Annual Report and Financial Statements
Year Ended
28 June 2019

Company Number 02803090

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Company Information

Director

K N Norton

Company secretary

P S Freeman

Registered number

02803090

Registered office

Unit 1 Dingley Way Farnborough Hampshire GU14 6FF

Independent auditor

BDO LLP

2 City Place Beehive Ring Road

Gatwick West Sussex RH6 0PA

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Strategic Report For the Year Ended 28 June 2019

The director presents his strategic report of the company for the year ended 28 June 2019.

Business review

The principal activity of the company was the development, manufacture, sale and after-sales support of a range of products in the field of defence communication and Electronic Systems, until a group restructure took place on 29 June 2018.

On 29 June 2018, as part of the group restructure, the company disposed its trade and assets at book value to the new immediate parent company, Harris Systems Limited, in exchange for an intercompany loan. Since then the company has become inactive.

Interest income of £2,020k (2018 - £1,410k) was charged on the group loans.

Future prospects

At the moment the company is inactive and the director will consider winding up the entity in due course.

Financial risk management and policies

As the company became an inactive entity after the restructure, only the debtor (which is the amounts due by its immediate parent company Harris Systems Limited), has exposure to credit risk. However, the director has received a letter of financial support from L3Harris Technologies (Formerly known as Harris Corporation), the ultimate parent company of Harris Systems Limited, which states that it will continue to provide ongoing financial support to Harris Systems Limited to enable it to meet its liabilities as and when they fall due, into the foreseeable future.

The company does not have any activities after the group restructure and therefore it is not exposed to liquidity and cashflow risk.

Financial key performance indicators

There is no key performance indicator for the company as there is no principal activity after disposing of its net assets. The company has no key performance indicators as it became an inactive entity after the restructure.

Covid-19

The entity ceased trading on 28 June 2018, generating only interest income from amounts owed by group undertakings (note 7).

The company had a profit for the year of £1,636k (2018 - £4,575k) and net assets of £67,660k (2018 - £66,024k).

The Financial statements have been prepared on a going concern basis as the company remains solvent and could recommence trading. The recent Covid-19 outbreak and its financial effects do not change the directors' plans for the company nor do they affect their assessment that the accounts should be prepared on a going concern basis.

Post statement of financial position events

Subsequent events are disclosed in note 14 of the financial statements.

Strategic Report (continued) For the Year Ended 28 June 2019

This report was approved by the board on

25 John 2020 and signed on its behalf

K-N-Norton Director

Director's Report For the Year Ended 28 June 2019

The director presents his report together with the audited financial statements for the year ended 28 June 2019.

Results and dividends

The profit for the year, after taxation, amounted to £1,636k (2018 - £4,575k).

The director recommends that no dividend be paid (2018 - £Nil).

Director

The director who served during the year was:

K N Norton

Political contributions

During the year, the company made no contributions to charitable organisations (2018 - £Nil). The company did not make any contributions to any political organisation during the year (2018 - £Nil).

Financial risk management objectives and policies

Details of financial risk management objectives and policies are provided in the strategic report on page 1.

Post statement of financial position events

Subsequent events are disclosed in note 14 of the financial statements.

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware; there is no relevant audit information of which the company's auditor is unaware;
 and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report was approved by the board on

25 Junia 2020

and signed on its behalf.

K N Norton Director

Director's Responsibilities Statement For the Year Ended 28 June 2019

The director is responsible for preparing the strategic report, the director's 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 company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 Auditor's report to the members of Harris Defence Limited

Opinion

We have audited the financial statements of Harris Defence Limited ("the company") for the year ended 28 June 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 Financial Reporting Standard 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 company's affairs as at 28 June 2019 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.

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 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.

Independent Auditor's report to the members of Harris Defence Limited (continued)

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 the audit:

- the information given in the strategic report and 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's report to the members of Harris Defence Limited (continued)

Responsibilities of directors

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 director determines 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 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 intends to liquidate the 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 at the Financial Reporting Council's website at: https://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.

John Everingham (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor Gatwick
United Kingdom

26 June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income For the Year Ended 28 June 2019

	Note	2019 £000	2018 £000
Turnava	3	2000	13,603
Turnover	3	•	•
Cost of sales		•	(9,876)
Gross profit	-	•	3,727
Administrative expenses		-	(1,130)
Operating profit	4	•	2,597
Interest receivable and similar income	7	2,020	1,631
Profit before tax	_	2,020	4,228
Tax on profit	8	(384)	347
Profit and total comprehensive income for the financial year	_	1,636	4,575

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 11 to 18 form part of these financial statements.

