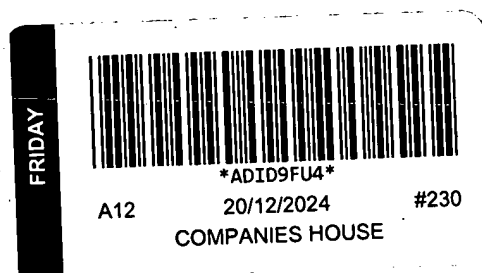


Aeroflex Limited

**Annual report and financial statements
for the period ended 29 June 2024**

Registered number 317241



Aeroflex Limited

Annual report and financial statements for the period ended 29 June 2024

Contents

Directors' report for the period ended 29 June 2024	1
Stratégic report for the period ended 29 June 2024	3
Independent auditors' report to the members of Aeroflex Limited	5
Statement of comprehensive income for the period ended 29 June 2024	8
Balance sheet as at 29 June 2024	9
Statement of changes in equity for the period ended 29 June 2024	10
Notes to the financial statements for the period ended 29 June 2024	11

Aeroflex Limited

Directors' report for the period ended 29 June 2024

The directors have pleasure in submitting their report, which includes the strategic report, and the audited financial statements of Aeroflex Limited (the Company) for the 52-week period ended 29 June 2024. The comparatives are for the 52-week period ended 01 July 2023. The Company is a private company limited by shares and is incorporated, registered and domiciled in England (United Kingdom), number 317241. The address of the registered office of the Company is Longacres House, Six Hills Way, Stevenage SG1 2AN.

The Company is a wholly owned subsidiary of Viavi Solutions UK Limited.

Results and dividends

The Company's results for the period are set out in the statement of comprehensive income on page 8 showing a profit for the period of £1,270,000 (2023: profit £339,000). At 29 June 2024, the Company had net assets of £99,554,000 (1 July 2023: £98,284,000).

A review of the Company's business during the period and future developments, together with information on the Company's involvement in research and development, risks and uncertainties, financial risk management and events since the balance sheet date are provided in the strategic report on pages 3 to 4.

No dividends were paid or proposed during the current period (2023: nil). No final dividend is proposed (2023: nil).

Directors

The following directors held office during the period and up to the date of signing these financial statements:

I P Langley
K C Siebert
K I D Brown (Company Secretary)

Qualifying third party indemnity provisions

The company had qualifying third-party indemnity provisions in place for the benefit of its directors during the period. These provisions remained in force at the date of approval of the directors' report.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;

Aeroflex Limited

Directors' report for the period ended 29 June 2024 (continued)

Statement of directors' responsibilities (continued)

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Basis other than going concern

The Directors intend to liquidate the Company in due course and accordingly the financial statements have been prepared on a basis other than going concern. Voluntary liquidation of the Company is part of a group simplification project.

Employees

The Company had no employees in the current or prior periods.


Disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Signed on behalf of the Board.


Ian Langley (Dec 16, 2024 18:05 GMT)

I P Langley
Director
16 December 2024

Aeroflex Limited

Strategic report for the period ended 29 June 2024

Business review and principal activities

The results for the period and financial position at the period end are set out in the directors' report on page 1.

The principal activity of the Company is to act as a holding company for other Aeroflex entities. There has been no significant change in the nature or level of this activity during the period. As part of the integration of Aeroflex Limited into the Viavi Group, a Business Transfer Agreement with Viavi Solutions UK Limited was signed and executed on 4 October 2020. Under this agreement, the trading activities and business were sold as a going concern, together with most of the assets, to Viavi Solutions UK Limited. Two properties, including an investment property, were excluded from the sale, together with VAT receivable and most of the investments in subsidiary undertakings. The final consideration was £97,890,200 satisfied by a cash payable. The liabilities of the Company were assumed by the buyer, apart from the corporation tax payable and a few other exceptions. Under the Business Transfer Agreement, the entire workforce was transferred to the employment of Viavi Solutions UK Limited and the Company had no employees beyond that point.

