

**Company Registration No. 10031770**

**TGA UK FINANCE LIMITED**

**Report and Financial Statements**

**31 December 2022**

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# **TGA UK FINANCE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2022**

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# **TGA UK FINANCE LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2022**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

G J Mathers  
R S Yadava  
A Malhotra

#### **REGISTERED OFFICE**

Gems Sensors & Controls,  
Unit 5, The Hyde,  
Brighton, England,  
BN2 4JU

#### **BANKERS**

HSBC Bank plc  
27<sup>th</sup> Floor  
8 Canada Square  
London  
E14 5HQ

#### **AUDITORS**

Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU

## STRATEGIC REPORT

### REVIEW OF BUSINESS

The principal activity of the company is that of an investment company. The company expects to continue current activities.

The profit on ordinary activities after taxation for the period was \$4,462,000 (2021: \$176,586,000). The company received a total of \$ 16,627,000 dividend income during the year (2021: \$188,194,000).

The Fortive Group manages its Key Performance Indicators (KPIs) at a segmental and geographical level. As this is an investment company, there are no relevant KPIs in respect of this entity.

### PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is integrated into the process of planning and performance management at a Group level and is monitored by Fortive Group through quarterly performance reviews. Company level risks have been considered and classified as credit risk, interest rate risk, liquidity risk and investment risk.

Credit risk is the risk that a counterparty to a financial instrument causes the company to suffer a financial loss by failing to discharge its obligations. Company policies are aimed at minimising such losses which are mitigated to a certain extent through all receivables being due from entities that are part of the Fortive group, which has significant resources. However, the company does continuously review its exposure to debtors to ensure the carrying value is appropriate.

Interest rate risk is the risk that the company's interest exposure increases due to an adverse fluctuation in interest rates. The credit facilities in place are at a fixed interest rate thus this risk is effectively managed.

Liquidity risk is the risk that the company encounters difficulty in meeting its obligations as they fall due. This risk is mitigated by the availability of a subsidiary entity to distribute dividends as and when required and through the support of the parent undertaking, Fortive Corporation.

Investment risk is the risk that the value of the company's investments could be adversely affected by changes in the underlying business of the companies. The company actively monitors the performance and underlying value of its investments, which are also monitored by the Fortive group, and where any impairment indicators occur will consider whether an impairment is required.

Climate related issues are considered in terms of potential for contribution to principal risks identified. The issues considered include both the risk of physical disruption to the business from climate change, and the risks and opportunities as the global economy transitions to significantly lower carbon emissions. In the current period it was concluded that climate related risks did not rise to the level of a principal risk, except as part of legal and regulatory compliance.

### S172 COMPANIES ACT 2006

#### *Section 172(1) Statement*

The revised UK Corporate Governance Code was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019.

The Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172.

This S172 statement explains how the Directors:

- a) have engaged with employees, suppliers, customers and others; and
- b) have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to the Company, and the level of information disclosed is consistent with the size and the complexity of the business.

## **STRATEGIC REPORT**

### *General confirmation of Director's duties*

The Board has a clear framework for determining the matters within its remit and certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. The Delegation of Authority sets out the delegation and approval process across the broader business.

When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

#### S172(1) (A) "The likely consequences of any decision in the long term"

The company is part of the Fortive group which is a global group of companies listed on the New York Stock Exchange, and all of its shares are held internally within the Fortive group. The Fortive group and all of its subsidiaries embrace the Fortive Business System into its core values. The business and its Directors embody the core values of building the best team, continuously improving and driving innovation and this is included in each decision made in the short or long term.

#### S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering the Company's strategy requires strong mutually beneficial relationships with suppliers, customers and government. The Company seeks the promotion and application of sound corporate governance principles in such relationships, and which governs the Company's approach to investment opportunities and reorganisations of its investment portfolio. The Company continuously assess the priorities related to those with whom it does business, and the Board is involved in this process through business strategy updates and considering investment or divestment proposals. Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information provided from the Finance and/or Legal Department (e.g. internal reorganisation proposals) to information provided by the Financial Planning and Analysis Department (related to business strategies and investment or divestment proposals).

