Registered No 2829165

Teledyne Paradise Datacom Limited

(formerly Paradise Datacom Limited)

Report and Financial Statements

31 December 2010

Teledyne Paradise Datacom Limited
(formerly Paradise Datacom Limited)

Registered No 2829165

Directors
R Mehrabian
HT Barnshaw
A Pichelli

Secretary
HT Barnshaw

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

Bankers
Barclays Bank plc
Park House
Stoke Gifford
Bristol BS34 8TN

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

Directors' report

The directors present their report and financial statements for the 9 month period ended 31 December 2010

Change of name

The company changed its name to Teledyne Paradise Datacom Limited on 23 August 2010

Results and dividends

The profit for the period after taxation amounted to £173,524 (year ended 31 March 2010 – profit of £298,132) An interim dividend of £nil was paid during the period (year ended 31 March 2010 – £127,127)

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

I D Brodie	(resigned 03/08/2010)
K N Edwards	(resigned 28/07/2010)
J Restivo	(resigned 28/07/2010)
R Mehrabian	(appointed 28/07/2010)
HT Barnshaw	(appointed 28/07/2010)
A Pichelli	(appointed 28/07/2010)

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

Directors' report

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

Grant Thornton UK LLP resigned as auditors on 13 December 2010 and Ernst & Young LLP were appointed in their place

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

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
Secretary
29th Sept 2011

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 (formerly Paradise Datacom Limited)

We have audited the financial statements of Teledyne Paradise Datacom Limited for the period ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditor

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 (APB'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 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 2010 and of its profit for the period 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 year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report

to the members of Teledyne Paradise Datacom Limited (formerly 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 Directors' Report

Ernst & Young LLP

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

Date 30\9\2011

Profit and loss account

for the period ended 31 December 2010

	Notes	*9 months ended 31 December 2010* £	*Year ended 31 March 2010* £
Turnover – continuing operations	2	1,394,781	1,984,407
Cost of sales		(813,124)	(1,102,475)
Gross profit		581,657	881,932
Distribution costs		(306,605)	(263,432)
Administrative expenses		(84,361)	(231,151)
Operating profit – continuing operations	3	190,691	387,349
Bank interest payable		(3,900)	(227)
Profit on ordinary activities before taxation		186,791	387,122
Tax	6	(13,267)	(88,990)
Profit for the financial period	13	173,524	298,132

Statement of total recognised gains and losses

for the period ended 31 December 2010

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £173,524 in the period ended 31 December 2010 (year ended 31 March 2010 – profit of £298,132)

Balance sheet

at 31 December 2010

	Notes	*31 December 2010* £	*31 March 2010* £
Fixed assets			
Tangible assets	8	70,328	106,197
Current assets			
Debtors	9	1,000,212	536,146
Cash at bank and in hand		53,534	391,660
		1,053,746	927,806
Creditors: amounts falling due within one year	10	(217,850)	(301,303)
Net current assets		835,896	626,503
Total assets less current liabilities		906,224	732,700
Capital and reserves			
Called up share capital	11	60,000	60,000
Profit and loss account	12	846,224	672,700
Shareholders' funds	13	906,224	732,700

H Barnshaw
Secretary
29 Sept 2011

Notes to the financial statements

at 31 December 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Statement of cash flows

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows on the basis that it is a wholly owned subsidiary of Teledyne Technologies Inc for which group financial statements have been prepared

Turnover

Turnover is the amount receivable for goods supplied, excluding value added tax, and is recognised when the goods are dispatched to the customer Turnover is recognised on long-term contracts as these progress and comprise the sales value of work performed in the period

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	–	7% – 33% straight line
Fixtures, fittings and equipment	–	15% 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

Notes to the financial statements

at 31 December 2010

1. Accounting policies (continued)

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

Operating lease

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

Research and development

Research expenditure is written off as incurred Expenditure on a development project will be written off as incurred unless and until

(i) the project is identified as being
- a for a new or substantially improved product or process,
- b technically feasible, or
- c commercially feasible, with a high probability that recovery will take place, and

(ii) measurable costs can be attributed to the asset and adequate resources are available to complete the project

For a project meeting these criteria, subsequent costs will be capitalised and amortised from the date the product or process is available for use on a straight line basis over the product's estimated life up to a maximum of 3 years

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

An analysis of turnover by geographical market is given below

	9 months ended 31 December 2010	*Year ended 31 March 2010*
	£	*£*
North America	1,394,781	1,984,407

Notes to the financial statements

at 31 December 2010

3. Operating profit

This is stated after charging/(crediting)

	9 months ended 31 December 2010	*Year ended 31 March 2010*
	£	*£*
Auditors' remuneration – audit services	8,500	8,900
– taxation services	3,000	3,500
Depreciation of tangible assets	35,869	83,586
Amortisation of development cost	–	3,470
Research and development expenditure	560,769	702,924
Realised foreign exchange loss/ (gain)	5,135	(2,794)
Operating lease rentals – land and buildings	79,110	105,000

4. Directors' remuneration

No directors were paid directly by the company

Certain directors were also directors of the former holding company (and fellow subsidiary undertakings) and received total remuneration of £739,775 in the period to 31 December 2010 In addition, another director who was appointed a director on 26 July 2010 is also a director of an associated group undertaking, from which he received remuneration for qualifying services, amounted to £145,896 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 of the former holding company nor as directors of parent and fellow subsidiary undertakings

