Company Registration No. 04056975

Raymarine Holdings Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Contents

Directors' Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2021.

Dividends

The directors do not recommend the payment of a dividend (2020: £Nil).

Directors

The directors who held office during the year were as follows:

Grégoire Outters
Sonia Galindo (Resigned 14 May 2021)
Douglas Eidel (Resigned 14 May 2021)
Nicholas Wargent (Appointed 14 May 2021). Also Company Secretary (Appointed 14 May 2021)
Melanie Cibik (Appointed 14 May 2021)

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves 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.

On 13th October 2021 Mazars LLP were engaged as auditors to the company.

Registered office:
Marine House,
Cartwright Drive
Fareham
Hampshire
PO15 5RJ

30 September 2022

By order of the Board

Gregoire Outters
Gregoire Outters (Sep 30, 2022 13:08 GMT+1)

Grégoire Outters
Director

Strategic Report

Principal activities and business review
The Company continues to act as the holding company of FLIR Maritime Inc (formerly Raymarine Inc), and retains loan balances owing from other FLIR companies.

The COVID-19 pandemic and the various measures implemented by governments around the world to help control the spread of the virus, which included quarantines, "stay at home" orders and travel restrictions, business trading restrictions, school and university closures had a strong negative impact upon our market initially. This impact was seen in the revenues in the first half of 2020 which saw a marked year-on-year decline in FLIR Maritime Inc.

However, the market recovered quickly in the second half of 2020 and that recovery continued into 2021. The Pandemic created an increase in interest in socially-distanced activities with the Maritime sector observing more first-time buyers / participants entering the market as outdoor recreation (including boating, RVing, camping and powersports) captured mindshare and many consumers explored "safer" recreational alternatives.

The continued market rebound is reflected in the Maritime Division's 2021 performance with bookings, revenue and operating profit all up strongly against the prior year. Reflecting the wider electronic industry's challenges sourcing electrical components in the second-half of 2021, bookings exceeded sales and the business entered 2022 with an unprecedented order backlog despite the strong 2021 sales performance.

The medium- and longer-term impact of the pandemic remains unclear, we continue to monitor the rapidly evolving economic and market conditions and will take additional actions if deemed necessary.

Going concern
The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements. The assessment considers the impact of COVID-19, which indicates that, taking account of reasonably possible downsides including receiving no income from its shares in group undertakings during the period under assessment, the Company will have sufficient funds to meet its liabilities as they fall due for that period. The company has positive net assets as at 31 December 2021.

The Company holds no cash balance but as a holding Company there are no cash transactions expected in the next 12 months, so no expected cash outflows.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Section 172 (1) statement
The company and its subsidiary comprise a number of varied business units with a governance framework that delegates authority for local decision making at the business unit level. The leadership teams of each business unit are encouraged to make decisions with a long-term view in mind in accordance with the wider group policies. Major decisions are carefully discussed with affected groups and senior leadership prior to implementation.

The directors promote the success of the Company for the benefit of its sole shareholder and that of the shareholders of Teledyne Technologies Incorporated (its ultimate parent undertaking), while taking into account, amongst other matters, the following:

Long-term consequences
By preparing annual 3-year strategic plans as well as short-term forecasts, all of which are discussed with and approved by Divisional and Group Management.

Interests of company employees
The Company does not have any employees. Its three directors are directly employed by other group companies.

Strategic Report (continued)

Relationship with suppliers, customers and others
We recognise the importance that stakeholders outside the business such as customers and suppliers add to our business and we work ethically together to ensure that our goals are met in a mutually beneficial fashion by negotiating contracts, agreeing payment terms in advance and maintaining an open dialogue with suppliers and customers.

The impact on the community and the environment
The Teledyne Group is fully committed to pursuing the best environmental practice and conducting its activities in a way that fully recognises its responsibilities to the environment.