#### S172(1) (D) "The impact of the company's operations on the community and the environment"

The Board receives information on these topics to both provide relevant information for specific Board decisions (e.g. those related to specific strategic initiatives such as investment or divestment proposals, business strategy reviews, etc.) and to provide ongoing overviews (e.g., regular reports from internal audit).

#### S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The Company abides by Fortive's Standards of Conduct, Ethics and Compliance. This ensures high standards of business conduct are maintained both within the Company and its business relationships.

#### S172(1) (F) "The need to act fairly as between members of the company"

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of the Company's strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

## **STRATEGIC REPORT**

### Principal decisions

Below, we outline the principal decision made by the Board over the year, explain how the Directors have engaged with, or in relation to, the different key stakeholders and how stakeholder interests were considered over the course of decision-making.

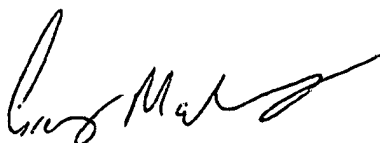
- Dividend income from subsidiary investments

During the year, the Board called on its subsidiary to pay dividends to give the company sufficient income to cover its dividend obligation to its parent. In doing so it considered the impact on the investments' own affordability, cashflow and solvency requirements.

### **STREAMLINED ENERGY AND CARBON REPORTING (SECR)**

The company is an investment company and is a low energy user therefore it is not required to make detailed disclosures of energy and carbon usage.

On behalf of the Board



G J Mathers

Director

Date: 22 September 2023

# **TGA UK FINANCE LIMITED**

## **DIRECTOR REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

### **RESULTS AND DIVIDENDS**

The profit for the year after taxation from continuing operations is \$4,462,000 (2021: \$176,586,000).

The company received dividends totalling \$16,627,000 from subsidiaries.

### **DIRECTORS**

The directors who served during the year were as follows:

R S Yadava  
G J Mathers  
A Malhotra

### **GOING CONCERN**

*The Directors have performed a going concern assessment on the company, for the period of 12 months from the date of approval of these financial statements (the going concern assessment period), taking into account reasonable possible downsides on the operations and financial resources of the company during that period.*

The company is an investment holding company with its risks residing mainly in the value of its investments compared to the carrying value of such investments at the balance sheet date. The company will continue to monitor the value of its investments compared to their carrying value. The Company listed its debt on The International Stock Exchange (TISE) on the 28 October 2022 for which it must continue to service annual interest obligations (\$15 million) along with interest accrued to 25 August 2023 of \$8.6 million.

The company is in a sound financial position as is indicated by the level of its net assets. The company is capable of declaring dividends in its subsidiaries in order to meet its short term liabilities if necessary. The cash position of the UK group as a whole is strong and accordingly the group cash pool arrangement means that cash is also available through this facility if the company requires immediate access to cash funds to meet its liabilities as they fall due, however this is not expected to be required based on current cash holdings and cash flow forecasts. The company also has the support of the parent undertaking, Fortive Corporation, who have issued a letter indicating that they will provide support for the company to meet its liabilities as they fall due for the period of 12 months from the date of approval of the financial statements.

After making due enquiries and considering the fact that the company has no operating costs and has the support of the parent undertaking, Fortive Corporation, the directors have a reasonable expectation that the company has adequate resources to continue in operation for 12 months from the date of approval of these financial statements.

### **FINANCIAL INSTRUMENTS**

The primary treasury objectives of the company are to identify and manage the financial risks that arise in relation to underlying business needs and to provide secure funding for the activities of the company. If appropriate, the company uses financial instruments to manage these risks.

The company finances its activities using inter-group funding, and has access, via the support of another group entity, to a group notional cash pooling facility to satisfy short term cash flow requirements. Other financial instruments are those that arise directly from the operations of the company such as other debtors and creditors. No speculative trading in derivative financial instruments is undertaken.

Details of the risks and uncertainties on the use of financial instruments are set out in the Strategic Report and notes to the financial statements.

### **THIRD PARTY INDEMNITIES**

Fortive Corporation has provided to all directors limited indemnities in respect of the cost of defending claims against them and third party liabilities. These are all third party indemnity provisions for the purpose of the Companies Act 2006 and are all currently in force.

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### THIRD PARTY INDEMNITIES

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### FINANCIAL INSTRUMENTS

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interest obligations (\$12 million) along with interest accrued to 31 August 2023 of 28.6 million.