Registered number: 02803090

Statement of Financial Position As at 28 June 2019

	Note	28 June 2019 £000	28 June 2019 £000	29 June 2018 £000	29 June 2018 £000
Current assets					
Debtors: amounts falling due within one year	9	68,044		66,024	
Creditors: amounts falling due within one year	10	(384)		-	
Net assets	•		67,660		66,024
Capital and reserves					
Called up share capital	11		-		100
Other reserves	12		2,000	•	2,000
Profit and loss account	12		65,660		63,924
Total equity		_	67,660	_	66,024
		_		-	

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

3 25

25 June 2020

K N Norton Director

The notes on pages 11 to 18 form part of these financial statements.

Statement of Changes in Equity For the Year Ended 28 June 2019

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000
At 30 June 2018	100	2,000	63,924	66,024
Comprehensive income for the year				
Profit for the year	-	-	1,636	1,636
Total comprehensive income for the year		-	1,636	1,636
Shares cancelled during the year	(100)	-	100	•
Total transactions with owners	(100)	•	100	-
At 28 June 2019	-	2,000	65,660	67,660

Statement of Changes in Equity For the Year Ended 29 June 2018

	Called up share capital £000	Other reserves	Profit and loss account	Total equity
	2000	2000	2000	2000
At 1 July 2017	100	2,000	59,349	61,449
Comprehensive income for the year				
Profit for the year	-	-	4,575	4,575
Total comprehensive income for the year	•	-	4,575	4,575
At 29 June 2018	100	2,000	63,924	66,024

The notes on pages 11 to 18 form part of these financial statements.

Notes to the Financial Statements For the Year Ended 28 June 2019

1. General information

Harris Defence Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of L3Harris Technologies (formerly known as Harris Corporation) as at 28 June 2019 and these financial statements may be obtained from 1025 West NASA Blvd, Melbourne, FL 32919, USA.

Notes to the Financial Statements For the Year Ended 28 June 2019

2. Accounting policies (continued)

2.3 Going concern

The entity ceased trading on 28 June 2018, generating only interest income from amounts owed by group undertakings (note 7).

The company had a profit for the year of £1,636k (2018 - £4,575k) and net assets of £67,660k (2018 - £66,024k).

The Financial statements have been prepared on a going concern basis as the company remains solvent and could recommence trading. The recent Covid-19 outbreak and its financial effects do not change the directors' plans for the company nor do they affect their assessment that the accounts should be prepared on a going concern basis.

2.4 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements For the Year Ended 28 June 2019

2. Accounting policies (continued)

2.5 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.6 Interest income

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

2.7 Current and deferred taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

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

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

Notes to the Financial Statements For the Year Ended 28 June 2019

3. Turnover		
An analysis of turnover by class of business is as follows:		
	2019 £000	2018 £000
Tactical communications	-	9,183
Electronic systems		3,508
Night vision	•	912
	•	13,603
Ánalysis of turnover by country of destination:		
	2019 £000	2018 £000
United Kingdom	-	12,151
Rest of Europe	-	541
Rest of the world	•	911
	<u> </u>	13,603
4. Operating profit		
The operating profit is stated after charging/(crediting):		
	2019 £000	2018 £000
Depreciation of tangible fixed assets	-	139
Fees payable to the company's auditor and its associates for the audithe company's annual financial statements	it of	27
Exchange differences	-	(145)
Other operating lease rentals	-	649
Loss on asset disposals	-	9

Notes to the Financial Statements For the Year Ended 28 June 2019

Staff costs, including director's remuneration, were as follows: 2019			Employees	5.
Wages and salaries Social security costs Cost of defined contribution scheme The average monthly number of employees, including the director, during the year was as follow Direct labour Indirect labour Indirect labour Director's remuneration Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). Therest receivable and similar income			Staff costs, including director's remuneration, were as follows:	
Social security costs Cost of defined contribution scheme The average monthly number of employees, including the director, during the year was as follow 2019 No. Direct labour Indirect la	2018 £000	•		
Cost of defined contribution scheme The average monthly number of employees, including the director, during the year was as follow 2019 No. Direct labour Indirect labour Director's remuneration 2019 £000 Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income	3,800	-	Nages and salaries	
The average monthly number of employees, including the director, during the year was as follow 2019 No. Direct labour - Indirect labour -	373	-	Social security costs	
Direct labour Indirect labour 6. Director's remuneration 2019 £000 Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	346	-	Cost of defined contribution scheme	
Direct labour Indirect labour 6. Director's remuneration 2019 £000 Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	4,519	<u> </u>		
Direct labour Indirect labour 6. Director's remuneration 2019 £000 Director's emoluments - The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	ws:	the year was as follo	Γhe average monthly number of employees, including the director, during t	
Direct labour Indirect labour - Indirect labour - - 6. Director's remuneration 2019 £000 Director's emoluments - The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	2018			
Indirect labour - - 6. Director's remuneration 2019 £000 Director's emoluments - The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	No. 57	No.	Direct labour	
Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	13	-		
Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	70			
Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020				
Director's emoluments The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020			Director's remuneration	6.
The highest paid director received remuneration of £Nil (2018 - £39,490). The value of the company's contributions paid to a defined contribution pension scheme in rethe highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020	2018 £000			
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the highest paid director amounted to £Nil (2018 - £Nil). 7. Interest receivable and similar income 2019 £000 Intercompany interest receivable 2,020			Γhe highest paid director received remuneration of £Nil (2018 - £39,490).	
2019 £000 Intercompany interest receivable 2,020	respect of	pension scheme in		
E000 Intercompany interest receivable 2,020			nterest receivable and similar income	7.
	2018 £000			
Other interest receivable -	1,410	2,020	ntercompany interest receivable	
	221	-	Other interest receivable	
2,020	1,631	2,020		