Future developments

Following the sale of the two properties to a third party on 06 May 2022, the Company is expected to move towards becoming a dormant holding company during the next financial period. The Directors intend to liquidate the Company in due course and accordingly the financial statements have been prepared on a basis other than going concern. Voluntary liquidation of the Company is part of a group simplification project.

Research and development

No research & development activities took place in the current or prior period.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Following the execution of the Business Transfer Agreement, the principal risks relate to financial risk management, which are set out below.

Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company.

Given the size of the Company relative to the Viavi Solutions Inc group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors of Viavi Solutions Inc are managed by the group finance department. The Viavi Solutions Inc group has a policy and procedures document that sets out guidelines to allow it to manage credit risk, interest rate cash flow risk and foreign currency exchange rate risk and this is applied by the Company.

The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Credit risk

Cash and bank balances are held with banks that have been assigned satisfactory credit ratings by international credit rating agencies.

Liquidity risk

The Company retains sufficient cash to ensure it has available funds for discharging any remaining liabilities. The Company also has access to longer term funding from its ultimate parent undertaking if required.

Aeroflex Limited

Strategic report for the period ended 29 June 2024 (continued)

Section 172 Statement


The directors of the Company perform their duties in accordance with s172 of the Companies Act 2006, acting in good faith to promote the success of the Company for the benefit of its members as a whole and having regard to the following matters:

- 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 between members of the Company.

The board receives regular updates on financial performance, risk, compliance with laws and regulations, customer and supplier engagement, staff engagement and corporate social responsibility. Where appropriate, papers and briefings presented to the board draw out directors' responsibilities and duties under the Companies Act.

During the current and prior periods, the directors took into account the views and the best long-term interests of the Company's employees, suppliers and customers as well as the wider Viavi group as a whole when making key decisions regarding the Company. The board considered the likely impact of these decisions on this wide range of stakeholders.

Signed on behalf of the board



Ian P. Langley (Dec 16, 2024 18:05 GMT)

I P Langley
Director
16 December 2024

Independent auditors' report to the members of Aeroflex Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aeroflex Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 June 2024 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 29 June 2024; the Statement of comprehensive income and the Statement of changes in equity for the period then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Aeroflex Limited

Independent auditors' report to the members of Aeroflex Limited (continued)

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 29 June 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax regulations and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of results through manual journals or management bias in judgmental areas. Audit procedures performed by the engagement team included:

- Discussions with management which have included consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Reviewing a complete list of journals posted and testing any journals exhibiting fraud risk characteristics based on risk criteria (if any).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not

Aeroflex Limited

Independent auditors' report to the members of Aeroflex Limited (continued)

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Simon Ormiston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
16 December 2024

Aeroflex Limited

Statement of comprehensive income for the period ended 29 June 2024

		Continuing operations period ended 29 June 2024	Discontinued operations period ended 29 June 2024	Total period ended 29 June 2024	Continuing operations period ended 01 July 2023	Discontinued operations period ended 01 July 2023	Total period ended 01 July 2023
	Note	£000	£000	£000	£000	£000	£000
Revenue		-	-	-	-	-	-
Cost of sales		-	-	-	-	-	-
Gross profit		-	-	-	-	-	-
Administrative expenses		(18)	-	(18)	(15)	-	(15)
Other Operating income	2	131	-	131	9	-	9
Operating profit/(loss)	2	113	-	113	(6)	-	(6)
Income from subsidiary				-			87
Finance costs	3			-			(1)
Profit before taxation				113			80
Tax on profit	4			1,157			259
Profit for the financial period and total comprehensive income				1,270			339

Following the transfer of trading activities to its immediate parent company, Viavi Solutions UK Limited, on 4 October 2020, and the subsequent disposal of two properties, including an investment property, only certain administrative expenses and other operating income are classified as continuing operations in the current and comparative period.


