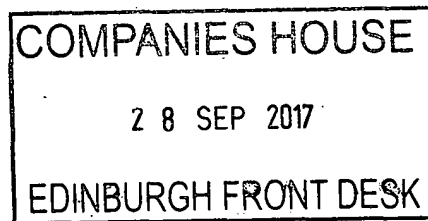


Registered number: SC119641

Teledyne Bowtech Limited

Annual report and financial statements

for the year ended 31 December 2016



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Teledyne Bowtech Limited

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Teledyne Bowtech Limited

Report and financial statements 2016

Officers and professional advisers

Directors

R Mehrabian
MS Cibik
SL Main
DAR Mather

Secretary

DAR Mather

Registered Office

9-13 Napier Road
Cumbernauld
G68 0EF

Bankers

JP Morgan Chase
25 Bank Street
London
E14 5JP

Solicitors

McGuire Woods London LLP
11 Pilgrim Street
London
United Kingdom
EC4V 6RN

Auditor

Deloitte LLP
Statutory Auditor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

Teledyne Bowtech Limited

Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The company's principal activity is the manufacture of cameras and lighting equipment for use predominantly in harsh and subsea environments.

The loss for the year after taxation amounted to £1,055k (11 months ended 31 December 2015: loss of £880k). A large proportion of the company's business is in the oil and gas marketplace. Volatility over the price of oil created uncertainty in the oil and gas sector, which had a significant impact on the company during 2016 resulting in lower revenue and profits for the year.

Key performance indicators

The main key performance indicator is profit before tax as a % of turnover, with profit measured in accordance with US parent guidelines under US GAAP principles. The budget target was 7% but actual results for 2016 ended with a loss before tax, primarily as a consequence of the severe downturn in activity in the Oil & Gas sector. A secondary KPI is managed working capital as a % of sales which is measured throughout the year with the budget target being 30%. Although managed working capital reduced by 23% on prior period, the 33% shortfall in sales had a severe impact and resulted in an average ratio of 34%.

Principal risks and uncertainties

Financial risk

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

The company's principal financial instruments comprise cash and bank deposits, bank overdrafts and obligations under finance leases 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:

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. The main foreign currencies in which the company operates are the euro and the US dollar. The company has not used derivative instruments in its management of this risk.

Credit risk

The company's principal financial assets are trade and related company debtors, which represent the company's maximum exposure to credit risk in relation to financial assets.

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 cash 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.

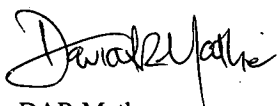
Teledyne Bowtech Limited

Strategic report

Future developments and events after the balance sheet date

The company's strategy is to consolidate and grow its presence in the niche markets within which the company operates. The company is actively seeking, in conjunction with the wider Teledyne group of businesses, to diversify into adjacent markets and therefore reduce its exposure to and dependence on the oil and gas market.

There have been no significant events since the balance sheet date.



DAR Mather
Director

22 September 2017

9/13 Napier Road
Cumbernauld
North Lanarkshire G68 0EF

Teledyne Bowtech Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 31 December 2016. The prior period results represent an 11 month period ended 31 December 2015.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on pages 2 and 3 and form part of this report by cross-reference.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company reported a loss for the year of £1,055k, the majority of which loss was caused directly as a result of the significant downturn in the marine market. This downturn was predominantly caused by the volatility of the oil price, resulting in lower demand for submersible vehicles operating in harsh environments upon which Bowtech's equipment is installed. The company has received a letter of support from its ultimate parent company in relation to providing continued financial support to enable it to meet its liabilities as they fall due for a period extending to at least 12 months from the date of signing the financial statements. With the support of Teledyne and, with consolidation activity and cost re-alignment, the company is well positioned to take advantage of the eventual market upturn. Thus the directors continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Principal risks and uncertainties

Details of principal risks and uncertainties can be found in the Strategic Report on pages 2 to 3 and form part of this report by cross-reference.

