



Teledyne Gas Measurement Instruments Limited

Registered number: SC025020

Annual Report

For the period ended 3 January 2021



TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

COMPANY INFORMATION

Directors	C Y Belak S Devita D S Hunter N J Wargent
Company secretary	N J Wargent
Registered number	SC025020
Registered office	Inchinnan Business Park Renfrew PA4 9RG
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

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TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 3 JANUARY 2021

Introduction

Teledyne Gas Measurement Instruments Limited ("GMI") is one of the world's leading manufacturers of gas detection equipment, with particular strengths in the gas distribution, industrial safety and marine industries. Since its formation in 1947, the business has been built on a reputation for technological development and the evolution of a rugged and reliable product range. The company has developed particular expertise in working within the gas distribution industry and many of the world's largest gas utilities use portable gas detection equipment manufactured in Scotland by GMI. Our success has been based on working with customers to fully understand their requirements and developing products that meet their specific needs.

Business review

During 2020, the company saw a reduction in sales revenue, recording turnover of £17.0 million compared with £20.1 million in 2019 – a decrease of 15%. This decrease was due to the challenging trading conditions created by the COVID-19 pandemic and the resulting fall in demand from end user customers and channel partners. This was attributed primarily to the number of instrument users being furloughed due to the pandemic and the delay in procurement decisions on fleet upgrades and replacements by customers. Trading strengthened in the second half of the period, as some of the pent-up demand for gas detection instruments was satisfied. In the unsettled global business environment, the main focus for the business was to maintain continuity of the manufacturing operation to meet the needs of our customers. Control of business infrastructure costs was another strong focus, with operating expenditure scaled back in line with the reduced level of revenue. Although operating profit decreased as a percentage of turnover from 34% in 2019 to 30% in 2020, this decrease was considered acceptable given the external trading environment.

The profit in 2020 generated sufficient cash flow to continue the programme of research and new product development. The company continues to monitor world-wide technological advancements to identify opportunities to further develop and enhance our product range. Investment in the business infrastructure also continued.

The company's strategy remains to grow turnover and return the operating profit percentage to the 2019 level through controlled entry into new geographical territories, extending our distribution network, and identifying new product applications. We will continue to work with end user customers to understand new gas detection challenges facing them and will work to develop new products and associated calibration and instrument management solutions.

At the end of 2020, the company was well placed to build market share and consolidate an already solid position in its principal markets through its strong relationships with key customers and distributors and the desire to extend its technical capabilities. Sufficient liquid funds were generated through the period to support the company's ongoing business activities, with a significant surplus being made available for group purposes.

Key performance indicators

Turnover, together with operating profit %, were the company's key financial performance indicators and are discussed in the business review above.

Other key performance indicators are used across the business to measure various aspects of business performance, including manufacturing efficiency, incremental revenue from the release of new products, service turnaround times and managed working capital. Key metrics relating to health and safety and the company's environmental impact are also maintained and reported. Key performance indicators for 2020 were in line with expectations.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2021

Principal risks and uncertainties

Risk management is taken into consideration when setting the company's long-term goals. The competitive environment is likely to remain challenging, with price influencing procurement decisions in certain market sectors. In spite of general economic pressures, however, our key markets have proved resilient and we have seen continued investment in gas detection equipment.

The impact due to COVID-19

On 30 January 2020, the World Health Organisation (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. Whilst operations have continued throughout 2020, for a period of time a number of staff were furloughed. There continues to be uncertainty as to the development of the pandemic but we remain optimistic that in the medium term the specific markets most effected by the pandemic will recover and the business will be well placed to benefit from the recovery.

Availability of materials and supplies

Many of the company's products contain electronic components, the availability of which has been impacted by a mixture of COVID-19, the United Kingdom exit from the European Union, and the general downturn in the global economy. Any interruption to supplies, or increases in costs could adversely impact the financial position and trading performance of the company in the future.

To mitigate this risk, the company is standardising components in production development and retaining appropriate inventory levels of components; together with determining and validating other suppliers for any key components. The directors will continue to monitor this for the foreseeable future.

Financial risk

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates, foreign currency exchange rates, credit risk and liquidity risk.

The company's principal financial instruments comprise cash and bank deposits and Teledyne group debt, together with trade debtors and trade creditors that arise directly from its operations.

