

Teledyne e2v Limited

Annual Report and Financial Statements

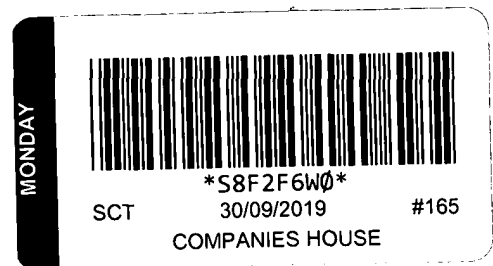
30 December 2018

Company number 04439718

**COMPANIES HOUSE  
EDINBURGH**

**30 SEP 2019**

**FRONT DESK**



## STRATEGIC REPORT

The Directors present their report and the financial statements for the year ended 30 December 2018.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company's principal activity during the year was that of a holding company, a list of subsidiaries is included in note 9. Due to the nature of its operations, the Company does not report Key Performance Indicators.

### PRINCIPAL RISKS AND UNCERTAINTIES

The significant risks and uncertainties faced by the Company are financial risks including foreign currency exchange rates, credit risk and liquidity risk. These are generally managed on an e2v group wide basis.

#### Foreign currency risk

The Company operates internationally and is exposed to a number of foreign currencies, the most significant being the US dollar and Euro. Fluctuations in exchange rates will effect both foreign currency denominated transactions and the translation of net monetary assets. In conjunction with its ultimate parent company, the e2v Group maintains a hedging policy to manage the transactional and translational currency exposure.

#### Brexit

Although the directors do not believe that Brexit will have a major impact on the Company's operations, there continues to be uncertainty regarding the impact of Brexit on the wider economy and it is therefore not currently possible to evaluate all the potential implications. The directors will continue to monitor the latest developments as the situation unfolds.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Credit risk

The Company trades only with businesses it considers creditworthy third parties.

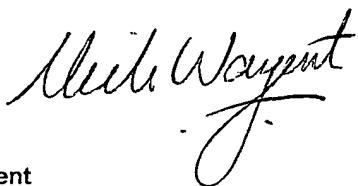
With respect to credit risk arising from financial assets of the Company, which comprise other receivables and cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Company.

Credit risk to financial institutions is limited by restricting the range of counterparties to those with high credit ratings.

#### Liquidity risk

Liquidity risk is managed by monitoring e2v group wide forecast and actual cash flows and ensuring that sufficient committed facilities are in place to cover possible downside scenarios.

Approved by the board and signed on its behalf by:



N Wargent  
Director

27 September 2019

Teledyne e2v Limited  
Company No: 04439718

106 Waterhouse Lane  
Chelmsford  
Essex CM1 2QU

## DIRECTORS' REPORT

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,356,000 (9 month period ended 31 December 2017: profit £50,418,000). No dividends were paid during the year (9 month period ended 31 December 2017: £77,193,000 dividend in specie). Subsequent to the year end the directors recommend the payment of a final dividend of £6,900,000 (9 month period ended 31 December 2017: £nil).

### DIRECTORS

The Directors that served during the year and thereafter were as follows:

S Main  
D Mather (resigned 1 January 2019)  
A Pichelli  
E Roks  
J VanWees  
N Wargent

### COMPANY SECRETARY

The Company Secretary who served during the year and thereafter was as follows:

N Wargent

### POLITICAL DONATIONS

No donations were made to any political parties in the year (9 month period ended 31 December 2017: £nil).

### FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 1.

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Company's financial risk management objectives and policies can be found in the Strategic Report on page 1.

### GOING CONCERN

The Company's business activities are discussed in the Strategic Report. The Company has recorded a net current liability position of £5,499,000, which is repayable to an affiliated company. The Company has received a letter of support from its ultimate parent company in relation to providing continued financial support to enable it to meet its liabilities as they fall due for a period extending to at least 12 months from the date of signing the financial statements. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

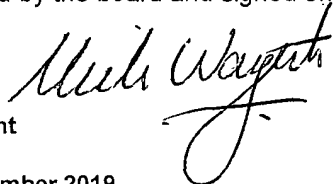
### PROVISION OF INFORMATION TO THE AUDITOR

The Directors at the date of approval of this report confirm 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 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.