Notes to the Financial Statements For the Year Ended 28 June 2019

Taxation		
	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	384	812
Adjustments in respect of previous periods	•	(1,192
Total current tax	384	(380
Deferred tax		
Deferred taxation arising from other timing differences	-	33
Total deferred tax	-	33
Taxation on profit on ordinary activities	384	(347
Factors affecting tax charge for the year		
The tax assessed for the year is the same as (2018 - lower than) the standa the UK of 19% (2018 - 19%). The differences are explained below:	rd rate of corpor	ation tax i
	2019 £000	2018 £000
Profit on ordinary activities before tax	2,020	4,228
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	384	803
Effects of:		
Expenses not deductible for tax purposes	-	1
Other timing differences	-	41
Over provision in respect of prior periods	-	(1,192
·		

Factors that may affect future tax charges

Total tax charge for the year

Reductions in the UK Corporation tax rate from 19% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly.

384

(347)

Notes to the Financial Statements For the Year Ended 28 June 2019

9. Debtors: amounts falling due within one year

28 June	29 June
2019	2018
£000	£000
Amounts owed by group undertakings 68,044	66,024

Included within amounts owed by group undertakings is an amount of £68,044,098 (2018 - £66,024,030) which is interest bearing. The interest rate at the end the year end was 3.068% (2018 - 3.068%).

10. Creditors: amounts falling due within one year

	28 June	29 June
	2019	2018
	£000	£000
Corporation tax	384	-

11. Share capital

	28 June	29 June
	2019	2018
	000£	£000
Allotted, called up and fully paid		
1 (2018 - 100,000) ordinary share of £1	-	100

On the 28 June 2019, the share capital of the company was reduced from £100,000 to £1 by the cancelling and extinguishing of 99,999 ordinary shares of £1 each.

12. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Notes to the Financial Statements For the Year Ended 28 June 2019

13. Commitments under operating leases

Banking facilities

The company has £Nil (2018 - £220,000) HM Customs and Excise guarantee.

Leases

The company has entered into non-cancellable operating leases including a building lease. The building lease expires in September 2019, with a break clause in October 2016. The lease agreements provide that the company will pay all insurance and any damage costs.

At 28 June 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	28 June 2019 £000	29 June 2018 £000
Not later than 1 year	-	345
Later than 1 year and not later than 5 years	-	113
Later than 5 years	-	14
	•	472

Commitments have been transferred during the year to Harris Systems Limited as part of the trade and asset transfer.

14. Post statement of financial position events

On the 25th January Covid-19 'Coronavirus' was identified in China and since then it has rapidly spread. Governments began taking significant action and intervention on 30 January 2020 when the World Health Organisation (WHO) declared Covid-19 to be a global health emergency, and thus it is considered a non-adjusting post statement of financial position event. The director has considered the impact of Covid-19 and due to the inactive state of the company concluded that there is no impact.

15. Controlling party

The company's immediate parent undertaking is Harris Systems Limited, registered in England and Wales. The accounts of Harris Systems Limited are available from Unit 1 Dingley Way, Farnborough, Hampshire, United Kingdom, GU14 6FFS.

The company's ultimate parent undertaking and controlling party, and the parent undertaking of the smallest and largest group for which group financial statements are drawn up and of which the company is a member, is L3Harris Technologies (formally known as Harris Corporation), incorporated in Delaware, USA. Copies of the financial statements of L3Harris Technologies can be obtained from 1025 West NASA Boulevard, Melbourne, Florida 32919, USA, or viewed on L3Harris Technologies website at www.harris.com.