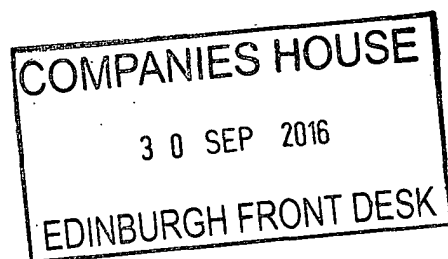


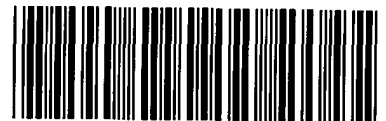
**Teledyne TSS Limited**

**Annual report and financial statements  
for the year ended 31 December 2015**

Registered number: 1406067



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# **Teledyne TSS Limited**

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# Teledyne TSS Limited

## Strategic Report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### **Review of the business**

The company's principal activity during the period was the design, manufacture and distribution of marine survey instruments and provision of related services.

The profit for the period, after taxation, amounted to £1,747,000 (2014: £3,489,000).

### **Key performance indicators**

The company reports on a number of key performance indicators on a quarterly basis.

The company measures sales per employee and operating profit per employee. In the year to 31 December 2015 these metrics were £163,000 (2014: £244,000) and £23,000 (2014: £52,000) respectively.

### **Principal risks and uncertainties**

#### ***Financial risk***

The company's operations expose it to a variety of trading and financial risks including the effects of oil and gas price volatility, foreign currency exchange rates, credit risk and liquidity risk.

The company's principal financial instruments comprise cash, cash equivalents and loans. Other financial assets and liabilities, such as trade debtors and trade creditors arise directly from operating activities.

The main risks arising from the company's financial instruments can be analysed as follows:

#### ***Exchange rate risk***

The company's foreign trading exposes it to foreign exchange risk, predominantly translation risk. Translation exposures are hedged by an affiliated Teledyne company on a group basis when known, principally using forward exchange contracts.

#### ***Credit risk***

The company's principal financial assets are trade and related company debtors, which represent the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating.

The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the company's management based on prior experience and their assessment of the current economic environment.

The company has no significant concentration of cash risk, with exposure spread over a large number of customers.

## Teledyne TSS Limited

### Strategic Report (continued)

#### Principal risks and uncertainties (continued)

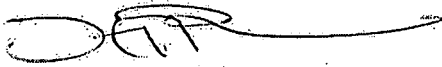
##### *Liquidity risk*

The company's policy has been to arrange funding for operations using Teledyne group credit facilities to aid short-term flexibility.

#### Future developments and events after the balance sheet date

The directors expect the general level of activity to decrease in the forthcoming year. This is as a result of the volatility in the oil and gas markets which are key markets for the company.

Details of significant events since the balance sheet date are contained in note 20 to the financial statements.



H Barnshaw  
Director

30 September 2016

1 Blackmoor Lane  
Croxley Green Business Park  
Watford  
Hertfordshire  
WD18 8GA

## Teledyne TSS Limited

### Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 31 December 2015. The business review and details of principal risks and uncertainties can be found in the Strategic Report on page 2.

#### Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

#### Going concern

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

#### Dividends

No dividends were paid during the year (2014: £8,269,000). The directors do not intend to pay a final dividend.

#### Directors

The directors, who served throughout the year except as noted, were as follows:

H Barnshaw  
A Pichelli  
S Main

#### Political contributions

No political donations were made during the year.

#### Auditor

During 2015, Earnit & Young LLP resigned as auditors and Deloitte LLP were appointed as auditors of the company. Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



H Barnshaw  
Director  
30 September 2016  
1 Blackmoor Lane  
Croxley Green Business Park  
Watford  
Hertfordshire  
WD18 8GA

## **Teledyne TSS Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

# **Teledyne TSS Limited**

## **Independent auditor's report to the members of Teledyne TSS Limited**

We have audited the financial statements of Teledyne TSS Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

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, 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 annual report 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 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 2015 and of the Company's 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

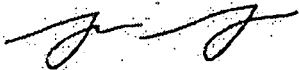
## **Teledyne TSS Limited**

### **Independent auditor's report to the members of Teledyne TSS 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 by the company, 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.



James Boyle CA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2DB

30 September 2016



## Teledyne TSS Limited

### Profit and loss account

For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Turnover	3	12,611	19,545
Cost of sales		(6,987)	(11,831)
Gross profit		5,624	7,714
Administrative expenses		(2,103)	(1,666)
Selling and distribution expenses		(1,703)	(1,849)
Operating profit	4	1,818	4,199
Finance costs (net)		-	-
Profit on ordinary activities before taxation		1,818	4,199
Tax on profit on ordinary activities	7	(71)	(710)
Profit for the financial year		1,747	3,489

There are no additional amounts which should be included in a Statement of Comprehensive Income in either the current or previous year. Accordingly, no such statement has been provided.

The notes on pages 11 to 20 form part of these financial statements.