Approved by the board and signed on its behalf by:



N Wargent  
Director

27 September 2019

Teledyne e2v Limited  
Company No: 04439718

106 Waterhouse Lane, Chelmsford  
Essex CM1 2QU

## 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 they have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), 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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 its 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 prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELEDYNE E2V LIMITED

### Opinion

We have audited the financial statements of Teledyne e2v Limited (the 'company') for the year ended 30 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 30 December 2018 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.

### The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELEDYNE E2V LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and 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 3, 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 these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

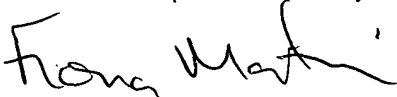
---

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELEDYNE E2V LIMITED

**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.

Fiona Martin (Senior Statutory Auditor)



for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

30 September 2019

**PROFIT AND LOSS ACCOUNT**  
For the year ended 30 December 2018

	Notes	Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 £000
Administrative credit		1,813	122
<b>Operating profit</b>	2	1,813	122
Income from shares in group undertakings	4	-	50,143
Other interest receivable and similar income	5	466	297
Interest payable and similar charges	6	(596)	(482)
<b>Profit before taxation</b>		1,683	50,080
Tax on profit	7	(327)	338
<b>Profit for the financial period</b>		1,356	50,418

All activities relate to continuing operations and are wholly attributable to the owners of the Company.

There are no items of comprehensive income or losses in either period other than the profit shown above and therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 10 to 22 form part of these statements.



**BALANCE SHEET**  
**As at 30 December 2018**

	Notes	30 Dec 2018 £000	31 Dec 2017 £000
<b>Fixed assets</b>			
Investments	9	85,970	85,970
<b>Current assets</b>			
Debtors			
- due within one year	10	4,035	26,676
- due after one year	10	-	3,246
Cash at bank and in hand		2	889
		4,037	30,811
<b>Creditors: amounts falling due within one year</b>	11	(9,536)	(52,800)
<b>Net current liabilities</b>		(5,499)	(21,989)
<b>Total assets less current liabilities</b>		80,471	63,981
<b>Net assets</b>		80,471	63,981
<b>Capital and reserves</b>			
Called up share capital	13	11,138	11,138
Share premium account	14	17,406	2,272
Merger reserve	14	13,939	13,939
Own shares reserve	14	-	-
Capital redemption reserve	14	274	274
Profit and loss account		37,714	36,358
<b>Shareholders' funds</b>		80,471	63,981

The notes on pages 10 to 22 form part of these statements.

These financial statements were approved by the Board of Directors and authorised for issue on **27** September 2019.  
They were signed on its behalf by:



**N Wargent**  
**Director**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 December 2018**

	Called up share capital £000	Share premium account £000	Merger reserve £000	Own shares reserve £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
At 1 April 2017	11,071	45,634	13,939	-	274	17,362	88,280
Profit for the year	-	-	-	-	-	50,418	50,418
Total comprehensive income for the period	-	-	-	-	-	50,418	50,418
Capital reduction	-	(45,634)	-	-	-	45,634	-
Issue of shares	67	2,272	-	(2)	-	-	2,337
Transfer on issue of EBT shares	-	-	-	2	-	(2)	-
Dividends (note 8)	-	-	-	-	-	(77,193)	(77,193)
Tax on share based payment	-	-	-	-	-	(2)	(2)
Share options issued to employees of subsidiary undertakings	-	-	-	-	-	141	141
At 31 December 2017	11,138	2,272	13,939	-	274	36,358	63,981
Profit for the year	-	-	-	-	-	1,356	1,356
Total comprehensive income for the year	-	-	-	-	-	1,356	1,356
Capital reduction	-	-	-	-	-	-	-
Issue of shares	-	15,134	-	-	-	-	15,134
Dividends (note 8)	-	-	-	-	-	-	-
At 30 December 2018	11,138	17,406	13,939	-	274	37,714	80,471

