Registered No: SC189383

Teledyne CDL Limited (formerly C.D.Limited)

Report and Accounts

31 December 2013

Company information

Directors
H Barnshaw
R Mehrabian
M Cibik
S Main

Secretary
H Barnshaw

Auditors
Ernst & Young LLP
G1
5 George Square
Glasgow
G2 1DY

Bankers
RBS
18 Ellon Road
Bridge of Don
Aberdeen
AB23 8EA

Solicitors
K&L Gates LLP
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9-13 Napier Road
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Strategic report

The Directors present their strategic report for the year ended 31 December 2013.

Review of the business

The company's principal activity during the period was the design, manufacture and distribution of oilfield and marine navigation survey equipment.

The profit for the year, after taxation, amounted to £102,780 (2012: £1,125,394).

2012 was a record year for the company. The turnover of the business dropped during 2013 by over 25%, returning to levels seen in previous years, which directly impacted the net profit for the year. The company was acquired by Teledyne Limited on 22 October 2013 for a consideration of £13.9m .

The company changed its name from C.D. Limited to Teledyne CDL Limited on 1 November 2013.

Future developments

The company's strategy is to consolidate and grow its presence in the niche markets within which the company operates. The company intends to continue with its activities and has no plans to substantially change the business activities. It is envisaged that synergies with Teledyne's businesses will result in significant growth in future years..

Key performance indicators

The company was acquired by Teledyne Limited during the year. Because the company has not had a full year of trade as part of the Teledyne group nor a budget for 2013 prepared in accordance with Teledyne group conventions, no KPI metrics are available to report for 2013.

Principal risks and uncertainties

The management of the business have assessed the risks and uncertainties affecting the company, which are set out below.

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

The main risks associated with the company's financial assets and liabilities are set out below:

Credit risk: The company's principal financial assets are cash and trade debtors. The principal credit risk is associated with trade debtors. In accordance with Corporate requirements overdue amounts are reviewed regularly by management.

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

On behalf of the board

H Barnshaw
Director
1/9/14

Directors' report

The directors present their report and financial statements for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £102,780 (2012: £1,125,394).

An interim dividend of £78,125 was paid during the year (2012 - £100,000). The Directors do not intend to pay a final dividend.

Future developments

The company's strategy is to consolidate and grow its presence in the niche markets within which the company operates. The company intends to continue with its activities and has no plans to substantially change the business activities. It is envisaged that synergies with Teledyne's businesses will result in significant growth in future years.

Directors

The directors of the company during the year ended 31 December 2013 were as follows:

H Barnshaw (appointed 22 October 2013)
S Main (appointed 22 October 2013)
M Cibik (appointed 22 October 2013)
R Mehrabian (appointed 22 October 2013)
C Crichton (resigned 22 October 2013)
N Murray (resigned 22 October 2013)
A Doggett (resigned 22 October 2013)
G Crichton (resigned 22 October 2013)
R Christensen (resigned 22 October 2013)
J Crawford (resigned 22 October 2013)

Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern review

In line with the FRC guidance on Going Concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis. The business has been recently acquired by Teledyne as a strategic acquisition for the Corporation. The prospect for the future of the business, alongside the new synergies generated in working with other Teledyne companies, complementary technologies and products, positions the company well for the future. The Directors are unaware of any issues that would affect the future viability of the business and are satisfied that Teledyne CDL Limited should continue to adopt the going concern basis in preparing the financial statements.

Auditors

Following the resignation of the former auditors, Simpson Forsyth, Ernst & Young LLP were appointed as auditors on 7 February 2014.

On behalf of the board

H Barnshaw
Director
1/9/14

Statement of directors' responsibilities in respect of the accounts

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether UK applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Teledyne CDL Limited

We have audited the financial statements of Teledyne CDL Limited for the year ended 31 December 2013 which comprises the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report
to the members of Teledyne CDL Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Walter Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

1/9/14

Profit and loss account

for the year ended 31 December 2013

	Notes	*2013* £	*2012* £
Turnover	*2*	5,651,963	7,783,098
Cost of sales		(4,285,028)	(5,278,029)
Gross profit		1,366,935	2,505,069
Administrative expenses		(1,200,898)	(1,121,932)
Selling and distribution expenses		(103,421)	(150,938)
Other operating income		36,000	30,000
Operating profit	*3*	98,616	1,262,199
Interest payable	*4*	(7,751)	(3,825)
Other exceptional items	*5*	-	138,109
Profit on ordinary activities before taxation		90,865	1,396,483
Tax on profit on ordinary activities	*8*	11,915	(271,089)
Profit retained for the financial year	*18*	102,780	1,125,394

Statement of total recognised gains and losses

for the year ended 31 December 2013

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £102,780 in the year ended 31 December 2013 (2012 - £1,125,394).