Two other directors do not perform any qualifying services to the company, therefore their emoluments are £nil (2010 - £nil)

The emoluments of the highest paid director, who was paid by another group company, were £606,050 (31 March 2010 - £244,000)

5. Staff costs

	9 months ended 31 December 2010	*Year ended 31 March 2010*
	£	*£*
Wages and salaries	632,052	948,992
Social security costs	80,575	104,692
Pension costs	36,464	49,467
	749,091	1,103,151

Notes to the financial statements

at 31 December 2010

5. Staff costs (cont.)

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

	9 months ended 31 December 2010	*Year ended 31 March 2010*
	No	*No*
Production	16	15
Administration and distribution	6	6
	22	21

Notes to the financial statements

at 31 December 2010

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	9 months ended 31 December 2010 £	*Year ended 31 March 2010* £
Current tax		
UK corporation tax on the profit for the period	-	110,806
Adjustment in respect of prior years	-	(8,601)
Total current tax (note 6(b))	-	102,205
Deferred tax		
Origination and reversal of timing differences	(13,267)	(17,658)
Adjustment to prior year	-	4,443
Total deferred tax (note 6(c))	(13,267)	(13,215)
Tax on profit on ordinary activities	(13,267)	88,990

(b) Factors affecting current tax charge for the year

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 28% The differences are explained below

	9 months ended 31 December 2010 £	*Year ended 31 March 2010* £
Profit on ordinary activities before tax	173,524	387,122
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	48,587	108,394
Effects of		
Expenses not deductible for tax purposes	3,900	5,754
Accelerated capital allowances	7,607	17,658
Other timing differences	14,000	-
Research and development credit	-	(21,000)
Adjustment in respect of prior years	-	(8,601)
Group relief received for no consideration	(74,094)	-
Current tax for the year (note 6(a))	-	102,205

Notes to the financial statements

at 31 December 2010

6. Tax (continued)

(c) Deferred taxation

Depreciation in excess of capital allowances is as follows

	£
At 1 April 2010	(211,899)
Credit to the profit and loss account	(13,267)
At 31 December 2010	(225,166)

The Finance Act (No 2) was enacted in July 2010 and reduced the main rate of corporation tax from 28% to 27% from 1 April 2011 This rate reduction was latterly amended to 26% in the 2011 Budget with effect from 1 April 2011 Further reductions are to be enacted separately each year with the aim of reducing the rate by 1% per annum to 23% by 1 April 2014 There is also a reduction in the main rate of capital allowances from 20% to 18% with effect from April 2012 These changes will affect the amount of future cash tax payments to be made by the company, however the amounts are deemed to be immaterial

7. Dividends

	9 months ended 31 December 2010 £	*Year ended 31 March 2010* £
Interim dividend paid	–	127,127

8. Tangible fixed assets

	Leasehold property £	*Plant and fixtures* £	*Total* £
Cost			
At 1 April 2010 and 31December 2010	199,467	1,835,829	2,035,296
Depreciation			
At 1 April 2010	162,227	1,766,872	1,929,099
Charge for the year	15,391	20,478	35,869
At 31 December 2010	177,618	1,787,350	1,964,968
Net book value			
At 31 December 2010	21,849	48,479	70,328
At 1 April 2010	37,240	68,957	106,197

Notes to the financial statements
at 31 December 2010

9. Debtors

	31 December 2010 £	*31 March 2010* £
Amounts owed by group undertakings	722,617	263,313
Other debtors	142	734
Prepayments and accrued income	52,287	60,200
Deferred tax (note 6(c))	225,166	211,899
	1,000,212	536,146

10. Creditors: amounts falling due within one year

	31 December 2010 £	*31 March 2010* £
Trade creditors	2,658	52,593
Amounts owed to group undertakings	11,510	-
Corporation tax	-	102,205
Other taxes and social security	24,959	35,383
Accruals and deferred income	178,723	111,122
	217,850	301,303

11. Issued share capital

		31 December 2010		*31 March 2010*
Allotted, called up and fully paid	*No*	*£*	*No*	*£*
Ordinary shares of £1 each	60,000	60,000	60,000	60,000

12. Movements on reserves

	Profit and loss account £
At 1 April 2010	672,700
Profit for the period	173,524
At 31 December 2010	846,224

Notes to the financial statements

at 31 December 2010

13 Reconciliation of shareholders' funds

	31 December 2010 £	31 March 2010 £
Profit on ordinary activities after taxation	173,524	298,132
Dividends	–	(127,127)
Net addition to shareholders' funds	173,524	171,005
Opening shareholders' funds	732,700	561,695
Closing shareholders' funds	906,224	732,700

14. Other financial commitments

At 31 December 2010, the company had annual commitments under non-cancellable operating leases as set out below

	31 December Land and buildings 2010 £	31 March Land and buildings 2010 £
Operating leases which expire		
Between one and two years	79,110	105,000

15. Related party transactions

Advantage has been taken of the special exemption for group companies regarding related party disclosures

16. Ultimate parent undertaking

The ultimate parent undertaking is Teledyne Inc, which is registered in the United States of America Its group financial statements are available on the Teledyne web-site, www teledyne com