The notes on pages 10 to 22 form part of these statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 December 2018**

**1. Accounting policies**

**Basis of preparation**

Teledyne e2v Limited ('the Company') is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

These financial statements are presented in sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements were 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 the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts, as it is included in the consolidated financial statements of its ultimate parent undertaking, Teledyne Technologies Incorporated, a company registered in the United States of America ('USA'). The consolidated financial statements of Teledyne Technologies Incorporated are prepared in accordance with generally accepted accounting practices in the United States of America (USGAAP) and are available to the public. Copies may be obtained from 1049 Camino Dos Rios, Thousand Oaks, California, 91360 USA.

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, tangible fixed assets and intangible assets;
- disclosures in respect of transactions with wholly owned subsidiaries within the ultimate parent undertaking group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

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

- IFRS 2, 'Share Based Payments' in respect of group settled share based payments;
- certain disclosures required by IAS 36, 'Impairment of Assets' in respect of the impairment of goodwill; and
- the disclosures required by IFRS 7, 'Financial Instruments: Disclosures' and IFRS 13, 'Fair Value Measurement' regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

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

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.

**Measurement convention**

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified as fair value through profit or loss. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position, its principal risks and uncertainties, details of financial instruments and its exposure to risk are set out in the Strategic Report. The Directors' Report describes the Company's adoption of a going concern basis in preparing the financial statements. The Company meets its day to day working capital requirements through financing provided by associated Teledyne companies as required.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**1. Accounting policies (continued)**

**Going concern (continued)**

The Company has a net current liability position of £5,499,000 (31 December 2017: £21,989,000) and has received a letter of support from its ultimate parent company in relation to providing continued financial support to enable it to meet its liabilities as they fall due for a period extending to at least 12 months from the date of signing the financial statements. Thus the Directors continue to adopt the going concern basis in preparing the financial statements.

**Foreign currencies**

Transactions in foreign currencies are recognised at the rate of exchange prevailing on the date of the transactions.

Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

**Investments**

Investments in subsidiaries are held at historical cost less provision for impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where the reasons for such impairment provisions no longer apply, they are written back to the extent that they are no longer necessary.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax. Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise income tax is recognised in the profit and loss account.

**Current tax**

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items of income or expense 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**

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 to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arising from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 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 measured on an undiscounted basis and 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 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.

**Pensions**

The Company contributes to personal pension arrangements for its employees. The pension cost is the amount of contributions payable in the year.

---

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**1. Accounting policies (continued)**

**Share based payments**

Prior to the acquisition date, on 28 March 2017, employees (including Directors) of the Company received remuneration in the form of share based transactions, whereby employees rendered services in exchange for shares or rights over shares (equity settled transactions). The SAYE arrangement continued for six months after this date, during which time employees can continue to make saving contributions. The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binomial or Black-Scholes models, combined with Monte Carlo simulation as appropriate, further details of which are given in note 16. In valuing equity settled transactions, no account has been taken of any vesting conditions, other than conditions linked to the price of the underlying shares (market conditions).

The cost of equity settled transactions has been recognised, together with a corresponding increase in equity, over the period in which the performance conditions were fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for equity settled transactions at each reporting date reflects the extent to which the vesting period has expired and management's best estimate of the number of awards that will ultimately vest.

The financial effect of awards by the Company of options over its equity shares to employees of subsidiary undertakings are recognised by the Company in its individual financial statements with the Company recording an increase in its investment in subsidiaries and a credit to equity.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. If a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new shares are treated as if they were a modification of the original award.

**Dividend income**

Dividend income from subsidiary undertakings is recognised at the point the dividend has been declared. Dividends declared after the balance sheet date are not recognised in the profit and loss account.

**Interest**

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Charges are recognised on an accruals basis in the profit and loss account, using the effective interest method.

