Company Registration No 00918130

KEITHLEY INSTRUMENTS LIMITED

Report and Financial Statements

31 December 2011

KEITHLEY INSTRUMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Farmer
K Leutbecher
D Stone

REGISTERED OFFICE

Western Peninsula
Western Road
Bracknell
RG12 1RF

BANKERS

HSBC Bank plc
27th Floor
8 Canada Square
London
E14 5HQ

AUDITORS

Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 15 months ended 31 December 2011

RESULTS AND DIVIDENDS

The profit for the period after taxation is £57,562 (2010 £12,960) The directors do not recommend a final dividend (2010 - £nil)

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company during the period was the marketing, sale and distribution of scientific measuring devices in the United Kingdom and Ireland

The company acts as a buy/sell distributor, primarily selling electrical measurement solutions designed and manufactured by its parent undertaking, Keithley Instruments Inc Products are delivered direct to end customers Solutions are geared to the specialised needs of electronics manufacturers for production testing, process monitoring, product development and research There are around 500 products that test, measure and analyse electrical and physical properties The company sells to customers in the United Kingdom and Ireland It provides technical support and advice before and after sales, an installation service if required and a repair service carried out by a sister company

The company increased sales by 22% from the previous year on an annualised basis (2010 17% decrease) Gross margins improved from stronger Sterling exchange rates against US dollar, by lower discounting and better cost control Gross margin was 1 75 percentage points better than the previous year (2010 25% point increase) The company expects some improvement in turnover from general economic recovery in 2012

The company has increased overheads from the previous year mostly due the full time replacement of part-time sales representatives and higher commission and bonuses The increase in overheads from the previous year is £300,000 on an annualised basis (2010 £210,000 decrease)

DIRECTORS

The directors who served during the year were as follows

M Farmer (appointed 21 March 2011)

K Leutbecher (appointed 21 March 2011)

D Stone (appointed 21 March 2011)

J P Keithley (resigned 21 March 2011)

M J Plush (resigned 21 March 2011)

THIRD PARTY INDEMNITIES

Danaher Corporation has provided to all directors limited indemnities in respect of the cost of defending claims against them and third party liabilities These are all third party indemnity provisions for the purpose of the Companies Act 206 and are all currently in force

DIRECTORS' REPORT

GOING CONCERN

The company is part of the Danaher UK group cash pool arrangement As part of the group cash pool arrangement, each company has entered into unlimited cross guarantees in respect of bank borrowings with fellow participating companies Each company is also subject to an indemnity offered by Danaher Corporation for all participating companies (for the period during which they remain wholly owned subsidiaries of Danaher Corporation), such that any liability falling on the company as a result of the borrowings from the bank of any other party to the cash pool arrangement will be borne by Danaher Corporation in the event of default

The company is trading profitably with positive cash flow and strong balance sheet The group cash pool arrangement in the UK is also available if the company requires immediate access to cash funds to meet its liabilities as they fall due

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

POST BALANCE SHEET EVENTS

On 1 April 2012, the trade and assets of the company were transferred to Tektronix UK Limited

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

Pricewaterhouse Coopers LLP resigned as auditors on 10 October 2011 and Ernst & Young LLP was appointed in their place

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

SMALL COMPANY PROVISIONS

The Directors' report is prepared in accordance with section 415A of the Companies Act 2006

On behalf of the Board

D Stone

Director

Date 27 June 2012

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 judgments 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, 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 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 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 AUDITOR'S REPORT TO THE MEMBERS OF KEITHLEY INSTRUMENTS LIMITED

We have audited the financial statements of Keithley Instruments Limited for the 15 months ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17 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 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 Directors' Report 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 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 2011 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 period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEITHLEY INSTRUMENTS LIMITED (CONTINUED)

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
- 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

John Dervley (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date 28 June 2012

PROFIT AND LOSS ACCOUNT
For the 15 months period ended 31 December 2011

	Note	15 Months ended 31 December 2011 £000	Year ended 30 September 2010 £000
TURNOVER	2	2,357	1,551
Cost of sales		(1,179)	(802)
GROSS PROFIT		1,178	749
Distribution costs		(41)	(41)
Administrative expenses		(1,093)	(717)
Other operating income		13	23
OPERATING PROFIT / (LOSS)	3	57	14
Interest receivable and similar income		0	0
Interest payable and similar charges		0	(1)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		57	13
Tax (charge) / credit on profit / (loss) on ordinary activities	5	0	0
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	12	57	13

There were no recognised gains or losses other than the profit or loss for the period, all of which is derived from continuing operations

The accompanying notes are an integral part of this profit and loss account

The directors have changed the format of the profit and loss account, including changing the comparative figures as they believe that Format 1 better reflects the nature of the company's activities