Aeroflex Limited

Balance sheet as at 29 June 2024

	Note.	29 June 2024 £000.	01 July 2023 £000.
Assets			
Current assets			
Trade and other receivables	7	99,496	98,236
Cash and cash equivalents		90	63
		99,586	98,299
Liabilities			
Current liabilities			
Trade and other payables	8	(32)	(15)
Net assets		99,554	98,284

Equity			
Called up share capital	9	-	-
Other reserve	9	1,653	1,653
Retained earnings		97,901	96,631
Total equity		99,554	98,284

The financial statements on pages 8 to 21 were approved by the board on 16 December 2024 and were signed on its behalf by:


Ian Langley (Dec 16, 2024 18:05 GMT)

I P Langley
Director

Aeroflex Limited

Statement of changes in equity for the period ended 29 June 2024

	Called up- share capital (note 9) £000	Share premium £000	Other reserve (note 9) £000	Capital reserve £000	Retained earnings £000	Total equity £000
Total equity at 03 July 2022	-	-	1,653	-	96,292	97,945
Profit for the period and total comprehensive income	-	-	-	-	339	339
Total equity at 01 July 2023	-	-	1,653	-	96,631	98,284
Profit for the period and total comprehensive income	-	-	-	-	1,270	1,270
Total equity at 29 June 2024	-	-	1,653	-	97,901	99,554

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024

1. Statement of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101), under the historic cost convention unless otherwise stated and in accordance with the Companies Act 2006, as applicable to companies applying FRS 101..

The Directors intend to liquidate the Company in due course and accordingly the financial statements have been prepared on basis other than going concern. The Directors have considered whether any adjustments are required as a result of this basis of preparation, but no such adjustments have been noted.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

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

- a cash flow statement and related notes (IAS 7, Statement of Cash Flows and paragraph 10(d) and 111 of IAS 1, Presentation of Financial Statements);
- Paragraph 38 of IAS 1, Presentation of Financial Statements comparative period reconciliations in respect of:
 - i. paragraph 79(a)(iv) of IAS 1 (number of shares outstanding);
 - ii. paragraph 73(e) of IAS 16, Property, plant and equipment; and
 - iii. paragraph 118(e) of IAS 38, Intangible assets.
- capital management disclosures required by paragraphs 134 to 136 of IAS 1;
- the requirements of paragraphs 30 and 31 of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors concerning the effects of new but not yet effective IFRSs;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a)-(c), 120-127 and 129 of IFRS 15, Revenue from Contracts with Customers;
- details of compensation of key management personnel required by paragraph 17 of IAS 24, Related Party Disclosures; and
- the requirements of paragraph 18A in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to a transaction is wholly owned by a member.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

1. Statement of accounting policies (continued)

Basis of preparation (continued)

In addition, as the consolidated financial statements of Viavi Solutions Inc include the equivalent disclosures, the following exemptions under FRS 101 have also been taken:

- Financial instrument information required by IFRS 7, Financial Instruments: Disclosures and paragraphs 91 to 99 of IFRS 13, Fair value measurement except those which are relevant for the financial instruments which are held at fair value are and neither held as part of a trading portfolio or derivatives.

The financial statements contain information about Aeroflex Limited as an individual company and do not contain consolidated financial information as the parent undertaking of a group. The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it, and its subsidiary undertakings, are included by full consolidation in the consolidated financial statements of its ultimate parent company, Viavi Solutions Inc, which are available from c/o Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19801, United States of America, or investor.viavisolutions.com.

Management judgement and estimation uncertainty

The preparation of financial statements requires the use of judgements and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses.

These judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The current economic conditions have been considered when evaluating accounting judgements and estimates. Although estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Significant judgements in applying accounting policies

There were no significant judgements that the directors made in the process of applying the Company's accounting policies which require separate disclosure in these financial statements.

Assumptions and estimation uncertainties

The directors consider that there are no significant assumptions concerning the future and no other major sources of estimation uncertainty at the balance sheet date, that would result in a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

1. Statement of accounting policies (continued)

Material accounting policies

The principal accounting policies, which have been applied consistently throughout the period and the prior period, are set out below.

Revenue Recognition

The Company no longer engages in revenue generating activities.

Current and deferred taxation

The tax expense is the sum of current tax and deferred tax. Tax is charged or credited to the Statement of comprehensive income except when it relates to items recognised in other comprehensive income (OCI) or directly in equity, in which case the tax is also recognised in OCI or directly in equity respectively.