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

Interest rate risk

The company undertakes loan arrangements with both intergroup and external sources, which expose it to interest rate risk. Interest charges are incurred on a market rate, arms-length basis. Interest rates, whilst currently low, can increase based on market forces, which are outside of the company's control.

Price risk

The company is exposed to price risk because of volatility in the price of commodities used in the manufacturing process.

Foreign currency risk

The company's foreign trading exposes it to foreign exchange risk, predominately translation risk. Translation risk is associated with changes in the value of the company's foreign currency monetary assets and liabilities due to movements in the underlying currency exchange rates. The Sterling value of these assets and liabilities is therefore affected by movements in exchange rates.

Credit risk

The company recognised credit risk whereby one party to a transaction will cause a financial loss to the other party by failing to discharge an obligation. The company's policies are aimed at minimising such losses and require that deferred items are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 3 JANUARY 2021**

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the Balance Sheet are net of allowances for doubtful debts, estimated by the company's management based on prior experience and their assessment of the current economic environment. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Liquidity risk

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

This report was approved by the board on Sep 28, 2021 and signed on its behalf.

Nick Wargent

N J Wargent
Director

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 3 JANUARY 2021

The directors present their report and the financial statements for the period from 30 December 2019 to 3 January 2021.

Directors' responsibilities statement

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 period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements 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 to 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.

Principal activity

The principal activity of the company is the manufacture and provision of gas detection equipment to the gas distribution, industrial safety and marine industries.

Results and dividends

The profit for the period, after taxation, amounted to £4,030,629 (2019 - £5,481,894).

During the period, dividends of £nil (2019 - £5,835,823) were paid by the company.

Directors

The directors who served during the period were:

C Y Belak
S Devita
D S Hunter
N J Wargent

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 3 JANUARY 2021

Future developments

Further information in relation to the company's performance and business review has been disclosed in the Strategic Report as permitted by the Companies Act 2006, s414(c)(11) along with principal risks and uncertainties and key performance indicators relevant to the company.

Research and development activities

The company aims to retain and enhance its market position through the design and sale of specialist gas and detection equipment and associated maintenance and management systems. The company's research and development department continued to investigate new materials, sensors and electronic components. Where appropriate, these have been incorporated within existing products and have been used in the design and development of new products.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

On 3 March 2021, the company paid a dividend of £10,300,000 to its immediate parent undertaking.

On 11 March 2021, as part of a group reorganisation, the ownership of the company and its subsidiary was transferred to Rhombi Holdings Limited.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Sep 28, 2021 and signed on its behalf.

Nick Wargent

N J Wargent
Director

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

Opinion

We have audited the financial statements of Teledyne Gas Measurement Instruments Limited (the 'company') for the period ended 3 January 2021 which comprise the Statement of Comprehensive Income, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 3 January 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The 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.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELEDYNE GAS MEASUREMENT INSTRUMENTS 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 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 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.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless either the directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, health and safety legislation, employment legislation and non-compliance with implementation of Government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

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

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

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

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

Use of the audit report

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

Fiona Martin

Fiona Martin (Sep 30, 2021 07:42 GMT+1)

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

Date: Sep 30, 2021

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 3 JANUARY 2021**

		3 January 2021 £	29 December 2019 £
	Note		
Turnover	4	17,042,723	20,062,180
Cost of sales		(8,395,670)	(9,902,067)
Gross profit		8,647,053	10,160,113
Distribution costs		(143,851)	(144,400)
Administrative expenses		(3,575,844)	(3,305,933)
Other operating income	5	134,739	31,494
Operating profit	6	5,062,097	6,741,274
Interest receivable and similar income	10	87,692	26,564
Interest payable and similar expenses	11	(8,116)	(1)
Profit before tax		5,141,673	6,767,837
Tax on profit	12	(1,111,044)	(1,285,943)
Profit for the financial period		4,030,629	5,481,894

There was no other comprehensive income for 2021 (2019: £nil).

