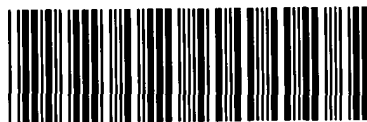


REGISTERED NUMBER: 11111631

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR  
ENDED 31 DECEMBER 2021  
FOR  
L3HARRIS TECHNOLOGIES UK LTD**

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**L3HARRIS TECHNOLOGIES UK LTD**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**L3HARRIS TECHNOLOGIES UK LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:**

G. Mackay  
K. Norton  
A. Crawford  
I. Menzies  
D. Johnson

**REGISTERED OFFICE:**

100 New Bridge Street  
London  
EC4V 6JA  
United Kingdom

**REGISTERED NUMBER:**

11111631 (England and Wales)

**INDEPENDENT AUDITORS:**

Ernst & Young LLP  
Chartered Accountants and Statutory Auditors  
R+, 2 Blagrove Street  
Reading  
RG1 1AZ  
United Kingdom

## **L3HARRIS TECHNOLOGIES UK LTD**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2021.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company was that of an intermediate holding company.

#### **PERFORMANCE**

The results for the year and the financial position of the company are shown in the annexed financial statements. They show a loss for the financial year of £28,204K (Year ended 31 December 2020: £nil) due to investment impairments partially offset by dividends received from group undertakings. Net assets increased by £219,385K (from £nil to £219,385K) primarily due to the acquisition of investments in group companies as part of a group re-organisation.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

As a non-trading intermediate holding company, the company has limited financial risk exposure. The principal risk relates to the valuation of the company's investments. However, the directors consider the carrying value of these investments to be supported by the net present value of the forecast cash flows from these investments, or their underlying net assets. Another risk relates to interest rate risk, as the loans it owes to other group companies bear interest at a variable rate. A further risk relates to credit risk over the recoverability of intercompany receivables. However, the company could rely on its ultimate parent company for financial support should a fellow group undertaking ever default on its obligations.

#### **KEY PERFORMANCE INDICATORS**

As a company which is an investment holding company, rather than having any external trading, the directors do not consider it necessary or appropriate to monitor any key performance indicators.

#### **DIVIDENDS**

The company did not pay any dividends during the current or previous year.

#### **FUTURE DEVELOPMENTS**

The company is expected to remain as an intermediate holding company for the foreseeable future.

#### **DIRECTORS**

The directors who have held office during the year ended 31 December 2021 and to the date of this report are as follows:

G. Mackay  
K. Norton  
A. Crawford

Other changes in directors holding office are as follows:

G. Roberts - resigned 12 August 2021  
P. Luff - resigned 30 March 2022  
P. Lester - resigned 30 March 2022  
C.R. Davis - resigned 4 April 2023  
I. Menzies - appointed 13 October 2021  
D. Johnson - appointed 11 April 2023

#### **DIRECTORS' INDEMNITIES**

Third party indemnity insurance, a qualifying indemnity provision, is provided for all directors of the company during the period and also at the date of approval of the financial statements, under policies held by the company's ultimate parent company L3Harris Technologies, Inc.

#### **FINANCIAL RISK MANAGEMENT**

As a non-trading intermediate holding company, the company has limited financial risk exposure, but please refer to the Principal Risks and Uncertainties section above.

#### **GOING CONCERN**

The director believes that preparing the financial statements on a going concern basis is appropriate. As a non-trading entity, the company does not prepare detailed cash flow forecasts, however it has received a letter of support from its ultimate parent undertaking L3Harris Technologies Inc., which confirms an ability to provide support for a period of 12 months from the date of signing of these financial statements.

**L3HARRIS TECHNOLOGIES UK LTD**

**REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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 group financial statements in accordance with , and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 group and the company and of the profit or loss of the group and 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 judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 102, 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 and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group'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 and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**DISCLOSURE OF INFORMATION TO AUDITORS**

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 auditors are 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 auditors are aware of that information.

**AUDITORS**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

G Mackay - Director



Date: 21 April 2023

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L3HARRIS TECHNOLOGIES UK LTD**

### **Opinion**

We have audited the financial statements of L3Harris Technologies UK Ltd (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 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 company's affairs as at 31 December 2021 and of its 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.

