

# Teledyne Paradise Datacom Limited

## Report and Financial Statements

31 December 2014

TUESDAY



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29/09/2015

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COMPANIES HOUSE

## Company information

### Directors

R Mehrabian  
HT Barnshaw  
A Pichelli

### Secretary

HT Barnshaw

### Auditors

Ernst & Young LLP  
G1  
5 George Square  
Glasgow G2 1DY

### Bankers

JP Morgan Chase Bank  
125 London Wall  
London  
EC2 5AJ

### Solicitors

K&L Gates LLP  
One New Change  
London  
EC4M 9AF

### Registered Office

Aviation House The Lodge  
Harmondsworth Lane  
West Drayton  
Middlesex UB7 0LD

## Directors' report

Registered no: 02829165

The Directors present their report and financial statements for the year ended 31 December 2014.

### Results and dividends

The profit for the year after taxation amounted to £478,000 (2013: £432,000). No dividends were paid during the year (2013: £ 1,379,000).

### Principal activity and review of the business

The company provides design, support and marketing services for high specification digital satellite communications equipment.

The Directors consider the results to be satisfactory.

### Future developments

The company's strategy is to consolidate and grow its presence in the niche markets within which the company operates.

### Key performance indicators

The company, which forms part of a larger Teledyne business for internal performance reporting, does not report its own KPI's.

### Directors

The Directors who served the company during the period were as follows:

R Mehrabian  
HT Barnshaw  
A Pichelli

### Financial risk management policy

The company's principal financial instruments comprise cash, and debtors. As all the company's revenue is constituted from other Teledyne Group companies, the Directors are of the opinion that there are no material financial risks to the company.

### Going concern review

In line with the FRC guidance on Going Concern issued in November 2009, the Directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis. The company has no external trade and, in the opinion of the Directors, will continue to generate sufficient revenues to cover the costs incurred by the business. The Directors have therefore adopted the going concern basis of accounting.

### Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the company's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

Following a change to the ultimate parent undertaking's existing audit firm, Ernst & Young LLP intends to resign as auditor of the company upon completion of these 2014 accounts. In line with its ultimate parent undertaking, it is the intention of the Directors to appoint Deloitte LLP as auditor of the company. A resolution proposing the appointment of Deloitte LLP will be proposed at the forthcoming annual general meeting of the company.

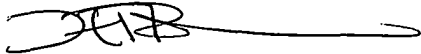
## Directors' report (continued)

Registered no: 02829165

### Small company exemptions

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

On behalf of the Board



H Barnshaw  
Director

29/9/15

## 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper 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.

# **Independent auditors' report**

## **to the members of Teledyne Paradise Datacom Limited**

We have audited the financial statements of Teledyne Paradise Datacom Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. 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 for 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 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.

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Ethical Standards for Auditors.

### **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 Report and financial statements 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 the 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 December 2014 and of its 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# Independent auditors' report

to the members of Teledyne Paradise Datacom 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 in preparing the Strategic report and Directors' Report.

Ernst & Young LLP

Walter Campbell (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Glasgow

29/9/2015

## Profit and loss account

For the year to 31 December 2014

	Notes	2014 £'000	2013 £'000
<b>Turnover</b>	2	<b>2,176</b>	2,259
Cost of sales		(1,014)	(1,078)
<b>Gross profit</b>		<b>1,162</b>	1,181
Distribution costs		(436)	(520)
Administrative expenses		(235)	(191)
<b>Profit on ordinary activities before taxation</b>	3	<b>491</b>	470
Tax on profit on ordinary activities	6	(13)	(38)
<b>Profit on ordinary activities after taxation</b>	12	<b>478</b>	432

All operations are continuing.

## Statement of total recognised gains and losses

for the year ended 31 December 2014

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £478,000 in the year ended 31 December 2014 (2013: profit of £432,000).



## Balance Sheet

At 31 December 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	8	174	91
<b>Current assets</b>			
Debtors	9	1,178	771
Cash at bank and in hand		1	1
		1,179	772
<b>Creditors:</b> amounts falling due within one year	10	(171)	(159)
<b>Net current assets</b>		1,008	613
<b>Net assets</b>		1,182	704
<b>Capital and reserves</b>			
Called up share capital	11	60	60
Profit and loss account	12	1,122	644
<b>Equity Shareholders' funds</b>	12	1,182	704

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective 2008).

These financial statements were approved by the directors and authorised for issue on 29/9/15, and are signed on their behalf by:



H Barnshaw  
Director

## Notes to the financial statements

at 31 December 2014

### 1. Accounting policies

#### *Basis of preparation*

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

The company is exempt from the requirement to prepare group accounts by virtue of Section 401 of the Companies Act 2006.

#### *Statement of cash flows*

The directors have relied upon the exemption provided within Financial Reporting Standard No 1 (Revised 1996) 'Cash Flow Statements' not to prepare a cash flow statement as the company is a wholly owned subsidiary undertaking of Teledyne Technologies Incorporated.

#### *Turnover*

Turnover is the amount receivable for goods supplied, excluding value added tax, and is recognised when the goods are dispatched to the customer.

#### *Fixed assets*

All fixed assets are stated at cost.

Depreciation is provided on all tangible fixed assets to write down the cost of each asset over their estimated useful lives, as follows:

Leasehold property	–	over the period of the lease
Plant and machinery	–	14% – 33% straight line
Fixtures, fittings and equipment	–	20% straight line

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Deferred taxation*

Deferred taxation 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 right to pay less or to receive more, tax, with the following exception:

- 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.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, or, if hedged, at the forward contract rate.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date, or, if hedged, the forward contract rate.

All exchange differences are recognised in the profit and loss account.