The notes on pages 13 to 30 form part of these financial statements.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED
REGISTERED NUMBER: SC025020

BALANCE SHEET
AS AT 3 JANUARY 2021

	Note	3 January 2021 £	29 December 2019 £
Fixed assets			
Tangible fixed assets	14	785,883	1,027,121
Investments	15	1	1
		<u>785,884</u>	<u>1,027,122</u>
Current assets			
Stocks	16	1,654,172	2,726,699
Debtors: amounts falling due within one year	17	12,455,789	7,688,100
Cash and cash equivalents	18	453,083	120,517
		<u>14,563,044</u>	<u>10,535,316</u>
Creditors: amounts falling due within one year	19	(2,175,918)	(2,501,336)
Net current assets		<u>12,387,126</u>	<u>8,033,980</u>
Total assets less current liabilities		<u>13,173,010</u>	<u>9,061,102</u>
Provisions for liabilities			
Deferred tax	20	(32,925)	-
Other provisions	21	(474,089)	(425,735)
		<u>(507,014)</u>	<u>(425,735)</u>
Net assets		<u><u>12,665,996</u></u>	<u><u>8,635,367</u></u>
Capital and reserves			
Called up share capital	22	27,440	27,440
Share premium account	23	279,180	279,180
Capital redemption reserve	23	3,500	3,500
Profit and loss account	23	12,355,876	8,325,247
		<u><u>12,665,996</u></u>	<u><u>8,635,367</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Nick Wargent

Sep 28, 2021

N J Wargent
Director

The notes on pages 13 to 30 form part of these financial statements.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 3 JANUARY 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	27,440	279,180	3,500	8,679,176	8,989,296
Profit for the period	-	-	-	5,481,894	5,481,894
Distributions to owners					
Dividends: equity capital	-	-	-	(5,835,823)	(5,835,823)
At 29 December 2019	<u>27,440</u>	<u>279,180</u>	<u>3,500</u>	<u>8,325,247</u>	<u>8,635,367</u>
Profit for the period	-	-	-	4,030,629	4,030,629
At 3 January 2021	<u><u>27,440</u></u>	<u><u>279,180</u></u>	<u><u>3,500</u></u>	<u><u>12,355,876</u></u>	<u><u>12,665,996</u></u>

The notes on pages 13 to 30 form part of these financial statements.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

1. General information

Teledyne Gas Measurement Instruments Limited is a private company limited by shares registered in Scotland. The registered office and principal place of business is Inchinnan Business Park, PA4 9RG.

The company's principal activities are disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

Monetary amounts in these financial statements are rounded to the nearest £.

The company is a parent undertaking that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Teledyne Technologies Incorporated as at 3 January 2021 and these financial statements may be obtained from 1049 Camino Dos Rios, Thousand Oaks, CA 91360.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

2. Accounting policies (continued)**2.3 Going concern**

The financial statements have been prepared on a going concern basis. The company meets its day to day working capital requirements through its own cash generation and through intercompany advances from the Teledyne group. In making their assessment, the directors have reviewed the cash resources available to the company against expected future expenditure and confirm that the company will have sufficient funds to allow it to continue to trade and meet its liabilities as they fall due for a period of at least twelve months from the date the directors sign the financial statements of the company. The directors' assessment takes into consideration the disruption to business and economic activity that is being caused by both COVID-19 and Brexit.

2.4 Foreign currency translation**Functional and presentation currency**

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

2. Accounting policies (continued)

2.5 Revenue

The company generates its turnover from the manufacture and provision of gas detection equipment to the gas distribution, industrial safety and marine industries.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Research and development

Research and development expenditure is written off to the Statement of Comprehensive Income as it is incurred.

2.7 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	-	4% straight line
Leasehold improvements	-	10% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	10% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

2. Accounting policies (continued)

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the period that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 Pensions

Defined contribution pension scheme

The company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate plan. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

2. Accounting policies (continued)

2.18 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.19 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.20 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.21 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

The following are the company's key sources of estimation uncertainty:

Warranty provision

Management have estimated a provision for future warranty claims and returns. This includes a general provision which is a percentage of turnover based on past experience of retrospective issues for which the company may be liable. Additionally all known issues are added as a specific provision. The future warranty provision for the period is £474,089 (29 December 2019 - £425,735).