### **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 the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L3HARRIS TECHNOLOGIES UK LTD - CONTINUED

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L3HARRIS TECHNOLOGIES UK LTD - CONTINUED

Our approach was as follows:

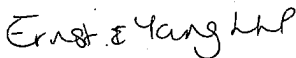
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Companies Act 2006, Bribery Act 2010, Money Laundering regulations and relevant tax compliance regulations in the United Kingdom.
- We understood how L3Harris Technologies UK Ltd is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through the review of the following documentation or completion of the following procedures:
- Review of all minutes of board meetings held during the period and through to the most recent meeting held prior to the approval of these financial statements;
- Review of accounting policies and completion of a disclosure checklist to assess compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Company law requirements;
- Review of any relevant correspondence with local tax authorities; and
- Review of any relevant correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included identification of related parties, understanding the company's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level. We also held discussions with management and those charged with governance to gain an understanding of those areas of the financial statements which are susceptible to fraud, as identified by management. Following these procedures, we identified a risk of management override of control. We then considered the controls that the company established to address the risks identified or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level of controls and policies that the company applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reviewing accounting estimates for evidence of management bias and enquiries of senior members of the management team regarding their knowledge of any instances of non-compliance with laws and regulations that could impact the financial statements.

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

### Use of our report

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

Kate Allen (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading



21 April 2023

**L3HARRIS TECHNOLOGIES UK LTD****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		<b>Year ended 31 December 2021</b>	<b>Year ended 31 December 2020</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Impairment of fixed asset investments	11	(70,285)	-
<b>OPERATING (LOSS)/RESULT</b>	6	<b>(70,285)</b>	-
Income from shares in group undertakings	7	42,089	-
Interest receivable and similar income	8	155	-
Interest payable and similar charges	9	(163)	-
<b>(LOSS)/RESULT BEFORE TAXATION</b>		<b>(28,204)</b>	-
Tax on loss	10	-	-
<b>(LOSS)/RESULT FOR THE FINANCIAL YEAR</b>		<b>(28,204)</b>	-
<b>TOTAL COMPREHENSIVE (LOSS)/RESULT FOR THE YEAR</b>		<b>(28,204)</b>	-

The notes on pages 10 to 17 form an integral part of these financial statements.

**L3HARRIS TECHNOLOGIES UK LTD (REGISTERED NUMBER: 11111631)**

**BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Note	31 December 2021	31 December 2020
		£'000	£'000
<b>FIXED ASSETS</b>			
Investments	11	266,700	-
<b>CURRENT ASSETS</b>			
Debtors (including £12,165K due after one year)	12	42,244	-
Creditors: Amounts falling due within one year	13	<u>(89,559)</u>	-
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(47,315)</u>	-
<b>NET ASSETS</b>		<u>219,385</u>	-
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	45	-
Share premium		244,864	-
Non-distributable reserves		2,680	-
Retained earnings		<u>(28,204)</u>	-
<b>TOTAL EQUITY</b>		<u>219,385</u>	-

The financial statements on pages 7 to 17 were approved by the Board of Directors on by:

and were signed on its behalf



G Mackay - Director

The notes on pages 10 to 17 form an integral part of these financial statements.

**L3HARRIS TECHNOLOGIES UK LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Called up share capital	Share premium account	Non distributable reserves	Retained earnings	Total equity
		£'000	£'000	£'000	£'000	£'000
<b>Balance as 31 December 2019 and 31 December 2020</b>		-	-	-	-	-
Issue of share capital	14	45	244,864	-	-	244,909
Asset distribution		-	-	45,640	-	45,640
Investment impairment		-	-	(42,960)	-	(42,960)
Loss for the year and total comprehensive loss		-	-	-	(28,204)	(28,204)
<b>Balance at 31 December 2021</b>		<b>45</b>	<b>244,864</b>	<b>2,680</b>	<b>(28,204)</b>	<b>219,385</b>

The notes on pages 10 to 17 form an integral part of these financial statements.

## L3HARRIS TECHNOLOGIES UK LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. GENERAL INFORMATION

L3Harris Technologies UK Ltd is a company domiciled in England and Wales, registration number 11111631. The company's registered office 100 New Bridge Street, London, EC4V 6JA. The company is a private company limited by shares and is incorporated in the United Kingdom. The company is an intermediate holding company.

#### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements of L3 Investments Holdings UK Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 3. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The principal accounting policies applied in the preparation of these financial statements are set out below and have been consistently applied. These financial statements are prepared on the going concern basis under the historic cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The functional and presentation currency is pound sterling.

