)	-	(20,849)	(26,349)
Exchange adjustments	20,221	-	-	-	20,221
At 31 March 2018	364,300	802,578	257,578	20,000	1,444,456
Depreciation and impairment					
At 1 April 2017	155,532	643,200	169,320	27,433	995,485
Depreciation charged in the year	-	44,845	42,599	1,753	89,197
Eliminated in respect of disposals	-	(3,575)	-	(18,242)	(21,817)
At 31 March 2018	155,532	684,470	211,919	10,944	1,062,865
Carrying amount					
At 31 March 2018	208,768	118,108	45,659	9,056	381,591
At 31 March 2017	188,547	84,401	56,973	7,489	337,410

Cyclops Electronics Limited

Notes to the financial statements (continued)
For the year ended 31 March 2018

12 Tangible fixed assets (continued)

Company	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2017	727,601	226,293	34,922	988,816
Additions	80,477	31,285	5,927	117,689
Disposals	(5,500)	-	(20,849)	(26,349)
At 31 March 2018	802,578	257,578	20,000	1,080,156
Depreciation and impairment				
At 1 April 2017	643,200	169,320	27,433	839,953
Depreciation charged in the year	44,845	42,599	1,753	89,197
Eliminated in respect of disposals	(3,575)	-	(18,242)	(21,817)
At 31 March 2018	684,470	211,919	10,944	907,333
Carrying amount				
At 31 March 2018	118,108	45,659	9,056	172,823
At 31 March 2017	84,401	56,973	7,489	148,863

13 Fixed asset investments

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Investments in subsidiaries	14	-	-	89,811	89,811

Notes to the financial statements (continued)
For the year ended 31 March 2018

13 Fixed asset investments (continued)

Movements in fixed asset investments		Shares in group undertakings
Company		
		£
Cost or valuation		
At 1 April 2017 and 31 March 2018		89,811
		<hr/>
Carrying amount		
At 31 March 2018		89,811
		<hr/>
At 31 March 2017		89,811

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Daniel Josefsson Limited	England and Wales	Dormant	Ordinary	100.00	
Global Supply Services CR s.r.o	Czech Republic	Non-trading	Ordinary	100.00	
Unit 8 (Components) Limited	England and Wales	Dormant	Ordinary	100.00	

The registered office of Unit 8 (Components) Limited and Daniel Josefsson Limited is as with Cyclops Electronics Limited.

The registered office of Global Supply Solutions CR s.r.o is in the Czech Republic.

Notes to the financial statements (continued)
For the year ended 31 March 2018

15 Financial instruments

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	3,364,751	2,522,629	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	4,173,006	2,950,262	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

16 Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Finished goods and goods for resale	2,705,116	2,326,000	2,705,116	2,326,000

17 Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,143,291	2,380,492	3,139,498	2,377,286
Other debtors	265,908	229,848	265,908	229,565
Prepayments and accrued income	120,753	129,626	120,753	129,626
	3,529,952	2,739,966	3,526,159	2,736,477

Cyclops Electronics Limited

Notes to the financial statements (continued)
For the year ended 31 March 2018

18 Creditors: amounts falling due within one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade creditors	984,634	782,589	958,468	767,284
Corporation tax payable	247,847	357,573	247,847	357,573
Other taxation and social security	77,827	58,680	77,827	58,680
Other creditors	1,233,986	512,805	1,233,986	512,805
Accruals and deferred income	679,386	379,868	679,386	379,868
	<u>3,223,680</u>	<u>2,091,515</u>	<u>3,197,514</u>	<u>2,076,210</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Other borrowings	20	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>

20 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other loans	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>
Payable after one year	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,275,000</u>

Of the above loans, £950,000 (2017: £950,000) relates to a loan from Tayborough Limited, a company under joint control. There is no security attached to this loan and it is wholly repayable within 5 years. The remainder, £325,000 (2017: £325,000) is owed to a funded unapproved retirement benefit scheme in the name of the director and sole shareholder.

The loans do not have any security attached to them.

Notes to the financial statements (continued)
For the year ended 31 March 2018

21 Provisions for liabilities

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Pension obligation		252,630	252,630	252,630	252,630
Deferred tax liabilities	22	5,471	-	5,471	-
		<u>258,101</u>	<u>252,630</u>	<u>258,101</u>	<u>252,630</u>

Group	Pension obligation £
At 1 April 2017 and 31 March 2018	<u>252,630</u>

Company	Pension obligation £
At 1 April 2017 and 31 March 2018	<u>252,630</u>

The group has undertaken to expend sums in the future to provide retirement benefits to a director under the terms of their service contract. The liabilities are expected to be paid either upon retirement of the director or on the employee's 75th birthday. Based on the grounds of materiality, this balance has not been discounted to its net present value.