The desirability of maintaining a high reputation for standards of business conduct
The wider Group oversees an annual reporting and certification process to ensure all relevant employees are aware of the high standards set in this regard and operates a mechanism to notify the Company of any shortcomings, including a "whistle-blowing" ethics hotline.

Post Balance sheet event
On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The drectors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The drectors have taken account of these potential impacts in their going concern assessment.

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Fareham
Hampshire,
PO15 5RJ

By order of the Board

Gregoire Outters
Gregoire Outters (Sep 30, 2022 13:08 GMT+1)

Gregoire Outters
Director

30 September 2022

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Raymarine Holdings Limited

Opinion

We have audited the financial statements of Raymarine Holdings Limited (the 'company') for the year ended 31 December 2021 which comprise Statement of Profit and Loss, Balance Sheet, 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 FRS 101 "Reduced Disclosure Framework" (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 31 December 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditor's report to the members of Raymarine Holdings Limited (continued)

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 or the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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, and for such internal control as the directors determine 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 directors are 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 directors either intend 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and the fact that it is a non-trading entity, we do not consider there to be any laws and regulations that have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

Independent auditor's report to the members of Raymarine Holdings Limited (continued)

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the carrying value of investments, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

Anna Campbell
Anna Campbell (Sep 30, 2022 13:32 GMT+1)

Anna Campbell (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2

97 Haymarket Terrace

Edinburgh

EH12 5HD

30 Septmeber 2022

Statement of Profit and Loss Account

Year ended 31 December 2021

	Note	**2021 £'000**	2020 £'000
Administrative expenses		-	-
Operating profit		-	-
Other interest receivable and similar income		-	-
Other gains and losses	6	**2**	(7)
Profit/(loss) before taxation		**2**	(7)
Taxation on ordinary activities	7	-	-
Profit/(loss) for the financial year	13	**2**	(7)

There are no recognised gains or losses for 2021 other than the result for the year reported above and consequently no statement of comprehensive income has been presented.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Notes from pages 11 to 17 form part of these financial statements.

Balance Sheet
At 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments	8	**4,156**	4,156
Current assets			
Debtors	9	**1,351**	1,349
Cash at bank and in hand		**-**	-
		1,351	1,349
Creditors: amounts falling due within one year		**-**	-
Net current assets less current liabilities		**1,351**	1,349
Net assets		**5,507**	5,505
Capital and reserves			
Share capital	10	**-**	-
Translation reserve	11	**619**	619
Retained earnings	12	**4,888**	4,886
Shareholders' funds	13	**5,507**	5,505

Notes from pages 11 to 17 form part of these financial statements.

The financial statements of Raymarine Holdings Limited (registered number 04056975), were approved by the Board of directors and authorised for issue on 30 September 2022. They were signed on its behalf by:

Gregoire Outters
Gregoire Outters (Sep 30, 2022 13:08 GMT+1)

Grégoire Outters
Director

Statement of Changes in Equity

2021	**Called up Share Capital £'000**	**Translation reserve £'000**	**Profit and loss account £'000**	**Total equity £'000**
Balance at 1 January 2021	**-**	**619**	**4,886**	**5,505**
Total comprehensive income for the period				
Profit or loss	**-**	**-**	**2**	**2**
	-	**619**	**4,888**	**5,507**
Transactions with owners, recorded directly in equity				
Dividends	**-**	**-**	**-**	**-**
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**
Balance at 31 December 2021	**-**	**619**	**4,888**	**5,507**

2020	Called up Share Capital £'000	Translation reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2020	-	619	4,893	5,512
Total comprehensive income for the period				
Profit or loss	-	-	(7)	(7)
	-	619	4,886	5,505
Transactions with owners, recorded directly in equity				
Dividends	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance at 31 December 2020	-	619	4,886	5,505

Notes from pages 10 to 16 form part of these financial statements.

Notes to the financial statements

Year ended 31 December 2021

1. General information

Raymarine Holdings Limited is a company incorporated and domiciled in the United Kingdom. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

These financial statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in Note 2. The financial statements have been rounded to the nearst thousand for presentation purposes.