##### **Going concern**

The director believes that preparing the financial statements on a going concern basis is appropriate. As a non-trading entity, the company does not prepare detailed cash flow forecasts, however it has received a letter of support from its ultimate parent undertaking L3Harris Technologies Inc., which confirms an ability to provide support for a period of 12 months from the date of signing of these financial statements.

##### **Exemptions for qualifying entities under FRS 102**

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

- the requirements of Section 7 paragraph 1.12(b) Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 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, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

##### **Distributions to shareholders**

Final dividends payable are recognised as soon as they are declared. Interim dividends are recognised when they are paid.

##### **Taxation**

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

##### **Foreign currencies**

The company's functional and presentational currency is the pound sterling.

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transactions or, where appropriate, at the rate of exchange in a related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date or, where appropriate, at the rate of exchange in a related forward exchange contract. Exchange rate gains or losses are taken into account in arriving at the operating result.

## L3HARRIS TECHNOLOGIES UK LTD

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3. ACCOUNTING POLICIES (Continued)

##### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### Debtors

Debtors comprise amounts due from other group undertakings and associated interest. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

##### Creditors

Creditors include loans due to other group undertakings and associated interest. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Loans which are repayable on demand are classified as creditors due within one year on the balance sheet. Loans which are not repayable on demand are classified as creditors due after more than one year on the balance sheet, where the contractual repayment term is greater than 12 months after the balance sheet date.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTIES

The key critical accounting judgement relates to fixed asset investment valuation. Please refer to the accounting policy in note 3 above. There is also estimation uncertainty of fixed asset investments when impairment reviews are undertaken, as they are based on the fair value less of the costs of disposal or the value in use of the companies in which the investments are held.

#### 5. EMPLOYEES AND DIRECTORS

There were no employees other than the directors and no staff costs for the year ended 31 December 2021 (Year ended 31 December 2020: nil)

No directors' remuneration has been received by the directors for their services to this company for the current year or previous year.

The directors provide services to a large number of companies across the group and are remunerated for those services by other group companies with no expenses recharged to the company as it is not possible to apportion their emoluments on a systematic basis. Their services as a director of this entity are incidental to their main employment.

#### 6. OPERATING LOSS

Auditors' remuneration of £5,500 (Year ended 31 December 2020: nil) is incurred and paid by the company's ultimate parent undertaking - no recharge is made to this company. None of the amounts payable relate to non-audit work. There were no audit fees in relation to the prior year as the company was dormant.

#### 7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year ended 31 December 2021	Year ended 31 December 2020
Income from shares in group undertakings	£'000 <u>42,089</u>	£'000 <u>-</u>

#### 8. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2021	Year ended 31 December 2020
Interest receivable from group companies in respect of loans receivable	£'000 <u>155</u>	£'000 <u>-</u>

**L3HARRIS TECHNOLOGIES UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 December 2021	Year ended 31 December 2020
	£'000	£'000
Interest payable to group companies in respect of loans payable	<u>163</u>	<u>-</u>

**10. TAX ON LOSS**

	Year ended 31 December 2021	Year ended 31 December 2020
	£'000	£'000
Current tax:		
UK corporation tax on loss for the year	<u>-</u>	<u>-</u>
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher (Year ended 31 December 2020: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 31 December 2021	Year ended 31 December 2020
	£'000	£'000
Loss before tax	<u>(28,204)</u>	<u>-</u>
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (31 December 2020: 19%)	<u>(5,359)</u>	<u>-</u>
Effects of:		
Group relief surrendered	2	-
Income not subject to tax	(7,997)	-
Impairment on fixed asset investments (non-deductible)	13,354	-
<b>Total tax charge</b>	<u>-</u>	<u>-</u>

**Tax rate changes**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporate tax rate from 19% to 17%. It has been confirmed after the reporting date that the corporation tax rate remains at 19% after 1 April 2020. Furthermore, in the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. As the change had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

**L3HARRIS TECHNOLOGIES UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. INVESTMENTS**

	Shares in group undertakings £'000
<b>COST</b>	
At 1 January 2021	-
Additions	379,945
Impairment	(113,245)
At 31 December 2021	<u>266,700</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u><u>266,700</u></u>
At 31 December 2020	<u>-</u>

The additions during the year were as follows, driven by a group re-organisation project enacted by the company's ultimate parent undertaking:

	£'000
Acquisition of share capital of L3Harris Investments UK Holdings Ltd (see note a)	16,354
Acquisition of share capital of L3Harris Trenchant Ltd (see note b)	10,379
Acquisition of share capital of L3Harris MAPPS Ltd, L3Harris Geospatial Solutions UK Ltd and L3Harris Autonomous Surface Vehicles Ltd (see note c)	78,714
Acquisition of share capital of L3Harris TRL Technology Ltd and L3Harris Technologies ASA Ltd (see note d)	156,204
Acquisition of share capital of L3Harris Communications Systems UK Ltd (see note e)	58,394
Acquisition of share capital of L3Harris Defence Investments Ltd (see note f)	59,900
	<u><u>379,945</u></u>

- (a) On 18 October 2021, the company acquired the entire share capital of L3Harris Investments UK Holdings Ltd (known at the time as L3 Investments UK Holdings Ltd) from its immediate parent undertaking in exchange for issuing share capital amounting to £16,354K.
- (b) On 19 October 2021, the company acquired the entire share capital of L3Harris Trenchant Ltd (known at the time as Linchpin Labs Ltd) from its immediate parent undertaking in exchange for issuing share capital amounting to £10,379K.
- (c) On 23 October 2021, the company acquired the entire share capital of L3Harris MAPPS Ltd (known at the time as L3 MAPPS Ltd), L3Harris Geospatial Solutions UK Ltd (known at the time as Harris Geospatial Solutions UK Ltd) and L3Harris Autonomous Surface Vehicles Ltd (known at the time as Autonomous Surface Vehicles Ltd) from its immediate parent undertaking in exchange for issuing share capital amounting to £78,714K.
- (d) On 25 October 2021, the company acquired the entire share capital of L3Harris TRL Technology Ltd (known at the time as TRL Technology Ltd) and L3Harris ASA Technologies Ltd (known at the time as L-3 Communications ASA Ltd) from another group undertaking in exchange for two loan notes totalling £156,204K.
- (e) On 5 November 2021, the company acquired the entire share capital of L3Harris Communications Systems UK Ltd (known at the time as L3Harris Systems UK Ltd) from another group undertaking in exchange for a loan note amounting to £58,394K.
- (f) On 10 November 2021, the company acquired the entire share capital of L3Harris Defence Investments Ltd (known at the time as Defence Investments Ltd) from its immediate parent undertaking in exchange for issuing share capital amounting to £59,900K.

**L3HARRIS TECHNOLOGIES UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. INVESTMENTS (CONTINUED)**

The impairments during the year were as follows:

	<b>£'000</b>
Impairment of investment in L3Harris Technologies ASA Ltd (see note g)	(42,089)
Impairment of investment in L3Harris Defence Investments Ltd (see note h)	(42,960)
Impairment of investment in L3Harris Geospatial Solutions UK Ltd (see note i)	(6,687)
Impairment of investment in L3Harris TRL Technology Ltd (see note i)	(10,059)
Impairment of investment in L3Harris MAPPS Ltd (see note i)	(9,000)
Further impairment of investment in L3Harris Technologies ASA Ltd (see note i)	(2,450)
	<u>(113,245)</u>

- (g) On 26 October 2021, L3 Harris Technologies ASA Ltd distributed loan notes amounting to £42,089K to the company (see note 12). This resulted in a diminution of the fair value of that entity and hence an impairment was recognised.
- (h) Further group reorganisation steps enacted during November 2021 resulted in a diminution in value of the company's investment in L3Harris Defence Investments Ltd amounting to £42,960K (measured by reference to that company's net assets at 31 December 2021 given it is a non-trading holding company). This impairment was recognised through non-distributable reserves.
- (i) As at 31 December 2021, the directors re-assessed the valuation of all investments in subsidiary undertakings by preparing discounted cash flow forecast models. The carrying values of the investments in L3Harris Geospatial Solutions UK Ltd, L3Harris Autonomous Surface Vehicles Ltd, L3Harris TRL Technology Ltd, L3Harris MAPPS Ltd and L3Harris Technologies ASA Ltd were identified as being higher than the results of the discounted cash flows, hence the above impairments have been recognised.