Dividends

No dividends were paid during the year (2015: nil)

Directors

The directors who served throughout the year were as follows:

R Mehrabian

MS Cibik

HT Barnshaw (resigned 30 April 2017)

SL Main

DAR Mather (appointed 1 May 2017)

Political contributions

No political donations were made during the year (2015: nil).

Teledyne Bowtech Limited

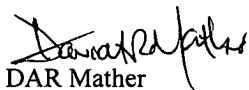
Directors' report

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



DAR Mather

Director

22 September 2017

Teledyne Bowtech Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditor's report to the members of Teledyne Bowtech Limited

We have audited the financial statements of Teledyne Bowtech Limited for the period ended 31 December 2016, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

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 any material misstatements in the Strategic Report and the Directors' Report.

Independent auditor's report to the members of Teledyne Bowtech Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



James Boyle (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

26 SEPTEMBER 2017

Teledyne Bowtech Limited

Profit and loss account

For the year ended 31 December 2016

	Note	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Turnover	3	3,132	4,251
Cost of sales		(2,778)	(3,512)
Gross profit		354	739
Distribution costs		(488)	(759)
Administrative expenses		(965)	(886)
Loss on ordinary activities before taxation	4	(1,099)	(906)
Tax on Loss on ordinary activities	7	44	26
Loss for the financial year/ period		(1,055)	(880)

All operations are continuing.

There have been no recognised gains and losses attributable to the shareholders other than the results for the current year and preceding financial period as presented in the profit and loss account above and therefore no separate Statement of Comprehensive Income has been presented.

Teledyne Bowtech Limited

Balance sheet

At 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	8	3,259	3,399
Current assets			
Stocks	9	553	795
Debtors	10	460	637
Cash at bank and in hand		11	266
		1,024	1,698
Creditors: amounts falling due within one year	11	(819)	(525)
Net current assets		205	1,173
Total assets less current liabilities		3,464	4,572
Provisions for liabilities	12	(52)	(105)
Net assets		3,412	4,467
Capital and reserves			
Share Capital	13	13	13
Share premium		32	32
Profit and loss account		1,116	2,171
Capital contribution		2,251	2,251
Shareholders' funds		3,412	4,467

The financial statements of Teledyne Bowtech Limited (registered number SC119641) were approved by the board of directors and authorised for issue on 22 September 2017 . They were signed on its behalf by:



DAR Mather
Director

Teledyne Bowtech Limited

Statement of changes in equity At 31 December 2016

	Share capital £'000	Revaluation reserve £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2015	13	32	-	3,051	3,096
Loss for the period	-	-	-	(880)	(880)
Capital contribution received	-	-	2,251	-	2,251
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	13	32	2,251	2,171	4,467
Loss for the year	-	-	-	(1,055)	(1,055)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	<u>13</u>	<u>32</u>	<u>2,251</u>	<u>1,116</u>	<u>3,412</u>

Teledyne Bowtech Limited

Notes to the financial statements For the year ended 31 December 2016

1. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding period.

Teledyne Bowtech Limited (formerly Bowtech Products Limited) was acquired by Rhombi Holdings Limited on 2 February 2015 and changed its accounting reference date from 31 January to 31 December. Consequently the prior period comparative information is presented for the 11 month period ended 31 December 2015.

a. General information and basis of accounting

Teledyne Bowtech Limited is a company incorporated in the United Kingdom under the Companies Act. The nature of the company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Teledyne Bowtech Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Teledyne Bowtech Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

The Company meets its day to day working capital requirements from cash generated from its operations and through financing provided by associated Teledyne companies as required.