**Financial liabilities and equity**

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs.

A financial liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

**Bank borrowings**

Interest-bearing bank loans are recorded at the proceeds received, net of direct issue costs. After initial recognition, interest-bearing bank loans are subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**
**1. Accounting policies (continued)**
**Dividend distribution**

Dividends to holders of equity instruments declared after the balance sheet date are not recognised as a liability as at the balance sheet date. Final dividend distributions to the Company's shareholders are recognised in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recognised when paid.

For dividend in specie, which are determined to be common control transactions (i.e. there is no change in the ultimate parent company owning the asset), the dividend will be recorded in the Company's books at the book cost of investment.

**Own shares**

Shares in Teledyne e2v Limited held by the Company or the Employee Benefit Trust (EBT) are stated at cost and are presented in the balance sheet as a deduction from equity.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, management make judgements, estimates and assumptions concerning the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon factors such as 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.

The following are the key sources of estimation uncertainty that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. The Directors have not identified any critical accounting judgements that need to be made.

**Impairments of fixed asset investments**

Determining whether impairment is required of the Company's fixed asset investments requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

**2. Operating profit**

The operating profit is stated after (crediting) / charging:

		Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 £000
Auditor's remuneration	- for audit of the financial statements	3	15
Net foreign currency (gains) / losses		(1,842)	1,214

Auditor's remuneration relates to services provided by Mazars LLP for the year ended 30 December 2018 and to Deloitte LLP for the 9 months ended 31 December 2017.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**3. Staff costs**

Aggregate remuneration comprised:

	Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 £000
Wages and salaries	(17)	-
Social security costs	-	(47)
Other pension costs (note 15)	-	2
Share based payment charges (note 16)	-	-
	(17)	(45)

The average number of employees (excluding the Directors) during the year was nil (9 months ended 31 December 2017: nil).

The Directors of the Company that served during the year were also Directors of other Teledyne Group companies. Four of the Directors did not receive any remuneration in respect of their services to this Company (9 months ended 31 December 2017: £nil). Some of the remuneration of one of the directors was apportioned to their services as Director of the Company and its subsidiaries and was recharged to the Company or its subsidiaries as part of a management service charge of £149,000 (9 months ended 31 December 2017: £101,000 in respect of two directors). One of the Directors was employed by the Company and its subsidiaries during the year and received emoluments of £254,000 (9 months ended 31 December 2017: £178,000), together with company contributions to money purchase scheme of £nil (9 months ended 31 December 2017: £13,000).

The number of directors accruing benefits under money purchase schemes was nil (9 months ended 31 December 2017: one). The number of directors who exercised share options was nil (9 months ended 31 December 2017: one, including the highest paid director).

**4. Income from shares in group undertakings**

During the year ended 30 December 2018, the Company received no dividends from group undertakings.

During the 9 months ended 31 December 2017, the Company received dividends of £15,000,000 and £35,143,000 from Teledyne e2v (UK) Limited and Teledyne e2v SAS, respectively.

**5. Other interest receivable and similar income**

	Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 £000
Interest receivable from group undertakings	466	292
Other interest	-	5
	466	297

**6. Other interest payable and similar charges**

	Year ended 30 Mar 2018 £000	9 months ended 31 Dec 2017 £000
Interest payable to group undertakings	596	482

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**7. Tax on profit****Recognised in the profit and loss account**

	Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 £000
UK corporation tax		
Current tax on income in the period	315	(335)
Adjustments in respect of prior periods	7	(19)
<b>Total current tax</b>	<b>322</b>	<b>(354)</b>
Deferred tax (note 12)		
Origination and reversal of temporary differences	5	16
Reduction in tax rate	-	-
<b>Total deferred tax</b>	<b>5</b>	<b>16</b>
<b>Tax on profit</b>	<b>327</b>	<b>(338)</b>

In addition to the amounts recognised in the profit and loss account, the following amounts relating to tax have been recognised directly in equity:

	Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 £000
<b>Current tax</b>		
Relating to exercise of share options	-	-
<b>Deferred tax</b>		
Change in estimated excess tax deductions related to share based payment	-	2
<b>Total tax recognised directly in equity</b>	<b>-</b>	<b>2</b>

A reconciliation of the tax expense applicable to the accounting profit before tax at the statutory income tax rate to the tax expense at the Company's effective tax rate for the year ended 30 December 2018 and 9 months ended 31 December 2017 is as follows:

	Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 £000
Profit before taxation	1,683	50,080
At UK statutory income tax rate of 19% (9 months ended 31 December 2017: 19%)	319	9,515
Non-taxable income	-	(9,835)
Non-deductible expenses	1	1
Adjustment in respect of current tax of previous years	7	(19)
Change in tax rate	-	-
<b>Total tax credit reported in the profit and loss account</b>	<b>327</b>	<b>(338)</b>



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**8. Dividends**

	Year ended 30 Dec 2018 Pence per share	Year ended 30 Dec 2018 £000	9 months ended 31 Dec 2017 Pence per share	9 months ended 31 Dec 2017 £000
Final dividend paid in respect of the prior year	-	-	-	-
Interim dividends paid in respect of the current year	-	-	-	-
Dividends paid	-	-	-	-
Dividend in specie	-	-	-	77,193
<b>Total</b>	-	-	-	<b>77,193</b>

The Employee Benefit Trust and the Company itself had waived their right to receive dividends in respect of own shares held. See note 13 for details of these holdings.

On 4 May 2017 a dividend in specie was made in respect of transferring the ownership of Teledyne e2v SAS and its subsidiaries to Rhombi Holdings Limited, the Company's immediate parent company. The dividend was recorded in the Company's financial statements at the book value of the investment.

**9. Investments**

Equity interests in subsidiary undertakings	£000
<b>Cost at 1 January 2018 and 30 December 2018</b>	<b>85,970</b>

At the year end, the Directors undertook a review of the carrying values of the investments in subsidiaries which identified that no investments were impaired.

On 2 July 2018, Teledyne Signal Processing Devices Inc was merged into a fellow subsidiary of the Teledyne Group.

On 2 October 2018, dormant companies, e2v Limited (shares directly held) and EEV Limited (shares held through Teledyne e2v (UK) Limited), were dissolved.

On 18 December 2018, the shares in Teledyne e2v GmbH (held through Teledyne e2v (UK) Limited) were sold to a fellow subsidiary of the Teledyne Group.

On 4 May 2017, the Company declared a dividend in specie and disposed of Teledyne e2v SAS and its subsidiaries (note 8).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 December 2018

**9. Investments (continued)****Interests in Group undertakings**

As at 30 December 2018, the Company has investments in the following subsidiary undertakings. Shares are held directly by the Company, except where noted below. The Company has control over 100% of the ordinary share capital in respect of each of its subsidiary undertakings.

Name of undertaking	Country of incorporation	Registered office address	Principal activity
Teledyne e2v (UK) Limited	England & Wales	106 Waterhouse Lane, Chelmsford, Essex CM1 2QU	Electronic component manufacturer
Teledyne Innovaciones Microelectronicas S.L. (AnaFocus)	Spain	5, Pabellon de Italia, Parque Tecnológico Isla de la Cartuja, Calle Isaac Newton, 4, 41092 Sevilla	Electronic component manufacturer
Teledyne e2v (Overseas) Holdings Limited	England & Wales	106 Waterhouse Lane, Chelmsford, Essex CM1 2QU	Holding company, sales & distribution
Teledyne e2v Asia Pacific Limited <sup>(1)</sup>	Hong Kong	Unit 505, Building 20E Phase 3 Hong Kong Science Park Pak Shek Kok, Shatin N. T. Hong Kong	Holding company, sales & distribution
Teledyne e2v Korea Ltd <sup>(1)</sup>	Korea	15 Floor, Hi Brand Building 16 Maeheon-ro Seocho-gu Seoul, 06771	Sales & distribution
Teledyne e2v (Beijing) Co. Ltd <sup>(2)</sup>	China	Room 101, No. 1 Building, No.9 Jiuxianqiao East Road, Chaoyang District, Beijing	Electronic component manufacturer
Teledyne Signal Processing Devices Sweden AB	Sweden	Teknikringen 6, SE-583 30 Linköping	Electronic component manufacturer