4. Turnover

An analysis of turnover by class of business is as follows:

	3 January 2021 £	29 December 2019 £
Sale of goods	15,610,435	18,602,959
Sale of services	1,432,288	1,459,221
	<u>17,042,723</u>	<u>20,062,180</u>

Analysis of turnover by country:

	3 January 2021 £	29 December 2019 £
United Kingdom	5,511,061	6,284,210
Europe	3,166,659	3,860,086
Rest of the world	8,365,003	9,917,884
	<u>17,042,723</u>	<u>20,062,180</u>

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

5. Other operating income

	3 January 2021 £	29 December 2019 £
Government grants receivable	122,828	-
Sundry income	11,911	31,494
	<u>134,739</u>	<u>31,494</u>

6. Operating profit

The operating profit is stated after charging:

	3 January 2021 £	29 December 2019 £
Research and development charged as an expense	165,913	201,561
Exchange differences	31,531	124,930
Operating lease rentals	58,025	54,013
Loss on disposal of tangible fixed assets	105,897	46,626
Depreciation	200,736	116,613
	<u> </u>	<u> </u>

7. Auditor's remuneration

	3 January 2021 £	29 December 2019 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>16,320</u>	<u>16,000</u>
Fees payable to the company's auditor in respect of:		
All other services	<u>1,020</u>	<u>1,000</u>

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	3 January 2021 £	29 December 2019 £
Wages and salaries	3,461,612	3,257,835
Social security costs	280,549	370,212
Company contributions to defined contribution pension scheme	145,254	150,627
	<u>3,887,415</u>	<u>3,778,674</u>

The average monthly number of employees, including the directors, during the period was as follows:

	3 January 2021 No.	29 December 2019 No.
Office and management	53	47
Manufacturing	37	44
	<u>90</u>	<u>91</u>

9. Directors' remuneration

	3 January 2021 £	29 December 2019 £
Directors' emoluments	169,512	184,081
Company contributions to defined contribution pension scheme	9,038	9,005
	<u>178,550</u>	<u>193,086</u>

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

10. Interest receivable and similar income

	3 January 2021 £	29 December 2019 £
Other interest receivable	87,692	26,564

11. Interest payable and similar expenses

	3 January 2021 £	29 December 2019 £
Other interest payable	8,116	1

12. Taxation

	3 January 2021 £	29 December 2019 £
Corporation tax		
Current tax on profits for the period	1,094,994	1,282,396
Adjustments in respect of previous periods	(82,335)	-
Total current tax	1,012,659	1,282,396
Deferred tax		
Origination and reversal of timing differences	22,947	3,547
Changes to tax rates	1,051	-
Adjustments in respect of previous periods	74,387	-
Total deferred tax	98,385	3,547
Taxation on profit on ordinary activities	1,111,044	1,285,943

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

12. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	3 January 2021 £	29 December 2019 £
Profit on ordinary activities before tax	5,141,673	6,767,837
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	976,918	1,285,889
Effects of:		
Expenses not deductible for tax purposes	4,050	471
Other tax adjustments	136,973	(417)
Adjustments to tax charge in respect of prior periods	(7,948)	-
Adjustment to tax charge in respect of change in rates	1,051	-
Total tax charge for the period	1,111,044	1,285,943

Factors that may affect future tax charges

The UK Budget 2021 announced that the corporation tax rate was to be increased to 25% with effect from 1 April 2023.

13. Dividends

	3 January 2021 £	29 December 2019 £
Dividends paid on Ordinary shares	-	5,835,823

Dividends paid per share in 2019 amounted to £212.68.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

14. Tangible fixed assets

	Land and buildings £	Leasehold improve- ments £	Fixtures, fittings and equipment £	Motor vehicles £	Assets under construc- tion £	Total £
Cost						
At 30 December 2019	539,570	267,466	1,679,314	89,807	13,251	2,589,408
Additions	-	-	73,126	-	-	73,126
Disposals	-	-	(212,947)	-	(13,251)	(226,198)
At 3 January 2021	539,570	267,466	1,539,493	89,807	-	2,436,336
Depreciation						
At 30 December 2019	313,049	205,261	954,170	89,807	-	1,562,287
Charge for the period	6,583	8,306	185,847	-	-	200,736
Disposals	-	-	(112,570)	-	-	(112,570)
At 3 January 2021	319,632	213,567	1,027,447	89,807	-	1,650,453
Net book value						
At 3 January 2021	219,938	53,899	512,046	-	-	785,883
At 29 December 2019	226,521	62,205	725,144	-	13,251	1,027,121

Included within land and buildings is land of £62,500 which is not depreciated.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