KEITHLEY INSTRUMENTS LIMITED

Registered number 00918130

BALANCE SHEET
At 31 December 2011

	Note	31 December 2011 £000	30 September 2010 £000
FIXED ASSETS			
Tangible assets	6	0	0
CURRENT ASSETS			
Stocks	7	6	7
Debtors			
- due within one year	8	248	171
Cash		397	175
		651	353
CREDITORS amounts falling due within one year	10	(494)	(253)
NET CURRENT ASSETS / (LIABILITIES)		157	100
TOTAL ASSETS LESS CURRENT LIABILITIES		157	100
NET ASSETS / (LIABILITIES)		157	100
CAPITAL AND RESERVES			
Called up share capital	11	502	502
Capital contribution	12	846	846
Profit and loss account	12	(1,191)	(1,248)
TOTAL SHAREHOLDERS' FUNDS	12	157	100

These financial statements were approved by the Board of Directors on 27 June 2012

Signed on behalf of the Board of Directors

D Stone

Director

The accompanying notes are an integral part of this balance sheet

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, which have been applied consistently throughout the current and prior periods The particular accounting policies adopted are described below

Accounting convention

The financial statements are prepared under the historical cost convention

Under the provisions of Financial Reporting Standard No 1 (revised) Cash Flow Statements, the company has not prepared a cashflow statement because its ultimate parent company, Danaher Corporation, has prepared consolidated financial statements which include the financial statements of the company for the year which are publicly available

The company has taken advantage of the exemption from preparing consolidated financial statements, because publicly available consolidated financial statements are prepared by its ultimate parent undertaking, Danaher Corporation, a company incorporated in the USA

The financial statements present information about the company as an individual undertaking and not as a group

Turnover

Turnover is wholly attributable to the principal activity Turnover represents the invoiced value of goods and services supplied within the United Kingdom and Ireland during the year, excluding value added tax and trade discounts where applicable Revenue is recognised on delivery of the product or service or once all risks and rewards have passed to the customer Income arising from maintenance is recognised on a straight line basis over the period of the maintenance contract with invoiced but unearned income being shown in deferred income

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows

Leasehold improvements	over lease term
Fixtures, fittings and equipment	20% to 33% per annum

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

Stocks

Stock is stated at the lower of cost and net realisable amount In general, cost is determined on a first in first out basis Net realisable amount is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the costs of conversion from their existing state to a finished condition Where necessary, provision is made for obsolete, slow moving and defective stock

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate All exchange differences are included in the profit and loss account

Leases

Rentals under operating leases are charged in the profit and loss account on a straight-line basis over the lease term Operating lease rental income is credited to the profit and loss account in other operating income, on a straight line basis over the lease term

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

Pension costs

The company makes contributions to an independently administered, separately funded defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Taxation

Corporation tax payable is provided on taxable profits at the current rate, as reduced by group relief claimed or surrendered at nil cost

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse

Both current and deferred tax are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted

2 SEGMENTAL INFORMATION

The analysis of turnover by geographical market and class of business has not been given, as the directors believe such disclosure to be prejudicial to the interests of the company

3 OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging / (crediting)

	2011	2010
	£000	£000
Depreciation of tangible fixed assets - owned	0	0
Operating lease rentals		
- plant and machinery	23	25
Office rent	81	64
Auditors' remuneration		
- audit	16	17
- tax compliance	0	11
Foreign exchange loss	9	3

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

4. STAFF COSTS

(a) Staff costs

	2011 £000	2010 £000
Staff costs during the year		
Wages and salaries	672	470
Social security costs	101	59
Other pension costs	27	23
Share options charge	0	2
	800	554

	2011 Number	2010 Number
Average numbers of persons employed		
Sales and marketing	7	8
Administration	2	2
	9	10

The disclosures above include certain employees who have service contracts with and who are paid by the company, but actually work for fellow group companies These costs are disclosed within "staff costs" and the employees are also included in the calculation of the average number of employees, however the company recharges the cost of these individuals to other group companies

(b) Directors' emoluments

During the period ended 31 December 2011, no director received remuneration for their role as a director of Keithley Instruments Limited The directors are remunerated by fellow subsidiary undertakings and their services to this company are of a non-executive nature The emoluments are deemed to be wholly attributable to their qualifying services in M Farmer, Keithley Instruments Inc , K Leutbecher, Tektronix GmbH and D Stone, Tektronix UK Limited

Accordingly, these financial statements include no remuneration in respect of the directors (year ended 30 September 2010 – £nil)

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

5 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITES

The tax credit / (charge) is based on the results for the period and comprises

	2011	2010
	£000	£000
Current tax		
UK corporation tax	0	0
Adjustment in respect of prior years	0	0
	0	0
Deferred tax (see note 9)		
Charge / (credit) to the profit and loss account	0	0
Adjustment in respect of prior years	0	0
	0	0
Taxation charge / (credit) for the period	0	0