(1) held through Teledyne e2v (Overseas) Holdings Limited; (2) held through Teledyne e2v Asia Pacific Limited; and

During 2019, the shares in Teledyne e2v Korea Limited have been sold to a fellow subsidiary of the Teledyne Group.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**10. Debtors**

	30 Dec 2018 £000	31 Dec 2017 £000
<b>Amounts due within one year</b>		
Amounts receivable from group undertakings	4,035	26,676
	<b>4,035</b>	<b>26,676</b>
<b>Amounts due after more than one year</b>		
Amounts receivable from group undertakings	-	3,241
Deferred tax asset (note 12)	-	5
	-	3,246
	<b>4,035</b>	<b>29,922</b>

**11. Creditors: amounts falling due within one year**

	30 Dec 2018 £000	31 Dec 2017 £000
Trade creditors	-	1
Amounts payable to other group undertakings	9,421	51,177
Corporation tax	77	-
Other taxation and social security costs	36	70
Accruals and deferred income	2	1,552
	<b>9,536</b>	<b>52,800</b>

Included in accruals and deferred income is consideration payable, relating to the acquisitions of SP Devices of £nil (31 December 2017: £1,465,000). The final payment for contingent consideration was made in March 2018.

**12. Deferred tax asset**

	£000
At 1 January 2018	5
Debited to profit and loss account	(5)
<b>At 30 December 2018</b>	<b>-</b>

Deferred tax is comprised of other timing differences, primarily provisions.

The Company is part of a UK tax group and management has determined that based on the current forecast prepared the deferred tax assets are recoverable against future taxable profits of that group and a valuation allowance is not required.

The UK government's Finance Act 2019, which was substantively enacted on 12 February 2019, reduces the UK corporation tax rate to 17% from 1 April 2020. UK deferred tax balances as at 30 December 2018 and 31 December 2017 have been calculated based on the corporation tax rate expected to apply to the period when the asset is realised or the liability is settled.

There are no income tax consequences for the Company attaching to the payment of dividends to its shareholders.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**13. Called up share capital**

	No.	£000
<b>Ordinary shares issued and fully paid, 5p each</b>		
At 1 April 2017	221,412,059	11,071
Issued for cash on exercise of share options	1,339,272	67
At 31 December 2017	222,751,331	11,138
Issued for cash	1	-
<b>At 30 December 2018</b>	<b>222,751,332</b>	<b>11,138</b>

Own shares	Held by Company		Held by EBT	
	No.	£000	No.	£000
At 1 April 2017	-	-	-	-
Purchase of shares	-	-	48,472	2
Disposed of on exercise of options	-	-	(48,472)	(2)
At 31 December 2017	-	-	-	-
Purchase of shares	-	-	-	-
Disposed of on exercise of options	-	-	-	-
<b>At 30 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the period ended 30 December 2018 the Company issued a single share to its immediate parent company for proceeds of £15,134,000, which were subsequently used to settle amounts payable to other group undertakings.

During the period ended 31 December 2017 the Company increased its issued share capital on the exercise of options under share option schemes. Total proceeds from shares issued under exercise of share options amounted to £2,339,000.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**14. Nature and purpose of reserves**

**Share premium account**

Generally, additions to this reserve are made when shares are issued, for cash or otherwise, by the Company for amounts in excess of their nominal value. This reserve can be utilised to issue fully paid bonus shares, to write-off any issue costs. Following the acquisition of the Company and conversion to a private limited company, a capital reduction was completed, transferring £45,634,000 from share premium account to profit and loss account.

