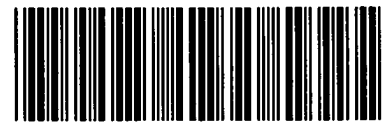


Company Registration No. 00173103 (England and Wales)

**L3HARRIS COMMUNICATIONS SYSTEMS UK
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
29 DECEMBER 2023**

MONDAY



ADCQM30X

A21

30/09/2024

#427

COMPANIES HOUSE

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

COMPANY INFORMATION

Directors	R Panue I Blower J Cantillon
Company number	00173103
Registered office	Unit 1 Dingley Way Farnborough Hampshire GU14 6FF United Kingdom
Auditor	Ernst & Young LLP R+ Building 2 Blagrove Street Reading RG1 1AZ

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

CONTENTS

	Page
Strategic report	1 - 6
Directors' report	7 - 10
Directors' responsibilities statement	11
Independent auditor's report	12 - 14
Statement of comprehensive income	15
Statement of financial position	16 - 17
Statement of changes in equity	18
Notes to the financial statements	19 - 38

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 29 DECEMBER 2023

The directors present the strategic report for the period ended 29 December 2023

Fair review of the business

The principal activity of the company is providing solutions for military and government organisations in the field of encrypted tactical radio communications (CS) and precision approach radar (SAS), through the development, manufacture, supply and field service support of a range of products

The results for the financial period and financial position of the company are shown in the annexed financial statements. They show turnover for the financial period of £38.7m (2022 £35.1m) and profit of £8.6m (2022 £4.9m). The period ended 29 December 2023 saw the company's profitability increase significantly to the prior period. Dividends paid out in 2023 were £6.3m (2022 £nil).

Key performance indicators

In alignment with the budgetary process, the company establishes key performance indicators (KPIs) for critical areas including accounts receivable and accounts payable, aimed at optimising the management of working capital. These KPIs are meticulously monitored on a monthly basis, with strategic interventions implemented as necessary to ensure financial stability and operational efficiency. The company places a strong emphasis on timely cash collections, demonstrating a rigorous approach to maintaining liquidity. Furthermore, the company upholds a stringent policy of ethical treatment towards its suppliers, ensuring payments are made promptly and not unduly delayed. This principled approach has enabled the company to consistently meet the working capital targets delineated in the Annual Operating Plan.

The key financial and other indicators during the period were as follows:

	Period ended 29 December	Period ended 30 December
	2023 £'000	2022 £'000
Turnover	38,734	35,115
Operating profit	5,870	5,439
Profit after tax	8,608	4,872
Shareholders funds	39,118	42,565
Current assets as a % of current liabilities	(274%)	(119%)
Average number of employees	151	152
Net trade receivable days	18 days	253 days
Net trade payables days	15 days	12 days

Turnover increased in 2023 mainly due to revenue related to new orders booked in and recognised during 2023 (mainly with the UK Ministry of Defence and other smaller EMEA MoD orders) and to an increase of in Repair revenue for LSC (Logistic Support Contract) – Repair Contract.

Operating profit and profit after tax have also increased due to continuation of the above-mentioned contract and other active programs still running and the additional margin from new opportunities booked in 2023. Also, during 2023 headcount reduced by 1 for TCOM and has helped with keeping the SG&A Cost lower for certain departments.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

Current assets consist of amounts owed by group undertakings recallable on demand, debtors, cash equivalents and stocks. Current liabilities consist of amounts owed to group undertakings recallable on demand, trade creditors and other accruals and deferred income. Change is mainly driven by decrease in amounts owed to group undertaking during the period as well as an improved process for paying creditors thus driving down current liabilities.

Future developments

The company has a positive outlook on future orders and revenues while we also continue to execute on existing support contracts. In 2024, whilst the company is no longer impacted to any great degree by the Covid-19 pandemic and Brexit, global supply chain shortages continue. Despite these challenges, orders and turnover are both expected to see growth compared to 2023. The ongoing conflict in Ukraine and other parts of the world do not present a risk to the company.