International Stock Exchange (LSE) on the 28 October 2022 for which it will continue to service until to monitor the value of its investments compared to their carrying value. The company noted it kept on the compared to the carrying value of such investments at the balance sheet date. The company will continue the company is an investment holding company with its risks residing mainly in the value of its investments

that period.

accounting reasonable possible downside on the operations and financial resources of the company during from the date of approval of these financial statements (the going concern assessment period). Taking into The Directors have performed a going concern assessment on the company for the period of 12 months

### GOING CONCERN

A Malhotra  
C J Mathers  
R S Yadava

The directors who served during the year were as follows:

### DIRECTORS

The company received dividends totalling \$16,623,000 from subsidiaries.

The profit for the year after taxation from continuing operations is \$4,465,000 (2021: \$176,280,000).

### RESULTS AND DIVIDENDS

December 2022

The directors present their annual report and the audited financial statements for the year ended 31

### DIRECTOR REPORT

ICV UK FINANCE LIMITED



# **TGA UK FINANCE LIMITED**

## **DIRECTOR REPORT**

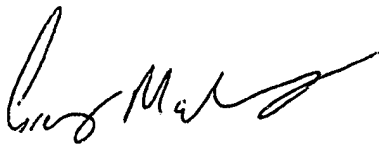
### **DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors at the date of approving this report are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditors are unaware. Having made enquiries of the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **POST BALANCE SHEET EVENTS**

There are no significant post balance sheet events to report.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'G J Mathers', with a stylized flourish at the end.

**G J Mathers**

Director

Date: 22 September 2023

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the company financial statements, state whether applicable UK Accounting Standards, including FRS 101, 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 appropriate to presume that the company will not 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TGA UK FINANCE LIMITED**

## **Opinion**

We have audited the financial statements of TGA UK Finance Limited for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 15, 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 company's affairs as at 31 December 2022 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 as applied to listed public interest entities, 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. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Performing a walkthrough of the Company's financial close process to confirm our understanding of management's going concern assessment process and engaging with management to ensure all key factors were considered in their assessment;
- Obtaining management's going concern assessment, including consideration of the company's recent results and financial position and access to dividend income based on the financial position and forecast for its subsidiary undertaking. Procedures were performed to confirm the clerical accuracy within the assessment. Given management's assessment is predicated on the company receiving a letter of support from the ultimate parent company, Fortive Corporation, we obtained a copy of the letter to ensure that the support provided is unconditional and covers the going concern assessment period of 12 months from approval of the financial statements. The letter states the parent company's ability and willingness to provide support over this period;
- We assessed the ultimate parent company's ability to provide ongoing support to the company by reviewing the Fortive Group's latest financial results and forecasts for the going concern assessment period and performing sensitivity analysis on its liquidity position taking into account reasonably possible downsides on the operations and financial resources. We also performed enquiries as to any undisclosed commitments.
- For the significant intercompany loan liabilities (listed debt) we reviewed the loan agreements and ensured the repayment dates stated within the financial statements, of 17 March 2026 and 14 June 2026 agree to the agreements with no ability of the debt holder to require earlier settlement;

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TGA UK FINANCE LIMITED

- We read board meeting minutes and assessed whether there was any information contradictory to the directors' use of the going concern basis of accounting;
- We considered the potential impact of macroeconomic factors such as global price rises and the geo-political uncertainty such as the conflict in Ukraine. None have significantly impacted the company to date and there is no expectation that they will significantly impact during the going concern assessment period; and
- We considered the appropriateness of the disclosures made in the financial statements in respect of going concern

The audit procedures performed have established that management's assessment includes all relevant considerations and is based on appropriate data and documentary evidence. Going concern is predicated on the support of the ultimate parent undertaking, Fortive Corporation, and this company's willingness and ability to provide such support has been established.