**Merger reserve**

The excess of the net proceeds over the nominal value of the share capital issued during the rights issue and placement in 2010 was recognised to the merger reserve. A dividend in specie made on 31 March 2017 was allocated against this reserve. The Directors believe this reserve is currently distributable.

**Own shares reserve**

The own share reserve records movements in Teledyne e2v Limited's shares held by the EBT or the Company.

**Capital redemption reserve**

The capital redemption reserve is used to record reserve transfers required on the redemption of shares. This reserve is not distributable.

**15. Pensions**

The Company contributes to personal pension arrangements for its employees. Costs incurred during the year ended 30 December 2018, in respect of this scheme, were £nil (9 months ended 31 December 2017: £2,000).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**16. Share based payments**

Teledyne e2v Limited operated two share based award schemes where employees of this Company had an interest. Both of these schemes were accounted for as equity settled share based payments. The share based payment expense charged to the profit and loss account for the year ended 30 December 2018 was £nil (9 months ended 31 December 2017: £nil).

**Long Term Incentive Plan (LTIP)**

No awards were made during the year ended 30 December 2018 and the 9 month period ended 31 December 2017. For those awards made during the years ended 31 March 2017, 2016 and 2015, awards were due to vest on the third anniversary of the date of the award, subject to performance targets being met. For the 'normal' awards, 50% of the awards are subject to a performance condition based on the e2v Group's adjusted earnings per share (Adjusted EPS) and the remaining 50% of the awards were subject to a performance condition which relates the e2v Group's Total Shareholder Return (TSR) performance relative to the TSR for the FTSE Small Cap Index (calculated as an average over the three month period ending on the last day of the performance period).

All awards under this scheme had a nil exercise price.

The scheme rules contained a change of control clause such that on 27 March 2017, all the EPS awards lapsed and all the TSR awards vested. The vested options could be exercised at a share price of 275.00p. All vested options were exercised by 6 April 2017.

The following table provides details of awards made under this scheme:

	Year ended 30 Dec 2018 No.	9 months ended 31 Dec 2017 No.
Outstanding at the beginning of the period	-	48,572
Granted during the period	-	-
Exercised during the period	-	(48,572)
Forfeited during the period	-	-
<b>Outstanding at the end of the period</b>	<b>-</b>	<b>-</b>

**Share Save Scheme (SAYE)**

The e2v Group operated an HM Revenue and Customs approved SAYE for all UK employees.

On 27 March 2017, subject to the level of savings made previously or which were made in the following six months, SAYE options were exercisable by the employees at any time during the following six month period. Following this, the awards expired. No options were outstanding as at 31 December 2017.

The following table illustrates the weighted average share price on the date of exercise and the weighted average remaining contractual life of share options for the SAYE.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 30 December 2018**

**16. Share based payments (continued)**

	Year ended 30 Dec 2018 No.	Year ended 30 Dec 2018 WAEP pence	9 months ended 31 Dec 2017 No.	9 months ended 31 Dec 2017 WAEP pence
Outstanding at the beginning of the period	-	-	2,324,290	183.38
Granted during the period	-	-	-	-
Exercised during the period	-	-	(1,290,800)	181.04
Forfeited during the period	-	-	(1,033,490)	186.30
<b>Outstanding at the end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Exercisable at the end of the period	-	-	-	-
Weighted average share price on date of exercise of options (pence)	-	-	-	275.00
Weighted average remaining contractual life (months)	-	-	-	-

**17. Financial Commitments**

The Company has no contracts for future expenditure which have not been provided for (31 December 2017: £nil).

**18. Parent undertaking and controlling party**

The Company's ultimate parent undertaking and controlling party is Teledyne Technologies Incorporated, a company registered in the USA. The immediate parent entity is Rhombi Holdings Limited.

The smallest group that these Company results are consolidated into is that headed by Teledyne Technologies Incorporated. Copies of the group financial statements of Teledyne Technologies Incorporated are available from 1049 Camino Dos Rios, Thousand Oaks, California 91360 USA.