Principal risks and uncertainties

The company continued to experience challenging market conditions in Europe, with supply chain delays and material price increases, during the period whilst maintaining high quality products and services to existing customers. These continued risks are managed via excellent relationships between the company and its customer base which has evolved through high levels of customer care and a comprehensive after sales support service. The participation in such markets is often subject to uncertain economic conditions, which makes it difficult to estimate growth and as a result, future income and expenditures. Our future success depends upon our ability to develop new products that achieve market acceptance.

The defence industry is highly regulated, and the company has demonstrated compliance with UK and US legislation in this area. Of note is the ongoing extensive training programme on the US International Traffic in Arms Regulations (ITAR) and Foreign Corrupt Practices Act (FCPA) legislative requirements. Increased pressure in terms of compliance with ever increasing environmental and health and safety regulations is a risk managed principally by the presence of specialised in-house advisers who work to ensure best practice. We have also noted that the UK government's budget for defense has minimal impact on the company, as multi year commitments from the MOD are contracted. Additionally, the MOD national defense budget increases creates further opportunities for supply of regeneration and modernisation of equipment and services that the company can offer to the MOD.

In order to be successful, we must attract and retain key employees, and failure to do so could seriously harm the brand.

The company could be negatively impacted by a security breach, through cyberattack, cyber intrusion or otherwise, or other significant disruption of our IT network and related systems. As a communications provider, and particularly as a government contractor, we face heightened risk of security breaches or disruption from threats to gain unauthorised access. Although significant effort is made to maintain the security and integrity of our IT systems, it is virtually impossible to entirely mitigate this risk.

In the period ended 29 December 2023, the impact of Brexit to business operations was lower than in the previous period and the business with the European Customers is coming back to a normal volume. However, our commercial arrangements are predominantly with other UK companies. As we move into 2024, we will actively monitor supply chain risk.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a subcommittee of the board. The policies set by the directors in conjunction with the corporate management team of the parent company are implemented by the company's finance department's stringent internal reporting that ensures that finance managers can maintain a vigilant review over such financial risks.

The ongoing geopolitical events relating to the Ukraine and Middle Eastern conflicts do not present a risk to the company at present.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

Cash flow and liquidity risks

The generation of cash is one of the company's key measurements and is closely monitored both locally, and by our US parent company. The cash flow income from our commercial activities is sufficient to meet the going concern of the company, and excess cash balances are routinely repatriated to our US parent in order to meet corporate objectives.

Credit risk

While the company has an intercompany loan that is payable it also has loans that are receivable on demand, both of which are managed by the treasury team at parent company level. The company does not have a requirement for further loans or overdraft facilities to support the business. The company monitors its external debtors closely, and each new customer is analysed individually for creditworthiness.

Price and foreign exchange risk

The company does experience exposure to price risk including inflation and the impact of foreign exchange which can affect the cost of performing fixed price contracts. The company manages this on a case by case basis. During the period ended 29 December 2023, we worked with the Ministry of Defence (MoD) to contract with them in Split Currency to lower the foreign exchange risk on both parties.

Interest rate risk

The company has intercompany loans both receivable and payable, with interest rates applied at arm's length, and these are managed by the treasury team at parent company level. Therefore, the risk to the company is considered to be low.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

Section 172 statement

This statement contains an overview of how the director has performed their duty to promote the success of the company as set out in section 172 (1) of the UK's Companies Act 2006. That section requires the directors of a company to act in a way they consider, in good faith, would most likely promote the success of the company for the benefit of its shareholders. In doing this, the directors must have regard, amongst other matters, to

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly

Decision making

L3Harris Communications Systems UK Limited (LSH CSUK) comprises of two distinct business units which report into different segments within L3Harris Technologies Inc, Tactical Communications into the Communication Systems segment and Radar support into the Space and Intelligence segment. Each segment is responsible for developing their own strategy, which is communicated to employees via a strategic roadmap which outlines the current year priorities.

On an annual basis, L3H CSUK produces a strategic growth plan (SGP) which identifies key growth pursuits across all segments and assesses the resourcing required to execute. The SGP determines a series of annual financial targets which are measured and reviewed on a quarterly basis by the directors and senior leadership team. A full assessment of all business risks and opportunities is undertaken as part of this review which considers the business, our employees, stakeholders and the environment in order to focus on the impact of the decision making.

