

COMPANY REGISTRATION NUMBER 08353777

REGISTRAR OF
COMPANIES

SHEARWATER SYSTEMS LIMITED

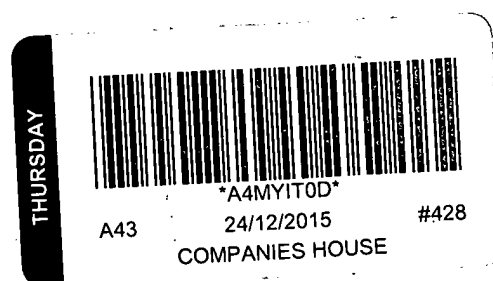
ABBREVIATED ACCOUNTS

31 MARCH 2015

BURGESS HODGSON LLP

Chartered Accountants & Statutory Auditor

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN



SHEARWATER SYSTEMS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2015

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SHEARWATER SYSTEMS LIMITED
INDEPENDENT AUDITOR'S REPORT TO SHEARWATER SYSTEMS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Shearwater Systems Limited for the year ended 31 March 2015 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

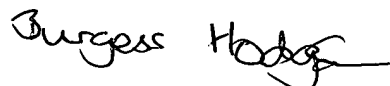
RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



COLIN REID (Senior Statutory Auditor)
For and on behalf of
BURGESS HODGSON LLP
Chartered Accountants
& Statutory Auditor

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

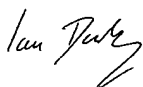
21/12/15.....

SHEARWATER SYSTEMS LIMITED**ABBREVIATED BALANCE SHEET****31 MARCH 2015**

	Note	2015	2014
		£	£
FIXED ASSETS	2		
Tangible assets		90,574	53,553
CURRENT ASSETS			
Debtors		459,844	111,382
Cash at bank and in hand		1,357,668	649,178
		1,817,512	760,560
CREDITORS: Amounts falling due within one year		50,295	82,977
NET CURRENT ASSETS		1,767,217	677,583
TOTAL ASSETS LESS CURRENT LIABILITIES		1,857,791	731,136
CREDITORS: Amounts falling due after more than one year		600,000	200,000
PROVISIONS FOR LIABILITIES		18,115	-
		1,239,676	531,136
CAPITAL AND RESERVES			
Called up equity share capital	4	40,417	32,333
Share premium account		2,413,016	1,421,099
Profit and loss account		(1,213,757)	(922,296)
SHAREHOLDERS' FUNDS		1,239,676	531,136

These abbreviated accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These abbreviated accounts were approved by the directors and authorised for issue on21.12.2015....., and are signed on their behalf by:



.....
Dr I S Denley

Company Registration Number: 08353777

The notes on pages 3 to 5 form part of these abbreviated accounts.

SHEARWATER SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

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).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	5 year straight line
Fixtures & Fittings	-	5 year straight line
Equipment	-	3 year straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

SHEARWATER SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

SHEARWATER SYSTEMS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2015

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 April 2014	74,626
Additions	76,338
At 31 March 2015	<u>150,964</u>
 DEPRECIATION	
At 1 April 2014	21,073
Charge for year	39,317
At 31 March 2015	<u>60,390</u>
 NET BOOK VALUE	
At 31 March 2015	<u>90,574</u>
 At 31 March 2014	<u>53,553</u>

3. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
A Ordinary shares of £0.01 each	2,333,333	23,333	2,333,333	23,333
B Ordinary shares of £0.01 each	900,000	9,000	900,000	9,000
Preferred Ordinary shares of £0.01 each	808,333	8,083	-	-
	<u>4,041,666</u>	<u>40,417</u>	<u>3,233,333</u>	<u>32,333</u>

During the year 808,333 £0.01 preferred ordinary shares were issued at a premium for £1,000,000 cash.