Balance sheet
at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	*10*	1,198,688	1,318,220
Investments	*11*	6,914	173,450
		1,205,602	1,491,670
Current assets			
Stock	*12*	779,605	559,703
Debtors	*13*	1,373,534	2,294,249
Cash at bank and in hand		477,333	60,618
		2,630,472	2,914,570
Creditors: amounts falling due within one year	*14*	(1,145,864)	(1,719,836)
Net current assets		1,484,608	1,194,734
Total assets less current liabilities		2,690,210	2,686,404
Creditors: amounts falling due after more than one year	*15*	(61,955)	(332,673)
Provision for liabilities and charges	*16*	(58,215)	(70,916)
Net assets		2,570,040	2,282,815
Capital and reserves			
Called up share capital	*17/18*	5,000	5,000
Revaluation reserve	*18*	610,522	635,153
Other reserves	*18*	262,570	-
Profit and loss	*18*	1,691,948	1,642,662
Equity shareholders' funds		2,570,040	2,282,815

These financial statements were approved by the directors and authorised for issue on 1/9/14, and are signed on their behalf by:

H Barnshaw
Director

Notes to the financial statements

at 31 December 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and are prepared in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Heritable Property	-	25 years straight line
Plant and machinery	-	4 years straight line
Fixtures and fittings	-	4 years straight line
Motor vehicles	-	4 years straight line

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

Research and Development

Expenditure on research and development is written off against profits in the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash flow statement

The company has taken advantage of the exemption allowed by FRS 1 (revised) for wholly owned subsidiary undertakings and has not prepared a cash flow statement.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

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

The exchange differences arising from the retranslation of the opening investment in the US branch are taken directly to reserves. All other differences are taken to the profit and loss account.

Notes to the financial statements

at 31 December 2013

1. Accounting policies (continued)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution group personal pension scheme. Contributions were charged to the profit and loss account as they became payable in accordance with the rules of the scheme.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts derived from the provision of goods and services to third parties and relates to the continuing activity of the design, manufacture and distribution of marine survey instruments and provision of related services. An analysis of turnover by geographical market is given below:

	2013	*2012*
	£	*£*
United Kingdom	2,566,658	4,879,319
Europe	247,767	253,171
Rest of the World	2,837,538	2,650,608
	5,651,963	7,783,098

3. Operating profit

This is stated after charging/(crediting):

	2013	*2012*
	£	*£*
Depreciation of owned fixed assets	115,157	73,556
Auditors' remuneration	12,500	14,000
Research and development	86,484	79,388
Operating lease rentals – land and buildings	16,309	15,525
Gain on sale of unlisted investments	(24,805)	-
Exchange gains	(5,952)	(13,921)

Notes to the financial statements

at 31 December 2013

4. Interest payable

	2013 £	2012 £
Hire purchase interest	3,482	-
Bank interest	4,269	3,825
	7,751	3,825

5. Exceptional items

Intercompany cost allocations amounting to nil (2012:£138,109) were credited to the Profit and Loss account during the year.

6. Staff costs

The average monthly number of employees (including executive directors) was:

	2013 No.	2012 No.
Selling and distribution	2	1
Administration	5	4
Production	16	13
	23	18

Their aggregate remuneration comprised:	2013 £	2012 £
Wages and salaries	1,084,571	929,377
Social security costs	123,443	107,722
Other pension costs	42,979	17,627
	1,250,993	1,054,726

7. Directors' remuneration

	2013 £	2012 £
Emoluments	421,056	470,844
Company contributions to money purchase pension schemes	41,025	17,627
	462,081	488,471

	2013 No.	2012 No.
No. of directors members of a money purchase pension scheme	4	2

Notes to the financial statements

at 31 December 2013

7. Directors' remuneration (continued)

	2013	2012
Remuneration of highest paid director:	£	£
Emoluments	197,268	117,152
Company contributions to money purchase pension schemes	11,223	14,627
	208,491	131,779

One director is also a director of an associated group undertaking, from which he received remuneration for qualifying services from the date of appointment, amounting to £34,788 (2012 - £nil). The directors do not believe that it is practicable to apportion this amount over the other Teledyne group companies.