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 12 months from approval of the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"><li>• Impairment assessment of investment in subsidiary</li></ul>
Materiality	<ul style="list-style-type: none"><li>• Overall materiality of \$5.1m which represents 1% of Total Assets.</li></ul>

### An overview of the scope of our audit

#### Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

#### Climate change

There has been increasing interest from stakeholders as to how climate change will impact TGA UK Finance Limited. The company has determined there is no material impact from climate change known about now or could arise in the future considering the principal activity of the company is that of a holding company. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focussed on evaluating management's assessment that there is no impact of the climate change risk, the adequacy of the company disclosures in the financial statements and the conclusion that no issues were identified that would impact the carrying value of Investments or have any other impact on the financial statements.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TGA UK FINANCE LIMITED

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to those charge with governance
<p><b>Investment impairment (\$503,231k, PY comparative \$503,231k)</b></p> <p><i>Refer to Accounting Policies (page 15); and Note 6 of the Financial Statements (page 19)</i></p> <p>The principal activity of the company is that of a holding company. As a result, the company's principal risk is its dependency on the operations of its subsidiary undertaking and the risk of impairment over the investment held.</p> <p>Management on an annual basis compare the subsidiary's recoverable amount to the carrying value of the investment. If the carrying amount exceeds the recoverable amount, an impairment loss is recognised as an expense in the Statement of Comprehensive Income.</p> <p>Based on the company's review performed at the balance sheet date, there was no impairment.</p>	<p>To address the identified risk, we have completed procedures as follows:</p> <ul style="list-style-type: none"> <li>➤ We updated our understanding of management's annual impairment testing process to assess the recoverability of the investment balance in the subsidiary.</li> <li>➤ We obtained the client's calculation, which values the investments by assessing the value of the investment group. The valuation model is based on a multiple of EBITDA. We performed procedures to challenge the accuracy of the data used in management's review.</li> <li>➤ We considered forecasts and potential future volatility in results and the amount of headroom to ensure that impairments are adequate and that the reversal of previous impairments is only recorded where appropriate.</li> <li>➤ We involved EY valuation specialists in order to challenge the EBITDA multiples and adjustments to EBITDA against recent industry norms and relevant accounting standards.</li> <li>➤ We assessed the overall macroeconomic environment to establish whether there were any further indicators of impairment.</li> <li>➤ We considered the appropriateness of related disclosures in the financial statements.</li> </ul>	<p>Based on the procedures performed, we have not identified any evidence of material misstatement in the impairment of investments recorded as at 31 December 2022. We have reviewed the related disclosures in the statutory accounts and ensured they are consistent with the requirements of IAS 36 – Impairment of Assets.</p>

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TGA UK FINANCE LIMITED**

## **Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### **Materiality**

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the company to be \$5.1 million (2021: \$9.3m), which is 1% of assets (2021: 5% of equity). A capital-based measure is considered to be an appropriate basis and given that the company's liabilities are intercompany in nature, assets is the most appropriate basis on which to calculate materiality as this is the main focus of debt holders. The company listed its inter-company debt on the The International Stock Exchange on 28 October 2022, which led to us limiting our materiality rate to 1% of assets for the current year audit.

During the course of our audit, we reassessed initial materiality and no change was required.

### **Performance materiality**

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely \$3.9m (2021: \$7.0m). We have set performance materiality at this percentage as there were no audit differences in the prior year and a low likelihood of misstatements generally due to the non-complex nature of the company.

### **Reporting threshold**

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with those charged with governance that we would report to them all uncorrected audit differences in excess of \$257k (2021: \$464k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

### **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 this 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 the 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 TGA UK FINANCE LIMITED**

## **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 directors' reports have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the 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 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 7, 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.

## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TGA UK FINANCE LIMITED

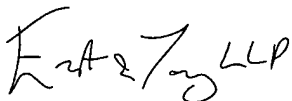
However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined the most significant to be those relating to United Kingdom General Accepted Accounting Practice, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. The company has minimal transactions, and no employees.
- We understood how TGA UK Finance Limited is complying with those frameworks by making enquiries of senior finance personnel and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by determining the rationale behind the specific accounting transactions and confirming that required authorisation was obtained. Due to the nature of the company, as a holding company, and the limited number of transactions that take place the risk of material misstatement is deemed to be low.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included reading board meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of all significant journal entry transactions to supporting source documentation.