All decision making is made in adherence to L3Harris Technologies corporate policy, and the procedures detailed in L3H CS UK's Quality Management System (QMS).

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

Employees

During 2023 the impact of the Covid-19 pandemic slowly decreased, but the primary focus of the directors and senior leadership team was still focused on the health and wellbeing of its employees. The company maintained health and safety measures so that staff working on site could do so safely. A large proportion of the staff population which was suitable for remote working is now back to a more normalised routine (hybrid working) with productivity remaining high.

Employee engagement remains a priority for the company, and all managers have been tasked with developing action plans which address any areas for improvement identified by their respective teams during the previous employee engagement survey. The directors and senior leadership team regularly host employee all hands meetings to communicate company performance, raise awareness and understanding of strategic direction and provide any other relevant updates. In addition, a monthly operations newsletter is distributed to all staff electronically.

The company continues to give particular consideration to the mental health of its workforce by hosting a Mental Health Wellness Week, which promoted positive messages about mental health and made a wide range of resources and activities available to employees.

Fostering business relationships with suppliers, customers and other

The directors and senior leadership team recognise that fostering business relationships with key stakeholders, such as customers and suppliers, is essential to the company's success. The company strives to maintain close relationships with its customers, suppliers and industry partners in order to stay agile in a fast-paced market.

The company considers themselves a collaborative organisation and have documented their approach with a view to achieving formal certification to ISO 44001, Collaborative business relationship management systems. This will enable us to leverage existing relationships with our customers who are already certified to ISO 44001.

The company's procurement and supply chain function works with its approved suppliers and their supply chains to provide goods and services that meet its customers' requirements. The company's supplier relationships are often long-term due to the length of the product life cycles and our senior leaders, including Quality Management, actively engaging with key suppliers in order to develop and maintain deeper relationships with their counterparts. This is a key activity which helps us to proactively identify long lead time issues and supplies at risk of obsolescence.

The community and the environment

The company regards its responsibility towards corporate sustainability as a growing priority, and commits to contributing to L3Harris Technologies corporate 2026 targets of:

- 30% reduction to greenhouse gasses
- 20% water use reduction
- 75% solid waste diversion

The directors and senior leadership team recognise that the company has an impact on the environment through its energy and resource consumption, and generation of waste. As a result, the L3Harris e3 business operating system is one of our strategic priorities and provides a framework for continuous improvement. Results of improvements are tracked and reported on. The company has also prepared and fulfilled obligations for Streamlined Energy and Carbon Reporting (SECR).

Charitable initiatives are encouraged and organised through our Sports & Social committee. During the period the company hosted various events which raised funds for several charitable organisations.

Maintaining a reputation for high standards of business conduct

Reinforcing the company's strong commitment to living our values of integrity, excellence and respect at all times is formally communicated via our Code of Conduct. The Code of Conduct summarises our essential policies, laws and regulations that all employees need to know, and is a guide to ethical decision making. Following the Code of Conduct is mandatory to all employees, contractors and vendors with all violations taken seriously and disciplinary action considered if appropriate. The Code of Conduct is supported by an L3Harris helpline which provides an anonymous mechanism for seeking guidance and raising concerns.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

On behalf of the board



I Blower
Director

Date 27/09/2024

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 29 DECEMBER 2023

The directors present their annual report and financial statements for the period ended 29 December 2023

Principal activities

The principal activity of the company continued to be that of providing solutions for military and government organisations in the field of encrypted tactical radio communications (CS) and precision approach radar (SAS), through the development, manufacture, supply and field service support of a range of products

Results and dividends

The results for the period are set out on page 15.