Current tax is provided at the amounts expected to be paid using rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. It is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply in the period in which the asset is realised or liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Financial Instruments

Financial instruments are accounted for in accordance with IFRS 9, Financial assets, and are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value at trade date. All financial assets and liabilities are classified as current or non-current dependent upon the maturity date of the instruments. Financial assets and liabilities are presented on an offset basis when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis.

Financial assets

On initial recognition, financial assets are classified as being subsequently measured at either amortised cost or fair value dependent upon the Company's business model for managing the asset and its cash flow characteristics. Financial assets are not reclassified following initial recognition unless the Company changes its business model for managing financial assets.

Financial assets are deemed to be held under one of three business models:

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

1. Statement of accounting policies (continued)

Financial instruments (continued)

1. Hold to collect – where the business objective is to hold the asset to collect the contractual cash flows;
2. Hold to collect and sell – where the business objective is to hold the asset to collect the contractual cash flows and to sell the financial assets; and
3. Other

Unless specifically designated to be held at fair value through profit or loss, a financial asset is measured at amortised cost if it is held within a hold to collect business model and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets held within a hold to collect and sell business model are measured at fair value through OCI if the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company does not currently have any such assets.

All other financial assets, are held at fair value through profit or loss.

Amortised cost is measured using the effective interest method. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Impairment of financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairments are charged to administrative expenses in the Statement of comprehensive income.

Financial liabilities

Subsequent to initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method.

Derivative financial instruments

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. This exposure is hedged by Viavi Solutions Inc, on behalf of the group. Consequently, the Company did not enter into any foreign exchange contracts in the current period or prior period.

The Company does not have any derivative financial instruments and does not use them for speculative purposes.

Trade and other receivables

Trade and other receivables mainly consist of an intercompany receivable. The company applies the expected credit loss model in IFRS 9 to determine whether any impairment should be recorded against intercompany receivables. As the counterparties have access to sufficient liquid resources to repay the amounts, no provision for expected credit loss has been recorded.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

1. Statement of accounting policies (continued)

Financial instruments (continued)

To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade and other payables

Trade payables and other short term monetary liabilities are initially recorded at fair value and subsequently carried at amortised cost using the effective interest rate method.

Foreign currencies

Transactions denominated in foreign currencies are translated at an average monthly rate of exchange which approximates to the actual daily rate throughout the period.

Monetary assets and liabilities denominated in non-functional currencies are retranslated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in administrative expenses in the Statement of comprehensive income.

Non-monetary items (such as investments) that are measured in terms of historical cost in a non-functional currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Discontinued operations & assets held for sale

Discontinued operations that have arisen from the Business Transfer Agreement are accounted for in accordance with IFRS5. Within the framework of FRS101, analysis of the results of discontinued operations have been shown in the Statement of comprehensive income in a column identified as relating to discontinued operations. This amendment has been made to achieve compliance with the Companies Act and related regulations.

The two properties that were excluded from the business transfer, were sold on 6 May 2022 for £4.3m.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

2. Operating profit / (loss)

Operating profit/(loss) is stated after (crediting)/charging:

	Period ended 29 June 2024 £000	Period ended 01 July 2023 £000
Exchange differences gain	-	(9)
Auditors' remuneration for the audit of the Company's financial statements	15	15

No fees were paid to the Company's auditors, PricewaterhouseCoopers LLP and their associates for services other than the group reporting and statutory audit of the Company (2023: £nil).

3. Finance costs

	Period ended 29 June 2024 £000	Period ended 01 July 2023 £000
HMRC interest expense	-	1
	-	1

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

4. Tax on profit

Tax charged in the Statement of comprehensive income:

	Period ended 29 June 2024	Period ended 01 July 2023
	£000	£000
Current tax:		
UK corporation tax on profit for the period	26	(1)
Adjustment in respect of previous periods	(1,183)	(258)
Total current tax	(1,157)	(259)
Deferred tax:		
(Credited)/charged for the period	-	-
Adjustment in respect of previous periods	-	-
Total deferred tax	-	-
Tax on profit	(1,157)	(259)

The tax on profit can be reconciled to the accounting loss as follows:

	Period ended 29 June 2024	Period ended 01 July 2023
	£000	£000
Profit before taxation	113	80
Profit before taxation multiplied by the standard rate in the UK of 25.00% (2023: 20.50%)	28	16
Effects of:		
Expense/(Income) not deductible for tax purposes	-	(17)
Tax losses brought forward	(2)	-
Adjustment in respect of previous periods	(1,183)	(258)
Tax on profit	(1,157)	(259)

On 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

The Viavi group is monitoring the developments and implementation of the Pillar 2 tax legislation. An assessment is being made as to any potential impacts, with none noted at FY24 year end.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

5. Directors' emoluments

The emoluments of the directors employed by the Company are:

	Period ended 29 June 2024 £000	Period ended 01 July 2023 £000
Aggregate emoluments	-	-
Aggregate amounts paid in respect of defined contribution pension schemes	-	-
	-	-

Certain directors were employed by, and received emoluments from, other group undertakings. They also acted as director for a number of legal entities within the Viavi Solutions Inc group. Where this is the case, no specific amounts can be apportioned or are payable in respect of directors' services supplied to the Company.

Retirement benefits are accruing to nil (2023: nil) directors under defined contribution pension schemes. During the period ended 29 June 2024 nil (2023: nil) directors exercised share options.

Highest paid director

	Period ended 29 June 2024 £000	Period ended 01 July 2023 £000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	-	-
Company contributions paid to defined contribution pension schemes	-	-

The highest paid director was employed by another group undertaking effective 4 October 2020.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

6. Investments

Investments in subsidiary undertakings comprise;

	Shares at cost £000
Cost	
At 02 July 2023	1,150
Additions	-
Disposals	-
At 29 June 2024	1,150
Accumulated impairment	
At 02 July 2023	1,150
Impairment losses	-
At 29 June 2024	1,150
Net book amount	
At 01 July 2023 and 29 June 2024	-

In the opinion of the directors the value of investments in subsidiary undertakings is not less than the aggregate amount at which they are shown in the balance sheet.

At 29 June 2024, the Company had the following wholly-owned subsidiary undertakings:

Name	Principal activity	Registered office address
Aeroflex Milan S.r.l.	Dormant entity	Via Comaggia 10, c/o Studio Legale Tributario, Milan 20123, Italy

During the period ended 29 June 2024, the wholly-owned subsidiary, Aeroflex Asia Limited, was dissolved.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

7. Trade and other receivables

	29 June 2024 £000	01 July 2023 £000
Amounts owed by immediate parent company	94,970	94,868
Other receivables	4,526	3,368
	99,496	98,236

Trade receivables are stated after provision for impairment of £nil (1 July 2023: £nil)

There are no trade receivables or other class within receivables falling due after one period.

Amounts owed by immediate parent company are stated after provision for impairment of £nil (1 July 2023: £nil).

All intercompany receivable balances are interest free, unsecured and repayable on demand.

8. Trade and other payables

	29 June 2024 £000	01 July 2023 £000
Accruals	32	15
	32	15

9. Called up share capital and other reserve

Share capital – allotted, called up and fully paid

	29 June 2024 £000	01 July 2023 £000
1 Ordinary share of £1 each	-	-
1,000 Ordinary shares (1 July 2023: 1,000) of £0.001 each	-	-

Other reserve

The other reserve of £1,653,000 (1 July 2023: £1,653,000) relates to share-based payments awarded to certain employees of the Company by the ultimate parent undertaking, Viavi Solutions Inc.

10. Contingent liabilities

There were no contingent liabilities in the current and prior periods.

Aeroflex Limited

Notes to the financial statements for the period ended 29 June 2024 (continued)

11. Capital commitments

There were no capital commitments in the current and prior periods.

12. Immediate and ultimate parent undertakings

The company's immediate parent undertaking is Viavi Solutions UK Limited. The ultimate parent undertaking is Viavi Solutions Inc (registered office: c/o Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19801, United States of America).

Viavi Solutions Inc is the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the financial statements can be obtained from its registered office, or investor.viavisolutions.com.

13. Post period end events

There have not been any material post period end events requiring disclosure.