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

### Use of our 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.



*Fraser Bull (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Luton*

22 September 2023



**TGA UK FINANCE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2022**

	<b>Note</b>	<b>2022 \$000</b>	<b>2021 \$000</b>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>-</b>	<b>-</b>
Income from investments	4	16,627	188,194
Interest receivable and similar income		15	-
Interest payable and similar charges	5	<u>(14,995)</u>	<u>(14,331)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,647</b>	<b>173,863</b>
Tax credit on profit on ordinary activities	6	<u>2,815</u>	<u>2,723</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, AND TOTAL COMPREHENSIVE INCOME</b>		<b><u>4,462</u></b>	<b><u>176,586</u></b>

The accompanying notes are an integral part of this statement of comprehensive income.

All activities derive from continuing operations.

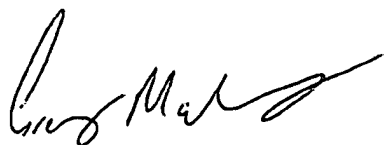
# TGA UK FINANCE LIMITED

Registered number 10031770

## BALANCE SHEET At 31 December 2022

	Note	2022 \$000	2021 \$000
<b>FIXED ASSETS</b>			
Investments	7	<u>503,231</u>	<u>503,231</u>
		503,231	503,231
<b>CURRENT ASSETS</b>			
Debtors	8	8,147	5,332
Cash and cash equivalents		<u>2,731</u>	<u>1,084</u>
<b>NET CURRENT ASSETS</b>		<u>10,878</u>	<u>6,416</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		514,109	509,647
<b>CREDITORS: amounts falling due after more than one year</b>	9	<u>(323,870)</u>	<u>(323,870)</u>
<b>NET ASSETS</b>		<u>190,239</u>	<u>185,777</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account		<u>190,238</u>	<u>185,776</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>190,239</u>	<u>185,777</u>

These financial statements have been approved by the board on 22 September 2023 and signed on its behalf by



G J Mathers  
Director

The accompanying notes are an integral part of this balance sheet.

# TGA UK FINANCE LIMITED

## STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Ordinary share capital \$000	Profit and loss account \$000	Total Shareholders funds \$000
<b>At 1 January 2021</b>	193,289	3,936	197,225
Reduction in Share Capital	(193,288)	193,288	-
Profit and total comprehensive income for the year	-	176,586	176,586
Equity dividends paid	-	(188,034)	(188,034)
<b>At 31 December 2021</b>	1	185,776	185,777
Profit and total comprehensive income for the year	-	4,462	4,462
<b>At 31 December 2022</b>	1	190,238	190,239

The accompanying notes are an integral part of this statement of changes in equity.

# **TGA UK FINANCE LIMITED**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2022**

### **1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101**

The financial statements of TGA UK Finance Limited (the "Company") for the year ended 31 December 2022 were authorised for issue by the board of directors on 22 September 2023 and the balance sheet was signed on the board's behalf by G J Mathers. TGA UK Finance Limited is a private company limited by shares and incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in US Dollars, which is the company's functional currency, and all values are rounded to the nearest thousand dollars (\$000) except when otherwise indicated.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Fortive Corporation.

The results of TGA UK Finance Limited are included in the consolidated financial statements of Fortive Corporation which are available from 6920 Seaway Boulevard, Everett, WA 98203, USA.

The principal accounting policies adopted by the Company are set out in note 2.

### **2. ACCOUNTING POLICIES**

#### **2.1 BASIS OF PREPARATION**

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 December 2022.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*,
- (b) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*,
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- (d) the requirements of paragraphs 10(d), 10(f), 38A, 38B, 38C, 38D, 111, and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- (i) the requirements of paragraphs 130(f)(ii)-130(f)(iii) of IAS 36 Impairment of Assets

#### **GOING CONCERN**

The Directors have performed a going concern assessment on the company, for a period of 12 months from approval of the financial statements (the going concern assessment period), taking into account reasonable possible downsides on the operations and financial resources of the company during that period.

The company is in a sound financial position as is indicated by the level of its net assets. The company is capable of declaring dividends in its subsidiaries in order to meet its short-term liabilities if necessary. The company also has the support of the parent undertaking, Fortive Corporation, who have issued a letter indicating that they will provide the necessary support for the company to meet its liabilities as they fall due for a period of 12 months from approval of the financial statements.

# **TGA UK FINANCE LIMITED**

## **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2022**

### **2.1 BASIS OF PREPARATION (CONTINUED)**

#### **Climate Change**

In preparing the financial statements the directors have considered the potential impact of climate change risk as set out on page 2. The directors have concluded that climate change risk does not have a material impact on the carrying value of investments or have any other impact on the financial statements as at 31 December 2022.