Dividends were declared in the period amounting to £6,335,000 (2022 £nil) The directors do not recommend payment of a further dividend

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows

K Norton	(Resigned 17 November 2023)
C Montesi	(Appointed 16 November 2023 and resigned 24 April 2024)
R Panue	(Appointed 16 November 2023)
I Blower	(Appointed 16 November 2023)
J Cantillon	(Appointed 25 April 2024)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period These provisions remain in force at the reporting date

Auditor

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

Energy and carbon reporting

L3Harris Communications Systems Limited is a large unquoted company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, and therefore needs to comply with the government legislation implemented by The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2019 on Streamlined Energy and Carbon Reporting (SECR)

L3Harris Communications Systems UK Limited	Unit of Measurement	Emission Scope	Current Reporting Period 31 Dec 2022 to 29 Dec 2023	Comparative Reporting Period 31 Dec 2021 to 30 Dec 2022
Emission from gas Consumption of Gas	(tCO2e)	1	14 55	12 76
Emission from Consumption of Fuel for Transport Purposes	(tCO2e)	1	38 47	17 90
Emissions from purchased electricity, location-based	(tCO2e)	2	255 21	275.49
Emission from business travel in rental cars or employee owned vehicles where the company is responsible for purchasing the fuel	(tCO2e)	3	19 54	35 93
Energy consumption used to calculate Emissions / kWh			79,539 00	69,876 00
TOTAL Gross emissions in metric tonnes Co2 based on above	(tCO2e)		328 47	342 00
Increase / decrease in tCO2e over previous period 2020/2021			-17 3800	-3 7703
Intensity ratio tCO2e Gross figure / Square Footage (72,200)			0 0045	0 0047
Intensity ratio tCO2e Gross figure per Employee 151 (2022 152)			2 2970	2 2505
Methodology:				
This report follows HMG environmental reporting Guidelines and have used the GHG reporting protocol and UK Government's Conversion factors for company reporting				
Energy Efficiency Actions:				
Electricity and sustainability improvement programmes in the past year have had a significant impact on site energy consumption, resulting in a reduction of approximately 0.2MWh (13.5%) in 2023 compared with the same period in 2022. These programmes included automated timing schedules for lighting, heating and air conditioning systems, company operations process efficiencies and relocation of staff within the building.				
To further reduce and improve our environment impact, the site's sustainability team has been relaunched, meeting monthly to discuss and investigate future sustainability initiatives.				
Further actions to improve energy efficiency				
1 Managers/supervisors and 5S+1 leads to perform walkarounds ensuring that non-essential electrical items are switched off				
2 Analyse the existing electricity reductions associated with each change in operation/behaviour in order to further optimise our energy consumption				

Strategic report

The company has chosen in accordance with Companies Act 2006, s 414C (11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch 7 to be contained in the directors' report. It has done so in respect of future developments.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Business relationships

The directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including the principal decisions taken by the company during the financial period. Further detail is outlined in the Section 172 statement in the Strategic Report.

Disabled persons policy

L3Harris Communications Systems UK Limited (L3H CSUK) proudly supports employees with disabilities, allies and caregivers, striving to create an inclusive experience from recruitment through employment.

L3H CSUK is proud to be an Equal Opportunity Employer. L3Harris is committed to treating all employees and applicants for employment with respect and dignity and maintaining a workplace that is free from unlawful discrimination. All applicants will be considered for employment without regard to disability or membership in any other group protected by law.

L3H CSUK is committed to living our values and promoting an Inclusive work environment by providing resources to create a digitally accessible environment so all employees have the tools they need to complete their work. The company provides training to employees to increase awareness on various disabilities and neurodiversities. These trainings highlight opportunities to further drive disability inclusion in the workplace and meet critical talent needs.

Going concern

The directors have made an assessment of the company's ability to continue as a going concern and are satisfied that they have the resources to continue in business for the foreseeable future. The directors have considered the impact of the current economic conditions on the company's operations and have taken into account the cash flow models and forward-looking projections for the next 12 months from the date of signing these financial statements, as well as the longer-term strategic plans.

The company is considered to provide an essential service and has significant cash balances and no external debt. Factory volumes in the first two quarters of calendar year 2024 have been strong and the company has not experienced significant adverse communications or issues with current supply of products. The procurement team are routinely checking the supply chain for adversities and are taking the necessary mitigating action to de-risk product sourcing, which is a global supply chain issue still due to the impact of COVID-19.

The company is dependent upon the continued support from L3Harris Technologies, Inc., who have provided a written confirmation of their willingness to provide financial support to the company for the foreseeable future, defined as until 30 September 2025.