Three other directors do not perform any qualifying services to the company, therefore their emoluments are £nil (2012 - £nil).

8. Taxation

(a) Tax on profit on ordinary activities

	Notes	*2013* £	*2012* £
Current Tax:			
UK Corporation tax		12,369	207,165
Adjustments in respect of prior periods		-	425
Total current tax	*8(b)*	12,369	207,590
Deferred Tax:			
Origination and reversal of timing differences		(24,284)	63,499
Tax on profit on ordinary activities		(11,915)	271,089

Notes to the financial statements

at 31 December 2013

8. Taxation (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is different from the standard rate of Corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are reconciled below:

	Notes	*2013* £	*2012* £
Profit on ordinary activities before tax		90,865	1,396,483
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 23.25% (2012 - 24.5%)		21,126	342,138
Tax relief on losses brought forward		-	(75,012)
Expenses not deductible for tax purposes		7,220	8,156
Loss on sale of investments not deductible for tax		2,578	-
Fixed asset timing differences		14,888	(446)
Other timing differences		6,214	(156)
Research and development enhanced relief		(39,657)	(67,515)
Tax under provided in previous periods		-	425
Total current tax	*8(a)*	12,369	207,590

(c) Deferred tax

The deferred tax liability at 31 Dec 2013 at 20% (2012 – 23%) included in the balance sheet is as follows:

	2013 £	*2012* £
Accelerated capital allowances	(43,015)	(63,499)
Short term timing differences	3,800	-
Deferred tax liability	(39,215)	(63,499)

	£
At 31 December 2012	(63,499)
Profit and loss account	24,284
At 31 December 2013	(39,215)

(d) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 24% to 23% took effect from 1 April 2013. A further reduction from 23% to 21% was substantively enacted in July 2013 and will be effective from 1 April 2014. The rate of UK corporation tax will further reduce to 20 % from 1 April 2015. Accordingly, these rates have been applied in the measurement of the deferred tax assets and liabilities at 31 December 2013.

Notes to the financial statements

at 31 December 2013

9. Dividends

Equity dividends on ordinary shares paid during the period

	2013	*2012*
	£	*£*
Interim dividend paid at £15.625 per share (2012 - £20.00) per share	78,125	100,000

10. Tangible fixed assets

	Heritable property	*Plant and machinery*	*Fixtures and fittings*	*Motor vehicles*	*Total*
	£	*£*	*£*	*£*	*£*
Cost or valuation:					
At 31 December 2012	1,100,000	311,995	58,708	45,757	1,516,460
Additions	-	20,825	10,595	-	31,420
Disposals	-	(85,500)	(18,141)	-	(103,641)
At 31 December 2013	1,100,000	247,320	51,162	45,757	1,444,239
Depreciation:					
At 31 December 2012	-	133,546	19,660	45,034	198,240
Provided during period	44,000	58,523	11,811	723	115,057
Disposals	-	(53,591)	(14,155)	-	(67,746)
At 31 December 2013	44,000	138,478	17,316	45,757	245,551
Net book Value:					
At 31 December 2013	1,056,000	108,842	33,846	-	1,198,688
At 31 December 2012	1,100,000	178,449	39,048	723	1,318,220

Revaluations

The heritable property class of fixed assets was revalued on 29 November 2012 by J&E Shepherd, Chartered Surveyors. The valuation was prepared in accordance with the Practice statement and Guidance Notes set out in the Royal Institution of Chartered Surveyors (RICS) Valuation Standards 2012 (Eighth Edition).The basis of this valuation was on an open market value basis.

Notes to the financial statements

at 31 December 2013

10. Tangible fixed assets (continued)

Had it not been revalued, the heritable property would have been included on the historical cost basis as follows:

	2013	*2012*
	£	*£*
Cost	484,216	484,216
Cumulative depreciation based on cost	(38,738)	(19,369)
Net book amount	445,478	464,847

11. Investments

	2013	*2012*
	£	*£*
Shares in group undertakings	6,914	6,914
Other investments	-	166,536
	6,914	173,450

Shares in group undertakings	*Subsidiary undertakings*	*Total*
	£	*£*
Cost and net book value:		
At 31 December 2012 and 2013	6,914	6,914

Other investments	*Unlisted investment*	*Total*
	£	*£*
Cost:		
At 1 January 2013	246,536	246,536
Disposals	(246,536)	(246,536)
At 31 December 2013	-	-
Provision for impairment:		
At 1 January 2013	80,000	80,000
Disposals	(80,000)	(80,000)
At 31 December 2013	-	-
Net book value:		
At 31 December 2013	-	-
At 31 December 2012	246,536	246,536

The company sold the two plots of land in Spain during the year.