The Company has prepared company accounts and not consolidated accounts as it has taken advantage of the equivalence exemption under s401 of the Companies Act 2006 since the Directors consider the consolidated financial statements of its ultimate parent company Teledyne Technlogies Incorporated (a company incorporated in the USA) to be prepared under an equivalent GAAP.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Teledyne Technologies Incorporated include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:;

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared a going concern assessment for a period of 12 months from the date of approval of these financial statements. The assessment considers the impact of COVID-19, which indicates that, taking account of reasonably possible downsides including receiving no income from its shares in group undertakings during the period under assessment, the Company will have sufficient funds to meet its liabilities as they fall due for that period. The company has positive net assets as at 31 December 2021.

The Company holds no cash balance but as a holding Company there are no cash transactions expected in the next 12 months, so no expected cash outflows.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the financial statements

Year ended 31 December 2021

2. Significant accounting policies (continued)

Investments

Fixed asset investments are stated at cost, but provision is made if it is considered that there has been any impairment in value.

Foreign currencies

Transactions in functional currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated that the rate prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised in equity.

Operating profit/(loss)

Operating profit/(loss) comprises profit/(loss) from operations and is stated after charging exceptional costs but before income from shares in Group undertakings, finance income and finance costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and demand deposits.

Notes to the financial statements

Year ended 31 December 2021

2. Significant accounting policies (continued)

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

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.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Company's policies approved by the Board of directors, which provide written principles on the use of financial derivatives. The purpose for which a derivative is used is identified at inception.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, which are described above, management has made the following judgements and estimations about the future that have the most significant effect on the amounts recognised in the financial statements. Management regularly review these estimates and update them when required.

Notes to the financial statements

Year ended 31 December 2021

2. Significant accounting policies (continued)

Assessment of the carrying value of assets

Future cash flow forecasts are used as the basis to assess the carrying value of some of the Company's assets and to determine whether provisions or impairment is necessary.

There are a number of assumptions and estimates involved in calculating the net present value of future cash flows from the Company's business, including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortization;
- timing and quantum of future capital expenditure;
- uncertainty of future technological developments;
- long term growth rates; and
- the selection of discount rates to reflect the risks involved.

The Company prepares and internally approves formal three year plans for its businesses and uses these as the basis for its impairment reviews. Management use these plans to review the carrying value of the goodwill and internally generated research and development.

The Company has used reasonable discount rates and growth rate assumptions for its cash flow projections. If these were to be revised this could affect the Company's impairment evaluation and, hence, results. The key assets included in the assessment are:

Investment in Group undertakings

The carrying value of investment in shares in Group undertakings is given in more detail in Note 8. At the end of each reporting period it is required under IAS 36 Impairment of Assets to assess whether there is any indication that an asset may be impaired. Following identification that an asset may be impaired an impairment review is carried out involving judgement of the future cash flow of the undertaking. Management prepare such cash flow forecasts derived from the most recent budgets approved by the Board for the next three years.

Taxation

In arriving at our tax obligations we make judgements on appropriate tax law within the relevant tax jurisdictions that we have a taxable presence. We seek professional tax advice, as appropriate, before making judgements on tax matters. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. Operating Profit

Remuneration of the auditors for audit services of £4k (2020:£5k) was borne by other group companies.

4. Remuneration of directors

The directors are employed and remunerated through fellow Group subsidiaries. This remuneration was paid to the directors for acting in the best interests of the Group as a whole and it is not possible to split this between the subsidiaries for which they were directors.