Based on the information available, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The directors have considered forecast information and believes that it remains appropriate to prepare the financial statements on a going concern basis until 12 months from the date of signing these financial statements.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

On behalf of the board

I A Blower

I Blower
Director

Date

27/09/2024

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 29 DECEMBER 2023

The directors are responsible for preparing the Strategic Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company, and of the profit or loss of the group and the company for that period. In preparing each of the company financial statements, the directors are required to

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in FRS 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,
- in respect of the company financial statements, state whether FRS 102 has 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the director is also responsible for preparing a strategic report, director's report, director's remuneration report and corporate governance statement that comply with that law and those regulations. The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

Opinion

We have audited the financial statements of L3Harris Communications Systems Limited for the period ended 29 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 27, 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 29 December 2023 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 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 director is responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

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 period 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED (CONTINUED)

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 director's 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 01 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 11, the director is 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 director determines 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 director is 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 director 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

- 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 Release & Integrated Solutions Limited 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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF L3HARRIS
COMMUNICATIONS SYSTEMS UK LIMITED (CONTINUED)**

- 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 and risk of inappropriate revenue recognition*. We then considered the controls that the company established to address the risks identified or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on journals indicating large or unusual transactions, significant post period-end adjustments or meeting our defined risk criteria based on our understanding of the business, 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

30 September 2024

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 29 DECEMBER 2023

		Period ended 29 December 2023 £'000	Period ended 30 December 2022 £'000
	Notes		
Turnover	3	38,734	35,115
Cost of sales		(15,360)	(15,287)
Gross profit		23,374	19,828
Administrative expenses		(17,504)	(14,389)
Operating profit	6	5,870	5,439
Interest receivable and similar income	8	2,007	2,681
Interest payable and similar expenses	9	(1,001)	(2,243)
Other finance income	10	587	337
Profit before taxation		7,463	6,214
Tax on profit	11	1,145	(1,342)
Profit for the financial period		8,608	4,872
Other comprehensive income net of taxation			
Net movement on defined benefit pension schemes	23	(7,627)	(6,559)
Tax relating to other comprehensive income	11	1,907	1,640
Total comprehensive income/(loss) for the period		2,888	(47)

All amounts are derived from continuing operations

Total comprehensive income/(loss) for the period is all attributable to the owners of the parent company

The notes on pages 19 - 38 form part of these financial statements

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 29 DECEMBER 2023**

	Notes	29 December 2023		30 December 2022	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		6,197		6,837
Investments	14		-		-
			<u>6,197</u>		<u>6,837</u>
Current assets					
Stocks	16	2,737		3,198	
Debtors falling due after more than one year	17	28,910		-	
Debtors falling due within one year	17	9,709		166,729	
Cash at bank and in hand		15,015		27,815	
		<u>56,371</u>		<u>197,742</u>	
Creditors: amounts falling due within one year	18	<u>(10,007)</u>		<u>(166,565)</u>	
Net current assets			<u>46,364</u>		<u>31,177</u>
Total assets less current liabilities			<u>52,561</u>		<u>38,014</u>
Creditors: amounts falling due after more than one year	19		(11,473)		-
Provisions for liabilities					
Provisions	21	(1,292)		(1,304)	
Deferred tax liability	22	-		(1,457)	
		<u>-</u>	<u>(1,292)</u>	<u>(1,457)</u>	<u>(2,761)</u>
Net assets excluding pension (liability)/surplus			<u>39,796</u>		<u>35,253</u>
Defined benefit pension (liability)/surplus	23		<u>(678)</u>		<u>7,312</u>
Net assets			<u><u>39,118</u></u>		<u><u>42,565</u></u>
Capital and reserves					
Called up share capital	24		9,680		9,680
Profit and loss reserves	25		29,438		32,885
			<u>39,118</u>		<u>42,565</u>
Total equity			<u><u>39,118</u></u>		<u><u>42,565</u></u>

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 29 DECEMBER 2023

The financial statements were approved by the board of directors and authorised for issue on *27/09/2024* and are signed on its behalf by