The standard rate of tax for the period, based on the UK standard rate of corporation tax, is 26 8% (2010 21%) The actual tax charge for the period differs from the standard rate of UK corporation tax for the reasons set out in the following reconciliation

	2011	2010
	£000	£000
Profit / (loss) before tax	57	13
Tax on profit / (loss) on ordinary activities at standard UK corporation tax rate of 26 8% (2010 21%)	15	3
Effects of		
Expenses not deductible	1	1
Accelerated capital allowances	(10)	0
Short term timing differences	2	0
Utilisation of trade losses	(12)	(4)
Excess property trade losses	4	0
Current tax	0	0

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

6 TANGIBLE FIXED ASSETS

	Leasehold improvements	Fixtures, fittings, plant & machinery	Total
	£000	£000	£000
Cost			
At 1 October 2010	111	68	179
Additions	0	0	0
Disposals	(9)	(48)	(57)
At 31 December 2011	102	20	122
Depreciation			
At 1 October 2010	111	68	179
Charge for the year	0	0	0
Disposals	(9)	(48)	(57)
At 31 December 2011	102	20	122
Net book value			
At 31 December 2011	0	0	0
At 1 October 2010	0	0	0

7. STOCKS

	2011	2010
	£000	£000
Finished goods and goods for resale	6	7
	6	7

8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£000	£000
Trade debtors	222	143
Amounts owed by other group undertakings	0	0
Prepayments and accrued income	26	28
	248	171

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

9 DEFERRED TAXATION

No deferred taxation has been recognised in the financial statements The unrecognised deferred tax asset is as follows

	2011	2010
	£000	£000
Fixed asset timing differences	8	18
Other timing differences	5	5
Losses	234	274
	247	297

Finance (No 3) Act 2011 included legislation to reduce the main rate of corporation tax to 25% from 1 April 2012 The reported deferred tax asset has therefore been reduced to reflect the reduction in rate to 25%

Finance Bill 2012 includes legislation to reduce the main rate of corporation tax to 24% from 1 April 2012 and 23% from 1 April 2013 As this had not been substantively enacted at the balance sheet date, the reported deferred tax asset has not been reduced The impact of the rate reduction will be reported in the next reporting period following the substantive enactment of the relevant legislation

The Government has also indicated that it intends to enact a future reduction in the main tax rate to 22% from 1 April 2014

Substantive enactment of the full reduction to 22% would have no effect on the reported recognised deferred tax assets, but would reduce the reported unrecognised deferred tax assets by approximately £30k

10. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£000	£000
Trade creditors	30	14
Amounts owed to group undertakings	56	46
Other taxes and social security costs	66	47
Accruals and deferred income	342	146
	494	253

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

11 CALLED UP SHARE CAPITAL

	2011	2010
	£000	£000
Called up Allotted and fully paid		
502 ordinary shares of £1 each (2010 502)	502	502
	502	502

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital	Capital contribution	Profit and loss account	Total Share-holders' Funds
	£000	£000	£000	£000
At 1 October 2009	502	846	(1,261)	87
Retained profit / (loss) for the year	0	0	13	13
At 1 October 2010	502	846	(1,248)	100
Capital contribution received	0	0	0	0
Retained profit / (loss) for the period	0	0	57	57
At 31 December 2011	502	846	(1,191)	157

13 PENSION COMMITMENTS

The company operates a defined contributions pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The total pension cost in the period was £26,638 (2010 £23,238) There were no contributions outstanding at the period end (2010 £nil)

14 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

An unlimited multi-lateral guarantee exists between all the United Kingdom based subsidiaries of Danaher Corporation and HSBC Bank plc

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2011	Other 2011	Land and buildings 2010	Other 2010
	£000	£000	£000	£000
Expiry date				
- within one year	0	0	0	4
- between two and five years	65	12	65	16
- after five years	0	0	0	0
	65	12	65	20

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At 31 December 2011, Keithley Instruments Limited was a 100% subsidiary of Keithley Instruments Inc

The ultimate parent undertaking and controlling party is Danaher Corporation, a company incorporated in the USA

The largest and smallest group in which the results of the company are consolidated is Danaher Corporation, a company incorporated in the USA The consolidated financial statements of this group are available to the public and may be obtained from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA

NOTES TO THE ACCOUNTS
15 Months period ended 31 December 2011

16. RELATED PARTY DISCLOSURES

The company takes advantage of the exemption under Financial Reporting Standard number 8 para 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent

17. POST BALANCE SHEET EVENTS

On 1 April 2012, the trade and assets of the company were transferred to Tektronix UK Limited