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	6,629	-
Short term timing differences	(1,158)	-
	<u>5,471</u>	<u>-</u>

Notes to the financial statements (continued)
For the year ended 31 March 2018

22 Deferred taxation (continued)

	Liabilities 2018 £	Liabilities 2017 £
Company		
Accelerated capital allowances	6,629	-
Short term timing differences	(1,158)	-
	<u>5,471</u>	<u>-</u>
	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 April 2017	-	-
Charge to profit or loss	5,471	5,471
	<u>5,471</u>	<u>5,471</u>
Liability at 31 March 2018		

The deferred tax liability set out above is not expected to reverse within 12 months. The liability relates to accelerated capital allowances that are expected to mature after 12 months.

23 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	22,577	24,205
	<u>22,577</u>	<u>24,205</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company	
	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary A shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

The shareholders of ordinary shares are entitled to receive dividends from released profits. Additionally, ordinary shareholders are entitled to one vote for every share held.

Notes to the financial statements (continued)
For the year ended 31 March 2018

25 Operating lease commitments**Lessee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Within one year	121,415	119,226	121,415	119,226
Between two and five years	361,279	454,361	361,279	454,361
	<u>482,694</u>	<u>573,587</u>	<u>482,694</u>	<u>573,587</u>

26 Events after the reporting date

On 30 April 2018, DJ Assembly, a division of Cyclops Electronics Limited, was subject to an MBO. After the MBO, the director and shareholder of Cyclops Electronics Limited maintained a minority shareholding in the new entity.

The Director is of the opinion that this does not constitute a discontinued operation for the purpose of reporting in these financial statements on the basis of size.

27 Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	<u>527,276</u>	<u>27,928</u>

Notes to the financial statements (continued)
For the year ended 31 March 2018

27 Related party transactions (continued)

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2018	2017	2018	2017
	£	£	£	£
Group and Company				
Entities with control, joint control or significant influence over the company	348,985	379,433	250,332	267,390
Other related parties	26,410	25,679	665	-
	<u>375,395</u>	<u>405,112</u>	<u>250,997</u>	<u>267,390</u>
	Management charges		Interest paid	
	2018	2017	2018	2017
	£	£	£	£
Group and Company				
Entities with control, joint control or significant influence over the company	46,257	57,221	32,270	17,438
	<u>46,257</u>	<u>57,221</u>	<u>32,270</u>	<u>17,438</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018	2017
	£	£
Group and Company		
Entities with control, joint control or significant influence over the company	1,416,471	1,322,355
Other related parties	324	2,815
	<u>1,416,795</u>	<u>1,325,170</u>

Notes to the financial statements (continued)
For the year ended 31 March 2018

27 Related party transactions (continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2018	2017
	£	£
Group and Company		
Entities with control, joint control or significant influence over the group	29,508	88,023
Other related parties	2,360	-
	<u>31,868</u>	<u>88,023</u>

Tayborough Limited

Included in the above disclosures is amounts owed to Tayborough Limited, a company registered in England and Wales and controlled by the director. At the year end £950,000 (2017: £950,000) was owed to Tayborough Limited. This balance is included within creditors due after more than one year. Interest accrues at 1.5% above Lloyds Bank base rate, with the principal due by 30 June 2020. The total interest charged in the year on this loan was £17,601 (2017: £17,438)

No guarantees are given or received for balances owed to or from related parties as disclosed in this note. There is no security given or held over these balances.

28 Directors' transactions

Dividends totalling £500,000 (2017 - £450,000) were declared in the year and have been paid in respect of shares held by the company's director.

The following table summarises movements in the director's loan account in the year. The closing balance is included in other creditors:

Description	% Rate	Opening balance	Amounts advanced	Interest charged	Amounts repaid	Closing balance
		£	£	£	£	£
Daniel Yodaiken -	2.75	257,043	1,030,018	4,628	(198,341)	1,093,348
		<u>257,043</u>	<u>1,030,018</u>	<u>4,628</u>	<u>(198,341)</u>	<u>1,093,348</u>

29 Controlling party

The company is controlled by Daniel Yodaiken who is the sole director of this company.

Cyclops Electronics Limited

Notes to the financial statements (continued)
For the year ended 31 March 2018

30 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,675,777	1,220,541
Adjustments for:		
Taxation charged	378,664	357,550
Finance costs	31,999	41,314
Investment income	(6,705)	(5,630)
Gain on disposal of intangible assets	(3,293)	(1,837)
Depreciation and impairment of tangible fixed assets	89,197	74,099
Movements in working capital:		
(Increase) in stocks	(379,116)	(350,259)
(Increase) in debtors	(789,986)	(195,472)
Increase/(decrease) in creditors	1,241,891	(583,117)
Cash generated from operations	2,238,428	557,189