I Blower
Director

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 29 DECEMBER 2023

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2022		9,680	32,932	42,612
Period ended 30 December 2022.				
Profit for the period		-	4,872	4,872
Other comprehensive income net of taxation				
Remeasurment loss on defined benefit pension schemes	23	-	(6,559)	(6,559)
Tax relating to other comprehensive income	11	-	1,640	1,640
Total comprehensive loss for the period		-	(47)	(47)
Balance at 30 December 2022		9,680	32,885	42,565
Period ended 29 December 2023:				
Profit for the period		-	8,608	8,608
Other comprehensive income net of taxation				
Net movement on defined benefit pension schemes	23	-	(7,627)	(7,627)
Tax relating to other comprehensive income	11	-	1,907	1,907
Total comprehensive income for the period		-	2,888	2,888
Dividends	12	-	(6,335)	(6,335)
Balance at 29 December 2023		9,680	29,438	39,118

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 DECEMBER 2023

1 Accounting policies

Company information

L3Harris Communications Systems UK Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 1 Dingley Way, Farnborough, Hampshire, United Kingdom, GU14 6FF

The company's principal activities and nature of its operations are disclosed in the Directors' Report

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000

The financial statements have been prepared under the historical cost convention except for the defined benefit pension scheme. The principal accounting policies adopted are set out below

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements

- Section 7 'Statement of Cash Flows' Presentation of a statement of cash flow and related notes and disclosures,
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' Interest income/expense and net gains/losses for financial instruments not measured at fair value, basis of determining fair values,
- Section 33 'Related Party Disclosures' Compensation for key management personnel

L3Harris Communications Systems UK Limited is a wholly owned subsidiary of L3Harris Technologies, Inc. The results of L3Harris Communications Systems UK Limited are included in the consolidated financial statements of L3Harris Technologies, Inc which are available from 1025 West NASA Blvd, Melbourne, FL 32919, USA and also via the company website.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

1 Accounting policies (Continued)

Going concern

The directors have made an assessment of the company's ability to continue as a going concern and are satisfied that they have the resources to continue in business for the foreseeable future. The directors have considered the impact of the current economic conditions on the company's operations and have taken into account the cash flow models and forward-looking projections for the next 12 months from the date of signing these financial statements, as well as the longer-term strategic plans

The company is considered to provide an essential service and has significant cash balances and no external debt. Factory volumes in the first two quarters of calendar year 2024 have been strong and the company has not experienced significant adverse communications or issues with current supply of products. The procurement team are routinely checking the supply chain for adversities and are taking the necessary mitigating action to de-risk product sourcing, which is a global supply chain issue still due to the impact of COVID-19.

The company is dependent upon the continued support from L3Harris Technologies, Inc., who have provided a written confirmation of their willingness to provide financial support to the company for the foreseeable future, defined as until 30 September 2025.

Based on the information available, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Reporting period

The current information represents the 52 week period from 31 December 2022 to 29 December 2023. The comparative information represents the period from 1 January 2022 to 30 December 2022 to align with a 52 week reporting period.

Turnover

Turnover in respect of goods and services provided to group undertakings is calculated as attributable costs plus a mark up in accordance with an intercompany agreement between the company and the group undertaking. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue 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 revenue 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.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

1 Accounting policies (Continued)

Long term contracts

In respect of long-term contracts, turnover is recognised using the percentage-of-completion method when reliable estimates are available. The company measures the value of the effort to satisfy performance obligations in accordance with the cost to cost input method calculation. Estimated costs to complete are evaluated at regular intervals and any adjustments calculated using the cumulative catch-up method.

Where the outcome of the long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the statement of comprehensive income as the difference between the reported turnover and related costs for that contract, less provision for any known or anticipated losses.

Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Short-term leasehold property	Over the remaining useful life of the lease
Assets under construction	Not depreciated
Plant and machinery	3-7 years straight line

Assets under construction are stated at cost and are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in associates are measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is determined using the percentage-of-completion method for work in progress.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

1 Accounting policies (Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

L3HARRIS COMMUNICATIONS SYSTEMS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 DECEMBER 2023

1 Accounting policies (Continued)

Current tax is based on taxable profit for the period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.