### **2.2 NEW STANDARDS, AMENDMENTS AND IFRIC INTERPRETATIONS**

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2022 that have had a material impact on the company.

### **2.3 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements, including estimates, have had the most significant effect on amounts recognised in the financial statements:

#### **Impairment of investments**

Where there are indicators of impairment management performs impairment tests based on fair value less cost to sell or value in use. Such tests will include estimates such as forecast profits, market valuations and discount rates. Changes in these estimates can have a significant impact on the impairment test assessment outcome.

### **2.4 SIGNIFICANT ACCOUNTING POLICIES**

#### **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. All differences are taken to the Statement of Comprehensive Income.

#### **Taxation**

Corporation tax payable is provided on taxable profits at the current rate, as reduced by group relief claimed or surrendered with payment by the recipient company.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **Investments**

Investments are stated at cost less provision for impairment.

## TGA UK FINANCE LIMITED

### NOTES TO THE ACCOUNTS For the year ended 31 December 2022

#### 2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Investment impairment

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement.

##### Financial instruments

###### *i) Financial assets*

*Cash and cash equivalents* – Cash and cash equivalents comprise balances on bank accounts, cash in transit and cash floats held in the business.

The Company derecognises 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.

Loans and receivables, other than those at fair value through profit or loss (FVTPL), are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment where the following conditions are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables.

###### *ii) Financial liabilities*

Financial liabilities are classified according to the substance of the contractual arrangements entered into. All financial liabilities are classified as 'other financial liabilities' and are initially measured at fair value net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire.

# **TGA UK FINANCE LIMITED**

## **NOTES TO THE ACCOUNTS** **For the year ended 31 December 2022**

### **3. OPERATING PROFIT**

Operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Auditors' remuneration (paid by group undertaking)		
- audit	6	6

The Directors of this company are employed by other group companies and provide services to a number of group companies.

The proportion of Directors' time relating to services provided to this company is not material and therefore no apportionment of Directors' salary is made.

The company has no other employees.

### **4. INCOME FROM INVESTMENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Dividends received	<u>16,627</u>	<u>188,194</u>

On 22 November 2022, the Company received a cash dividend of \$16,627,000 from its subsidiary, TGA Industries Ltd.

### **5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Interest payable to fellow group undertakings	<u>14,995</u>	<u>14,331</u>

# TGA UK FINANCE LIMITED

## NOTES TO THE ACCOUNTS For the year ended 31 December 2022

### 6. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

Tax charged to profit or loss in the statement of comprehensive income

	2022 \$000	2021 \$000
<b>Current tax</b>		
UK corporation tax at the standard rate of 19.00% (2021: 19.00%)	(2,846)	(2,723)
Adjustment in respect of prior periods	31	-
	<u>(2,815)</u>	<u>(2,723)</u>
<b>Deferred tax</b>		
Charge / (credit) to the profit and loss account	-	-
	<u>-</u>	<u>-</u>
<b>Taxation charge / (credit) for the year</b>	<u><u>(2,815)</u></u>	<u><u>(2,723)</u></u>

Reconciliation of the total tax charge

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19.00% (2021: 19.00%). The actual tax charge for the year differs from the standard rate of UK corporation tax for the reasons set out in the following reconciliation.

	2022 \$000	2021 \$000
<b>Profit before tax</b>	1,647	173,863
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.00% (2021: 19.00%)	313	33,034
Effects of:		
Income from investments not taxable	(3,159)	(35,757)
Adjustments to tax charge in respect of previous periods (UK tax)	31	-
<b>Total tax credit reported in the income statement</b>	<u><u>(2,815)</u></u>	<u><u>(2,723)</u></u>

No deferred tax arises as there are no significant temporary differences or unused tax losses.

### Corporation Tax rate

In his budget of 2021, the Chancellor of the Exchequer proposed measures to increase the rate of corporation tax from 1 April 2023 from 19% to 25%. The change had been substantively enacted by the balance sheet date and hence the impact of any resulting changes to the valuation of any deferred tax assets or liabilities is reflected within the financial statements.