# Teledyne TSS Limited

## Balance sheet

At 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	9	<u>1,043</u>	<u>1,229</u>
<b>Current assets</b>			
Stocks	10	6,647	4,030
Debtors	11	<u>3,244</u>	<u>3,888</u>
		9,891	7,918
<b>Creditors: Amounts falling due within one year</b>	12	<u>(3,491)</u>	<u>(3,370)</u>
<b>Net current assets</b>		<u>6,400</u>	<u>4,548</u>
<b>Total assets less current liabilities</b>		<u>7,443</u>	<u>5,777</u>
<b>Creditors: Amounts falling due after more than one year</b>	13	(161)	(184)
<b>Provisions for liabilities</b>	14	<u>(198)</u>	<u>(274)</u>
<b>Net assets</b>		<u><u>7,084</u></u>	<u><u>5,319</u></u>
<b>Capital and reserves</b>			
Called-up share capital	15	102	102
Profit and loss account		<u>6,982</u>	<u>5,217</u>
<b>Shareholders' funds</b>		<u><u>7,084</u></u>	<u><u>5,319</u></u>

The financial statements of Teledyne TSS Limited (registered number 1406067) were approved by the board of directors and authorised for issue on 30 September 2016. They were signed on its behalf by:



H Barnshaw  
Director

## Teledyne TSS Limited

### Statement of changes in equity

At 31 December 2015

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
<b>At 1 January 2014</b>	<b>102</b>	<b>9,972</b>	<b>10,074</b>
Profit for year	-	3,489	3,489
Share-based payments	-	25	25
Dividend paid	-	(8,269)	(8,269)
<b>At 31 December 2014</b>	<b>102</b>	<b>5,217</b>	<b>5,319</b>
Profit	-	1,747	1,747
Share-based payments	-	18	18
<b>At 31 December 2015</b>	<b>102</b>	<b>6,982</b>	<b>7,084</b>

# Teledyne TSS Limited

## Notes to the financial statements

For the year ended 31 December 2015

### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### a. General information and basis of accounting

Teledyne TSS Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Teledyne TSS Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Teledyne TSS Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, presentation of a cash flow statement, intra-company transactions and remuneration of key management personnel.

#### b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Company; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives and its exposure to credit risk and liquidity risk.

The Company meets its day to day working capital requirements from cash generated from its operations and through financing provided by associated Teledyne companies as required.

The directors have a reasonable expectation that, with the assistance of the group financing capability, the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### c. Tangible fixed assets

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

Leasehold land and buildings	- over the term of the lease
Plant and machinery	- over 2 to 10 years
Fixtures and Fittings	- over 4 to 10 years
Motor vehicles	- over 4 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### d. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### (i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### d. Financial instruments (continued)

##### (ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

##### (iii) Hedge accounting

The Company does not engage in hedging activities.

#### e. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

#### g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) 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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

#### h. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### i. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### k. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the view of the directors, there are no critical accounting judgements or key sources of estimation uncertainty which affect the company's financial statements:

### 3. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2015 £'000	2014 £'000
United Kingdom	4,067	6,757
Europe	1,868	2,415
Rest of World	6,676	10,373
	<u>12,611</u>	<u>19,545</u>

An analysis of turnover by business class is given below:

	2015 £'000	2014 £'000
Sale of marine survey instruments	11,661	17,986
Service of marine survey instruments	950	1,559
	<u>12,611</u>	<u>19,545</u>

All sales relate to the sale of goods and services.

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015 £'000	2014 £'000
Depreciation of tangible fixed assets (note 9)	275	253
Research and development	1,246	1,580
Operating lease rentals	361	367
Foreign exchange (gain)/loss	(56)	81
	<u>2,226</u>	<u>2,281</u>

The analysis of the auditor's remuneration is as follows:

	2015 £'000	2014 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts borne by a parent undertaking	27	12
	<u>27</u>	<u>12</u>

### 5. Staff numbers and costs

The average monthly number of employees was:

	2015 No.	2014 No.
Selling and distribution	13	13
Administration	9	9
Production	55	58
	<u>77</u>	<u>80</u>

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	3,100	3,252
Social security costs	329	356
Other pension costs (see note 17)	172	176
	<u>3,601</u>	<u>3,784</u>

### 6. Directors' remuneration and transactions

No director received remuneration from the company during the period.

One director is also a director of an associated group undertaking, from which he received remuneration for qualifying services, amounting to £196,613 (2014: £197,894). The directors do not believe that it is practicable to apportion this amount over the other Teledyne group companies.

Three other directors do not perform any qualifying services to the company, therefore their emoluments are £nil (2014: £nil).



# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 7. Tax on profit on ordinary activities

The tax charge comprises:

	2015 £'000	2014 £'000
<b>Current tax on profit on ordinary activities</b>		
UK corporation tax	70	697
Adjustments in respect of prior periods	10	-
<b>Total current tax</b>	<b>80</b>	<b>697</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(9)	13
Decrease in estimate of recoverable deferred tax asset	-	-
<b>Total deferred tax (see note 14)</b>	<b>(9)</b>	<b>13</b>
<b>Total tax on profit on ordinary activities</b>	<b>71</b>	<b>710</b>

The standard rate of tax applied to reported profit on ordinary activities is 20.25% (2014: 21.50%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2013.