Notes to the financial statements
at 31 December 2013

11. Investments (continued)

The company is exempt from preparing consolidated financial statements by virtue of Section 401 of the Companies Act 2006 on the grounds that it is included within the financial statements of a larger group.

The company's principal subsidiary undertakings are highlighted below.

	Class of Share held	*Proportion of voting rights held*	*Nature of business*
Teledyne CDL Inc	Ordinary Shares	100%	design and manufacture of oilfield and marine navigation and survey equipment
Teledyne CDL do Brazil	Ordinary Shares	99%	design and manufacture of oilfield and marine navigation and survey equipment

12. Stocks

	2013	*2012*
	£	*£*
Raw materials	779,605	559,703

13. Debtors

	2013	*2012*
	£	*£*
Trade debtors	547,354	1,203,069
Amounts owed by group undertakings	774,181	997,584
Other debtors	-	57,317
Prepayments and accrued income	41,909	26,334
Other taxes	10,090	9,945
	1,373,534	2,294,249

Notes to the financial statements

at 31 December 2013

14. Creditors: amounts falling due within one year

	2013	*2012*
	£	*£*
Trade creditors	827,569	1,255,967
Amounts owed to group undertakings	233,494	-
Corporation tax	12,369	207,590
Bank loan and overdraft	-	37,183
Other taxes and social security costs	-	31,387
Other creditors	5,500	9,542
Hire purchase agreements	20,690	20,690
Accruals and deferred income	46,242	157,477
	1,145,864	1,719,836

15. Creditors: amounts falling due after more than one year

	2013	*2012*
	£	*£*
Bank loan	-	251,478
Hire purchase agreements	61,955	81,195
	61,955	332,673

16. Provisions for liabilities and charges

	Deferred Tax	*Warranty & Sales*	*Other*	*Total*
	£	*£*	*£*	*£*
At 31 December 2012	63,499	-	7,417	70,916
Added during the year	-	19,000	-	19,000
Released during the year	-	-	(7,417)	(7,417)
Credited to profit and loss during year	(24,284)	-	-	(24,284)
At 31 December 2013	39,215	19,000	-	58,215

Notes to the financial statements

at 31 December 2013

17. Equity share capital

	Authorised 31 December 2013 and 31 December 2012	*Allotted, called up and fully paid 31 December 2013 and 31 December 2012*
	No.	*No.*
Ordinary Shares of £1 each	*5,000*	*5,000*
	£	*£*
Ordinary shares of £1 each	*5,000*	*5,000*

18. Reconciliation of equity shareholders' funds and movements on reserves

	Share capital	*Revaluation reserve*	*Other reserves*	*Profit and loss account*	*Total*
	£	*£*	*£*	*£*	*£*
At 31 December 2012	5,000	635,153	-	1,642,662	2,282,815
Profit for period	-	-	-	102,780	102,780
Capital contribution	-	-	262,570	-	262,570
Interim dividend paid	-	-	-	(78,125)	(78,125)
Release from revaluation reserve	-	(24,631)	-	24,631	-
At 31 December 2013	5,000	610,522	262,570	1,691,948	2,570,040

A capital contribution was received as part of the sale of the company to Teledyne Limited.

Notes to the financial statements

at 31 December 2013

19. Pension commitments

The company operates defined contribution group personal pension schemes for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions outstanding at the balance sheet date and included in accruals were £14,154 (2012 - £nil).

20. Other financial commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	2013	*2012*
	Land and buildings	*Land and buildings*
	£	*£*
Operating leases which expire:		
Over five years	18,630	15,525

21. Ultimate parent undertaking and related parties

The company's immediate parent undertaking is Teledyne Limited. The company's ultimate parent undertaking and controlling party is Teledyne Technologies Incorporated. It has included the company's results in its group accounts, which is the smallest and largest group for which group accounts are available. Copies of the Teledyne Technologies Incorporated, a company incorporated in the United States of America, accounts are available from its registered office: 1049 Camino Dos Rios, Thousand Oaks, CA 91360.

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 from disclosing transactions with related parties that are part of the Teledyne group or investees of the group.