# TGA UK FINANCE LIMITED

## NOTES TO THE ACCOUNTS For the year ended 31 December 2022

### 7. FIXED ASSET INVESTMENTS

	Subsidiary undertakings \$000	Total \$000
<b>Cost</b>		
At 1 January 2022	503,231	503,231
Additions	-	-
Disposals	-	-
At 31 December 2022	<u>503,231</u>	<u>503,231</u>
<b>Impairment</b>		
At 1 January 2022	-	-
Charge for the year	-	-
Disposals	-	-
At 31 December 2022	<u>-</u>	<u>-</u>
<b>Carrying value</b>		
At 31 December 2022	<u>503,231</u>	<u>503,231</u>
At 1 January 2022	<u>503,231</u>	<u>503,231</u>

Details of investments where the company holds more than 20% of the nominal value in any class of share capital or where the investment represents more than 20% off the company's assets are as follows:

Company Name	Holding	Registered Office	%
<b>Subsidiary Undertakings</b>			
TGA Industries Ltd	Ordinary Shares	Lennox Road, Basingstoke, Hampshire, RG22 4AW	100
Datapaq Ltd *	Ordinary Shares	52 Hurricane Way, Norwich, Norfolk NR6 6JB	100
Fluke (UK) Ltd *	Ordinary Shares	52 Hurricane Way, Norwich, Norfolk NR6 6JB	100
Fluke Precision Measurement Ltd *	Ordinary Shares	52 Hurricane Way, Norwich, Norfolk NR6 6JB	100
Infrared Integrated Systems Ltd *	Ordinary Shares	One Thames Valley, Wokingham Rd, Bracknell, Berkshire RG42 1NG	100
Tektronix UK Ltd *	Ordinary Shares	One Thames Valley, Wokingham Rd, Bracknell, Berkshire RG42 1NG	100
TGA Industries Saudi Arabia Ltd #	Ordinary Shares	Office No 101, First Floor, Rehab Building, King Fahad Road, Riyadh, Saudi Arabia	100

\*Held indirectly.

#10% of the shares are held directly and remainder 90% are held indirectly.

### 8. DEBTORS

	2022 \$000	2021 \$000
Amounts owed by other group undertakings	<u>8,147</u>	<u>5,332</u>
	<u>8,147</u>	<u>5,332</u>

# TGA UK FINANCE LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2022

### 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 \$000	2021 \$000
Listed loan notes issued to group undertaking	323,870	323,870
	<u>323,870</u>	<u>323,870</u>

There are two fixed term, fixed rate loans from Tektronix China Investments Ltd.:

- (i) \$185,782,234, at 4.63%, repayable on 17<sup>th</sup> March 2026, and
- (ii) \$64,000,000, at 4.63%, repayable on 14<sup>th</sup> June 2026

On 28 October 2022, the above fixed rate loans were listed under the terms of The International Stock Exchange (TISE).

### 10. CALLED UP SHARE CAPITAL

	2022 \$000	2021 \$000
<b>Authorised, called up, allotted and fully paid</b>		
1,000 ordinary shares of \$1 each (2021: 1,000)	1	1
	<u>1</u>	<u>1</u>

The ordinary shares have full voting, dividend and capital distribution rights; they do not confer any rights of redemption.

### 11. DIVIDENDS

	2022 £000	2021 £000
<i>Declared and paid during the year:</i>		
Equity dividends on shares:		
-Dividends	-	188,034
	<u>-</u>	<u>188,034</u>

### 12. GUARANTEES

An unlimited multi-lateral guarantee exists between all the United Kingdom based subsidiaries of Fortive Corporation and HSBC Bank plc. The guarantee is to a maximum amount of £10,000,000 (2021: £10,000,000)

### 13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is TGA UK Holdings Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Fortive Corporation, a company incorporated in the USA.

The largest and smallest group in which the results of the company are consolidated is Fortive Corporation, a company incorporated in the USA. The consolidated financial statements of this group are available to the public and may be obtained from 6,920 Seaway Boulevard, Everett, WA 98203, USA.

## **TGA UK FINANCE LIMITED**

### **NOTES TO THE ACCOUNTS**

**For the year ended 31 December 2022**

#### **14. RELATED PARTY DISCLOSURES**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

#### **15. POST BALANCE SHEET EVENTS**

There are no significant post balance sheet events to report.