There is no expiry date on timing differences, unused tax losses or tax credits.

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%). The differences are explained below:

	2015 £'000	2014 £'000
<b>Company profit on ordinary activities before tax</b>	<b>1,818</b>	<b>4,199</b>
Tax on Company profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.50%)	368	903
Effects of:		
- Expenses not deductible for tax purposes	10	7
- Group relief received for nil payment	(333)	(239)
- Fixed-asset timing differences	25	20
- Other timing differences	(9)	19
- Adjustments to tax charge in respect of previous periods	10	-
<b>Total tax charge for period</b>	<b>71</b>	<b>710</b>

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 8. Dividends on equity shares

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the period:		
Interim dividend for the year ended 31 December 2015 of £nil		
(2014: £81.21) per ordinary share	-	8,269

### 9. Tangible fixed assets

	Leasehold land and buildings £'000	Plant and Machinery £'000	Fixtures and fittings £'000	Motor Vehicles £'000	Total £
<b>Cost</b>					
At 1 January 2015	1,336	1,906	273	16	3,531
Additions	-	89	-	-	89
Disposals	-	(2)	-	-	(2)
At 31 December 2015	1,336	1,993	273	16	3,618
<b>Depreciation</b>					
At 1 January 2015	499	1,528	267	8	2,302
Charge for the year	94	176	1	4	275
Disposals	-	(2)	-	-	(2)
At 31 December 2015	593	1,702	268	12	2,575
<b>Net book value</b>					
At 31 December 2015	743	291	5	4	1,043
At 31 December 2014	837	378	6	8	1,229

Tangible assets are stated at original cost. There are no assets held under finance leases.

### 10. Stocks

	2015 £'000	2014 £'000
Raw materials	4,352	2,264
Work in progress	560	995
Finished goods and goods for resale	1,735	771
	6,647	4,030

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 11. Debtors

	2015 £'000	2014 £'000
Trade debtors	1,542	1,415
Amounts owed by group undertakings	1,463	2,013
VAT	11	24
Other debtors	4	4
Prepayments and accrued income	224	432
	<u>3,244</u>	<u>3,888</u>

Included within amounts owed by group undertakings is an amount of £1,408,000 (2014: £1,408,000) which is due after more than one year. Amount owed by group undertakings due in more than one year bear no interest.

Amounts owed by group undertakings due within one year are repayable upon demand and bear no interest.

### 12. Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Payments received on account	105	276
Trade creditors	304	1,168
Amounts owed to group undertakings	2,314	958
Corporation tax	-	239
Other creditors	2	60
Accruals and deferred income	766	669
	<u>3,491</u>	<u>3,370</u>

Amounts owed to group undertakings due within one year are repayable upon demand and bear no interest.

### 13. Creditors – amounts falling due after more than one year

	2015 £'000	2014 £'000
Deferred income	<u>161</u>	<u>184</u>

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 14. Provisions for liabilities

	Deferred taxation £'000	Product warranties £'000	Total £'000
At 1 January 2015	22	252	274
Utilised/(released)	(9)	(67)	(76)
At 31 December 2015	<u>13</u>	<u>185</u>	<u>198</u>

#### Deferred tax

Deferred tax is provided as follows:

	2015 £'000	2014 £'000
<b>Company</b>		
Accelerated capital allowances	(25)	(40)
Other timing differences	12	18
<b>Provision for deferred tax</b>	<u>(13)</u>	<u>(22)</u>

#### Product warranties

The provision for product warranties relates to expected warranty claims on products sold in the last two years. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within two years of the balance sheet date.

### 15. Called-up share capital and reserves

	2015 £'000	2014 £'000
<b>Allotted, called-up and fully-paid</b>		
101,816 ordinary shares of £1 each	<u>102</u>	<u>102</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

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

# Teledyne TSS Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 16. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
- within one year	344	8	359	11
- between one and five years	746	11	1,090	2
	<u>1,090</u>	<u>19</u>	<u>1,449</u>	<u>13</u>

### 17. Employee benefits

#### Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2015 was £172,000 (2014: £176,000).

### 18. Controlling party

The company's immediate parent undertaking is SG Brown Limited. The company's ultimate parent undertaking and controlling party is Teledyne Technologies Incorporated. It has included the company's results 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 is not required to disclose related party transactions entered into between two or more members of a group under FRS 102 section 33 1 A.

### 19. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2013 and the date of transition to FRS 102 was therefore 1 January 2014. In preparing these financial statements, the Company has started from opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 102. There were no material adjustments arising, on equity or profit or loss, from transition to FRS 102.

### 20. Subsequent events

The company acquired the trade and some of the net assets of Teledyne CDL Limited at net book value, an affiliated company during the first half of 2016.