## Notes to the financial statements

at 31 December 2014

### 1. Accounting policies (continued)

#### *Operating leases*

The rental and operating lease costs of all other assets are charged against profit before interest, as incurred.

#### *Research and development*

Expenditure on research and development is written off against profits in the year in which it is incurred.

#### *Pensions*

The company operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the company. The pension cost charge represents contributions payable in the period.

### 2. Turnover

All turnover recognised during the year, and the previous year, is attributable to the North America geographical market.

### 3. Profit on ordinary activities before taxation

This is stated after charging:

	<i>2014</i>	<i>2013</i>
	<i>£'000</i>	<i>£'000</i>
Depreciation of tangible assets	54	33
Research and development expenditure	794	703
Realised foreign exchange loss	-	1
Operating lease rentals – land and buildings	95	95
	<u>          </u>	<u>          </u>

Auditors' remuneration of £9,000 (2013: £9,000) is borne by one of the company's associated undertakings.

### 4. Directors' remuneration

No Directors were paid directly by the company.

One Director is also a Director of associated group undertakings, from which he received remuneration for qualifying services, amounting to £197,894 (2013: £186,731). The Directors do not believe that it is practicable to apportion these amounts between their services as Directors of the company and their services as Directors over the other Teledyne group companies.

Two other Directors do not perform any qualifying services to the company, therefore their emoluments are £nil (2013: £nil).

## Notes to the financial statements

at 31 December 2014

### 5. Staff costs

	2014 £'000	2013 £'000
Wages and salaries	1,008	1,010
Social security costs	115	116
Pension costs	51	51
	<u>1,174</u>	<u>1,177</u>

The average monthly number of employees during the year was made up as follows:

	2014 No.	2013 No.
Production	14	15
Administration and distribution	5	6
	<u>19</u>	<u>21</u>

### 6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2014 £'000	2013 £'000
<i>Current tax:</i>		
UK corporation tax on the profit for the period	-	-
Total current tax (note 6(b))	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(13)	(24)
Effect of changes in tax rate	-	(14)
Total deferred tax (note 6(c))	<u>(13)</u>	<u>(38)</u>
Tax on profit on ordinary activities	<u>(13)</u>	<u>(38)</u>

## Notes to the financial statements

at 31 December 2014

### 6. Tax (continued)

#### (b) Factors affecting current tax charge for the year

The company applied for above the line tax treatment of Research and Development expenditure under the HMRC RDEC scheme for 2014. The benefit in 2014 has been offset against R&D expenditure in cost of sales. The current tax charge would have been £ 66,000 lower if the accounting treatment was the same as 2013.

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	491	470
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	105	109
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3	-
Accelerated capital allowances	(14)	(19)
Research and development credit	-	(49)
Group relief received for no consideration	(94)	(41)
Current tax for the year (note 6(a))	-	-

#### (c) Deferred tax asset

Depreciation in excess of capital allowances at 20% (2013:20.13%) is as follows:

	£
At 1 January 2014	(94)
Profit and loss account	13
At 31 December 2014	(81)

#### (d) Factors that may affect future tax charges

The main UK corporation tax rate of 21%, which applied from 1 April 2014, was reduced to 20% on 1 April 2015. It was announced in the Summer Budget in July 2015 that the corporation tax rate will further reduce to 19% from 1 April 2017, and to 18% from 1 April 2020; however these reductions have not yet been substantively enacted.

# Notes to the financial statements

at 31 December 2014

## 7. Dividends

Equity dividends on ordinary shares paid during the year

	2014 £'000	2013 £'000
60,000 Ordinary shares at nil (2013:£22.99) per share	-	1,379

## 8. Tangible fixed assets

	Leasehold property £'000	Plant and fixtures £'000	Total £'000
Cost:			
At 1 January 2014	26	1,941	1,967
Additions	-	137	137
At 31 December 2014	26	2,078	2,104
Depreciation:			
At 1 January 2014	6	1,870	1,876
Charge for the year	3	51	54
At 31 December 2014	9	1,921	1,930
Net book value:			
At 31 December 2014	17	157	174
At 1 January 2014	20	71	91

## 9. Debtors

	2014 £'000	2013 £'000
Amounts owed by group undertakings	987	625
Other debtors	101	31
Prepayments and accrued income	9	21
Deferred tax asset (note 6(c))	81	94
	1,178	771

## Notes to the financial statements

at 31 December 2014

### 10. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	30	19
Amounts owed to group undertakings	10	-
Accruals and deferred income	131	140
	<u>171</u>	<u>159</u>

### 11. Issued share capital

	No.	2014 £,000	No.	2013 £,000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	60,000	60	60,000	60
		<u>60</u>		<u>60</u>

### 12. Reconciliation of equity shareholders' funds and movements on reserves

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	60	644	704
Profit for year	-	478	478
At 31 December 2014	<u>60</u>	<u>1,122</u>	<u>1,182</u>

### 13. Other financial commitments

At 31 December 2014, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 £'000	Land and buildings 2013 £'000
Operating leases which expire: More than five years	<u>105</u>	<u>105</u>

## Notes to the financial statements

at 31 December 2014

### 14. Ultimate parent undertaking and related party transactions

The company's immediate parent undertaking is Teledyne Holdings UK LLC, which holds 100% of the issued share capital. The ultimate parent undertaking and controlling party is Teledyne Technologies Incorporated. It has included the company in its group accounts, which is the smallest and largest group for which group accounts are available. Copies of the Teledyne Technologies Incorporated, a company incorporated in the United States of America, accounts are available from its registered office: 1049 Camino Dos Rios, Thousand Oaks, CA 91360.

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 from disclosing transactions with related parties that are wholly owned subsidiaries of the Teledyne group.