The directors have a reasonable expectation that, with the assistance of group financing capability, the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold land and buildings	2% per annum
Plant and fixtures	10% -25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Teledyne Bowtech Limited

Notes to the financial statements

For the year ended 31 December 2016

1. Significant accounting policies (continued)

d. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Teledyne Bowtech Limited

Notes to the financial statements

For the year ended 31 December 2016

1. Significant accounting policies (continued)

e. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes, materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO method (first-in, first-out method). Provision is made for obsolete slow moving or defective items where appropriate.

f. Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

g. Turnover

Turnover from the sale of goods is recognised as per contract terms at the point that goods are physically shipped or delivered to the customer's site if delivery occurs prior to 31 December. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

h. Research and development

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

i. Employee benefits

The company is party to the Teledyne UK group defined contribution pension scheme and the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

j. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Teledyne Bowtech Limited

Notes to the financial statements

For the year ended 31 December 2016

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies the directors are required to make judgements, estimates 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the view of the directors, there are no critical accounting judgements or key sources of estimation uncertainty which affect the company's financial statements.

3. Turnover

An analysis of turnover by geographical market is given below:

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Kingdom	2,111	2,737
Rest of Europe	578	781
Americas	139	337
Asia	245	297
Middle East & Africa	59	99
	<u>3,132</u>	<u>4,251</u>

An analysis of turnover by business class is given below:

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Sales of camera products	1,391	1,297
Sales of lighting products	663	1,381
Other	1,078	1,573
	<u>3,132</u>	<u>4,251</u>

All sales relate to the sale of goods.

Teledyne Bowtech Limited

Notes to the financial statements

For the year ended 31 December 2016

4. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Depreciation of owned fixed assets	206	156
Loss/(Gain) on sale of fixed assets	2	(4)
Research and development expenditure	788	728
Foreign currency exchange losses/(gains)	31	(6)
Cost of stock recognised as an expense	1,207	1,682

The analysis of the auditor's remuneration is as follows:

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	7	2

Fees payable for audit and non-audit services since 31 January 2015 are borne by one of the Company's fellow group undertakings.

5. Directors' remuneration

No director received remuneration or other benefits from the company during the year (2015: £nil).

One director is also a director of a fellow group undertaking, from which he received remuneration for qualifying services, amounting to £177,466 (11 months to 2015: £185,533) for the year. The directors do not believe that it is practicable to apportion this amount over the other Teledyne group companies.

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

6. Staff costs

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Wages and salaries	1,746	2,095
Social security costs	188	231
Other pension costs	66	58
	2,000	2,384

Other pension costs constitute company contributions to the defined contribution pension plan.

Teledyne Bowtech Limited

Notes to the financial statements For the year ended 31 December 2016

6. Staff costs (continued)

The average monthly number of employees during the year was made up as follows:

	Year to 31 December 2016 No.	11 months to 31 December 2015 No.
Production	25	32
Selling	7	12
Administration	3	4
	<u>35</u>	<u>48</u>

7. Tax

Tax on loss

The tax (credit)/charge is made up as follows:

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
<i>Current tax:</i>		
UK corporation tax on the (loss)/profit for period	-	-
Adjustments in respect of prior years	-	-
	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences		
Current period (credit)	(41)	(9)
Adjustments in respect of prior years	(4)	(10)
Effect of change in tax rate	1	(7)
	<u>(44)</u>	<u>(26)</u>
Total deferred tax	(44)	(26)
Tax on loss	<u>(44)</u>	<u>(26)</u>

The standard rate of tax applied to the reported profit on ordinary activities is 20% (2015: 20.25%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2013. Following the latest Finance Bill to receive Royal Assent, which enacted an 18% Corporation tax rate, the blended tax rate applicable to deferred tax is 17.5%.