**L3HARRIS TECHNOLOGIES UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. INVESTMENTS (continued)**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

<b>Subsidiary undertaking</b>	<b>Class of share</b>	<b>Country of incorporation</b>	<b>Activity</b>	<b>Registered office</b>
L3Harris MAPPS Ltd	Ordinary	England & Wales	Marine control systems	Unit 2 Clayton Manor, Victoria Gardens, Burgess Hill, West Sussex, RH15 9NB
L3Harris Geospatial Solutions UK Ltd	Ordinary	England & Wales	Geospatial software solutions	Beechey House, 87 Church Street, Crowthorne, Berkshire, RG45 7AW
L3Harris Autonomous Surface Vehicles Ltd	Ordinary	England & Wales	Autonomous surface vehicles	Unit 12 Murrills Estate, Fareham, Hampshire, PO16 9RD
L3Harris Investments UK Holdings Ltd	Ordinary	England & Wales	Providing finance to other group companies	100 New Bridge Street, London, United Kingdom, EC4V 6JA
L3Harris TRL Technology Ltd	Ordinary	England & Wales	Specialist defence electronics	Sigma Close, Shannon Way, Tewkesbury, Gloucestershire, GL20 8ND
L3Harris Technologies ASA Ltd	Ordinary	England & Wales	Supply & maintenance of specialist software	100 New Bridge Street, London, EC4V 6JA
L3Harris Trenchant Ltd	Ordinary	England & Wales	Custom software development	100 New Bridge Street, London, EC4V 6JA
L3Harris Communications Systems UK Ltd	Ordinary	England & Wales	Tactical radio and precision radar solutions	Unit 1 Dingley Way, Farnborough, Hampshire, United Kingdom, GU14 6FF
L3Harris Defence Investments Ltd	Ordinary	England & Wales	Intermediate holding company	Dingley Way, Unit 1 Dingley Way, Farnborough, Hampshire, England, GU14 6FF

The directors believe the carrying value of the investments is supported by their underlying net assets, expected cash generation or fair value.

**L3HARRIS TECHNOLOGIES UK LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. DEBTORS**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings (including £12,165K due after one year)	<b>42,244</b>	-

Amounts owed by group undertakings comprise the following loans which were distributed to the company on 26 October 2021 from a subsidiary undertaking as part of the group re-organisation:

- An unsecured loan of £29,926K, repayable in full on 17 October 2022. The loan bears interest at a rate of 12 month LIBOR plus 2.15%, using LIBOR at 17 October each year.
- An unsecured loan of £12,165K, repayable in full on 24 June 2024. The loan bears interest at a rate of 12 month LIBOR plus 2.20%, using LIBOR at 24 June each year.

Interest on these loans is only payable on redemption, therefore accrued interest has been included in the total above.

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<b>89,559</b>	-

Amounts owed to group undertakings comprise of an unsecured loan note received on 25 October 2021 for £135,036K (the pound sterling equivalent of \$185,000K) as part of the group re-organisation. Subsequently, on 18 November 2021, a separate loan note amounting to £45,640K was distributed to the company by a subsidiary undertaking and used to partially repay this note.

The loan is repayable on demand, or on or before 25 October 2024, and bears interest at a fixed rate of 0.86% per annum. Accrued interest is included in the total above.

## L3HARRIS TECHNOLOGIES UK LTD

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2021

#### 14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31 December 2021	31 December 2020
Number:	Class	Nominal value:	£'000	£'000
44,765 (31 December 2020: 1)	Ordinary	£1	45	-

During the year, the company undertook the following transactions as part of the group re-organisation:

- On 18 October 2021, the company issued 16,350 shares for a total value of £16,354K in exchange for an investment in a subsidiary undertaking (see note 11).
- On 19 October 2021, the company issued 2,700 shares for a total value of £10,379K in exchange for an investment in a subsidiary undertaking (see note 11).
- On 23 October 2021, the company issued 6 shares for a total value of £78,715K in exchange for investments in three subsidiary undertakings (see note 11).
- On 25 October 2021, the company issued 4,200 shares for a total value of £21,168K in exchange for an intercompany loan note receivable.
- On 5 November 2021, the company issued 10,617 shares for a total value of £58,394K in exchange for an intercompany loan note receivable.
- On 10 November 2021, the company issued 10,891 shares for a total value of £59,901K in exchange for an investment in a subsidiary undertaking (see note 11).

#### 15. ULTIMATE CONTROLLING PARTY

The immediate parent company is L3Harris Investments, LLC.

The ultimate parent undertaking and controlling party is L3Harris Technologies, Inc. a company incorporated in the United States of America.

L3Harris Technologies, Inc. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of L3Harris Technologies, Inc. may be obtained from the company secretary, L3Harris Technologies UK Ltd, Spectra House, 5500 Shannon Way, Tewkesbury, Gloucestershire, GL20 8GB.