15. Fixed asset investments

	Shares in subsidiary £
Cost	
At 29 December 2019 and 3 January 2021	<u><u>1</u></u>

The company owns the entire ordinary share capital of Gas Performance Testing Services Ltd, a dormant company with capital and reserves of £1. The registered office of Gas Performance Testing Services Ltd is also Inchinnan Business Park, Renfrew, PA4 9RG

16. Stocks

	3 January 2021 £	29 December 2019 £
Raw materials and consumables	1,009,303	1,443,706
Work in progress	501,856	1,073,845
Finished goods and goods for resale	143,013	209,148
	<u><u>1,654,172</u></u>	<u><u>2,726,699</u></u>

17. Debtors

	3 January 2021 £	29 December 2019 £
Trade debtors	2,383,040	4,380,819
Amounts owed by group undertakings (note 26)	9,966,876	3,000,301
Other debtors	-	140,055
Prepayments and accrued income	105,873	101,465
Deferred taxation (note 20)	-	65,460
	<u><u>12,455,789</u></u>	<u><u>7,688,100</u></u>

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

18. Cash and cash equivalents

	3 January 2021 £	29 December 2019 £
Cash at bank and in hand	453,083	120,517

19. Creditors: Amounts falling due within one year

	3 January 2021 £	29 December 2019 £
Trade creditors	499,821	813,120
Amounts owed to group undertakings (note 26)	105,469	144,368
Corporation tax	1,002,535	732,396
Other taxation and social security	112,843	92,134
Other creditors	136,338	34,048
Accruals and deferred income	318,912	685,270
	2,175,918	2,501,336

20. Deferred taxation

	3 January 2021 £
At beginning of period	65,460
Charged to Statement of Comprehensive Income	(98,385)
At end of period	(32,925)

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

20. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	3 January 2021 £	29 December 2019 £
Fixed asset timing differences	(32,925)	38,082
Other timing differences	-	27,378
	<u>(32,925)</u>	<u>65,460</u>

The UK Budget 2021 announced that the corporation tax rate was to be increased to 25% with effect from 1 April 2023. This provision was substantially enacted on 10 June 2021, after the end of the reporting period, and so deferred tax closing balances have been calculated at 19%. Had the 25% rate been applied instead, the closing deferred tax liability would have increased by £10,397 to £43,322.

21. Provisions

	Warranty provision £
At 30 December 2019	425,735
Charged to Statement of Comprehensive Income	48,354
At 3 January 2021	<u>474,089</u>

Management have estimated a provision for future warranty claims and returns. This includes a general provision which is a percentage of turnover based on past experience of retrospective issues that the company are liable for. Additionally all known issues are added as a specific provision.

22. Share capital

	3 January 2021 £	29 December 2019 £
Ordinary share capital issued and fully paid		
27,440 (2019 - 27,440) Ordinary shares of £1 each	<u>27,440</u>	<u>27,440</u>

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 3 JANUARY 2021

23. Reserves

Share premium account

Consideration received for shares above their nominal value net of transaction costs.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £145,254 (29 December 2019 - £150,627).

25. Commitments under operating leases

At 3 January 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	3 January 2021 £	29 December 2019 £
Not later than 1 year	46,472	46,472
Later than 1 year and not later than 5 years	14,141	64,057
Total for land and buildings and other operating leases	60,613	110,529

26. Related party transactions

The company has taken advantage of the exemption within FRS 102 not to disclose transactions entered into by 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.

27. Post balance sheet events

On 3 March 2021, the company paid a dividend of £10,300,000 to its immediate parent undertaking.

On 11 March 2021, as part of a group reorganisation, the ownership of the company and its subsidiary was transferred to Rhombi Holdings Limited.

TELEDYNE GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 3 JANUARY 2021**

28. Parent undertakings and controlling party

At the reporting date, the immediate parent undertaking of the company was GMI Group Holdings Limited, a company registered in Scotland with a registered office address of Inchinnan Business Park, Renfrew, PA4 9RG.

From 11 March 2021, the immediate parent undertaking of the company became Rhombi Holdings Limited, a company registered in England and Wales with a registered office address of 106 Waterhouse Lane, Chelmsford, Essex, CM1 2QU.

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

In the directors' opinion, the company has no ultimate controlling party due to the listed status of the company's ultimate parent undertaking.