Teledyne Bowtech Limited

Notes to the financial statements For the year ended 31 December 2016

7. Tax (continued)

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 20% (2015: 20.25%).
The differences are explained below:

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
(Loss) on ordinary activities before tax	(1,099)	(906)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(220)	(183)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	16	9
Adjustments in respect of prior years	(4)	(10)
Fixed asset timing differences	-	(18)
Effect of change in tax rate	1	(7)
Group relief surrendered for nil payment	163	183
Total tax expense	(44)	(26)

8. Tangible fixed-assets

	Freehold land and buildings £'000	Plant and fixtures £'000	Total £'000
Cost or valuation:			
At 1 January 2016	3,117	971	4,088
Additions	-	74	74
Disposals	-	(37)	(37)
At 31 December 2016	3,117	1,008	4,125
Depreciation:			
At 1 January 2016	103	586	689
Charge for the period	50	156	206
Disposals	-	(29)	(29)
At 31 December 2016	153	713	866
Net book value:			
At 31 December 2016	2,964	295	3,259
At 31 December 2015	3,014	385	3,399

Teledyne Bowtech Limited

Notes to the financial statements For the year ended 31 December 2016

9. Stocks

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Finished Goods	94	-
Raw materials and components	383	677
Work in progress	76	118
	<u>553</u>	<u>795</u>

10. Debtors

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Amounts falling due within one year:		
Trade debtors	391	488
Other debtors	6	-
Amounts owed from group undertakings	14	75
Prepayments and accrued income	49	74
	<u>460</u>	<u>637</u>

Amounts owed from group undertakings are repayable upon demand and bear no interest.

Teledyne Bowtech Limited

Notes to the financial statements For the year ended 31 December 2016

11. Creditors

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Amounts falling due within one year:		
Trade creditors	236	354
Amounts owed to group undertakings	404	10
Other taxation and social security	58	5
Other creditors	-	101
Accruals	121	55
	<u>819</u>	<u>525</u>

Amounts owed to group undertakings are repayable upon demand and bear no interest.

12. Provisions for liabilities

	Product warranties £'000	Deferred Tax £'000	Total £'000
At 1 January 2016	25	80	105
Charged/(credited) to profit and loss account	(9)	(44)	(53)
At 31 December 2016	<u>16</u>	<u>36</u>	<u>52</u>

Product warranties

The provision for product warranties relates to expected warranty claims based on historical experience of claims on products sold in the last two years. It is expected that the majority of this expenditure will be incurred in the next financial year and that all will be incurred within three years of the balance sheet date.

Teledyne Bowtech Limited

Notes to the financial statements For the year ended 31 December 2016

12. Provisions for liabilities (continued)

Deferred tax

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Deferred tax		
Deferred tax is provided as follows:		
Accelerated capital allowances	46	80
Other timing differences	(10)	-
	<u>36</u>	<u>80</u>

13. Called up share capital and reserves

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Allotted, called up and fully paid		
13,019 ordinary shares of £1 each	<u>13</u>	<u>13</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

14. Obligations under operating leases

	Year to 31 December 2016 £'000	11 months to 31 December 2015 £'000
Amounts payable under non-cancellable operating leases:		
Within one year	-	-
In two to five years	6	-
In over five years	<u>10</u>	<u>-</u>
	<u>16</u>	<u>-</u>

Teledyne Bowtech Limited

Notes to the financial statements

For the year ended 31 December 2016

15. Employee benefits

Defined contribution pension scheme

The company is party to the Teledyne UK group defined contribution retirement benefit scheme, which is eligible for all qualifying employees. The total expense charged in the period ended 31 December 2016 was £66k (2015: £58k).

16. Ultimate parent undertaking and related parties

The company's immediate parent undertaking is Rhombi Holdings Limited, a company registered in England and Wales, which holds 100% of the issued share capital. The ultimate parent undertaking and controlling party is Teledyne Technologies Incorporated. It has included the company in its group accounts, which is the smallest and largest group for which group accounts are available. Copies of the Teledyne Technologies Incorporated, a company incorporated in the United States of America, accounts are available from its registered office: 1049 Camino Dos Rios, Thousand Oaks, CA 91360. The company is not required to disclose related party transactions entered into between two or more members of a group under FRS 102 section 33.1 A, which is also its registered office.