5. Staff Costs

The Company had no employees other than directors during the year (2020:nil)

6. Other gains and losses

	2021	2020
	£'000	£'000
Foreign exchange profits/(losses) on intercompany loans	**2**	(7)

Notes to the financial statements (continued)

Year ended 31 December 2021

7. Taxation

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax:		
Current year		
Adjustment recognised in period for current tax of prior years	-	-
Foreign tax:		
Adjustment recognised in period for current tax of prior year	-	-
Current tax charge for year	-	-
Deferred tax:		
Current year charge	-	-
Adjustment recognised in period for deferred tax of prior years	-	-
	-	-
Total tax charge	-	-

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2021 £'000	%	2020 £'000	%
Profit/(loss) before tax	2		(7)	
Tax at the income tax rate of 19% (2020: 19%)	-		1	
Tax rate changes	-		-	
Amounts not recognised	-		(1)	
Tax charge and effective tax rate for the year	-	n/a	-	n/a

There were £136,327 (2020: £136,328) unrecognised tax losses at 31 December 2021.

On 22 November 2004, FLIR Maritime US, Inc (formerly Raymarine Inc.), a 100% subsidiary of Raymarine Holdings Limited, was migrated to be resident in the United States. Under UK tax rules, there is a deemed disposal of the Company's assets for UK tax purposes on the date of emigration from the UK which gives rise to a held-over chargeable gain. The gain would now crystallise if FLIR Maritime US, Inc. were to cease to be a 75% subsidiary of the Company at any time. The estimated tax charge that would arise is £4.4m. As the likelihood of this occurring is considered to be remote, in accordance with IAS 12, no provision has been made for this.

Notes to the financial statements (continued)

Year ended 31 December 2021

8. Investments

	Shares in Group undertakings £'000	Investments in Group undertakings £'000	Total £'000
Cost			
At 1 January 2021 and 31 December 2021	14,980	5,786	20,766
Impairment			
At 1 January 2021 and 31 December 2021	(10,824)	(5,786)	(16,610)
Net book value			
At 31 December 2020 and 31 December 2021	**4,156**	**-**	**4,156**

The Company's sole investment continues to be the 100% ownership of FLIR Maritime US Inc, 9 Townsend West, Nashua, NH 03063, USA.

The recoverable amounts of the shares in Group undertakings are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management have used a discount rate of 12% (2020: 12%) based on pre-tax rate that reflects current market assessments of the time value of money. The growth rates are based on management growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

9. Trade debtors and other receivables

	2021 £'000	2020 £'000
Tax receivable	2	2
Amounts owed by Group undertakings	1,349	1,347
	1,351	1,349

The directors consider that the carrying amount of trade debtors and other receivables approximates their fair value.

10. Share Capital

	Number of shares ('000)	£'000
Authorised		
Equity: 1,000 (2020:1,000) ordinary shares of £1.00 each	1	1
As at 31 December 2020 and 31 December 2021	1	1

	Number of shares	£
Issued and fully paid		
Equity: 1 (2020:1) ordinary shares of £1.00 each	1	1
As at 31 December 2020 and 31 December 2021	1	1

Notes to the financial statements (continued)

Year ended 31 December 2021

11. Translation reserve

	£'000
As at 31 December 2020 and 31 December 2021	**619**

12. Retained earnings

	£'000
Balance at 31 December 2020	**4,886**
Net profit for the year	2
Balance at 31 December 2021	**4,888**

13. Shareholders' funds

	£'000
Balance at 31 December 2020	**5,505**
Net profit for the year	2
Balance at 31 December 2021	5,507

14. Events after the balance sheet date

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

15. Ultimate parent undertaking

The ultimate parent undertaking is Teledyne Technologies Incorporated, incorporated in the United States of America.

The consolidated financial statements of Teledyne Technologies Incorporated are available to the public and are available on line by visiting www.teledyne.com or 1049 Camino Dos Rios, Thousand Oaks, California, 91360-2362, United States. The Company has no ultimate controlling party given the listed status of the ultimate parent undertaking.

16. Related party transactions

There were no related party transactions other than those with subsidiaries or fellow group companies, that are wholly owned by the ultimate parent un dertaking.