



Airborne Systems Holdings Limited

Directors' Report and Financial Statements for the year ended 30 June 2013

AIRBORNE SYSTEMS HOLDINGS LIMITED

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AIRBORNE SYSTEMS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and audited financial statements for the year ended 30 June 2013

Principal Activities and Business Review

The principal activity of the company is investment in its subsidiary undertakings. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

On the 19 December 2013, the ultimate controlling party, HDT Global, Inc was acquired by TransDigm Group, Inc, a public company incorporated in the USA and listed on the NYSE. On acquisition, HDT Global was renamed to Airborne Systems Global, Inc.

Business Review

The results for the year are set out on page 4.

During this financial year, the company made a profit of £1.3m (2012: £13.1m profit). This was due to dividends received from Edlaw No. 15 Limited (£6.8m), dividends received from Precis 807 Limited (£4.9m), and also dividends received from Edlaw No. 5 Limited (£0.7m), prior to these companies being liquidated as part of a Members' Voluntary Liquidation. This income was reduced by the write off of the investments held in the companies on liquidation.

Dividends

The directors do not recommend the payment of a dividend (2012: Nil).

Principal risks and uncertainty facing the company

The continued success of the company is dependent on the performance of its investments and other group companies.

Going Concern

The company is a wholly owned subsidiary in the Airborne Acquisition, Inc. group, for which the year ended 30 June 2013 has been a very successful and productive period. Management's outlook for 2014 and beyond is that the group will continue to grow organically due to demand for the group's highly innovative proprietary products.

This includes the performance of the Airborne Systems Holdings Limited investments and accordingly the directors continue to adopt the going concern basis in preparing the company's financial statements.

Financial Risk Management

The operations of the company expose it to a variety of financial risks, including exchange rate risk and liquidity risk. Exposures to these risks are monitored, reported and mitigated according to policies and procedures set by the ultimate parent company.

Liquidity Risk

The company maintains a mixture of long-term and short-term debt finance, principally with the wider group. This is designed to ensure the company has sufficient available funds for its operations.

AIRBORNE SYSTEMS HOLDINGS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

Directors

The directors who held office during the year are listed below

D Battle

J Gilligan

J Siegal

C G Rowe (appointed 5 February 2013, resigned 19 December 2013, re-appointed 26 February 2014)

D Wilkinson (appointed 5 February 2013, resigned 19 December 2013, re-appointed 26 February 2014)

G Rufus (appointed 19 December 2013)

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 year. Under that law the directors have prepared 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 company for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditors


Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

The directors who held office at the date of approval of this report confirm that, in each case

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



D J Wilkinson
Director

AIRBORNE SYSTEMS HOLDINGS LIMITED

Independent auditors' report to the members of Airborne Systems Holdings Limited

We have audited the financial statements of Airborne Systems Holdings Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Mark Ellis (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Swansea

14 March 2014

AIRBORNE SYSTEMS HOLDINGS LIMITED

Registered Number 04847704

PROFIT AND LOSS ACCOUNT**FOR THE YEAR ENDED 30 JUNE 2013**

	Note	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
Other external credits		-	237
Staff costs	2	-	(238)
Depreciation		(19)	(20)
Operating loss before exceptional item		(19)	(21)
Exceptional item – loss on disposal of fixed asset investment	3	(11,147)	-
Operating loss		(11,166)	(21)
Income from shares in group undertakings	4	12,459	13,185
Interest receivable and similar income		-	3
Interest payable and similar charges	5	-	(34)
Profit on ordinary activities before taxation	6	1,293	13,133
Tax on profit on ordinary activities	7	-	-
Profit for the financial year	15	1,293	13,133

The notes on pages 6 to 13 form part of these financial statements

The above results relate entirely to continuing operations

There were no recognised gains or losses other than those included in the profit above, and therefore no separate Statement of Total Recognised Gains and Losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit stated above and their historical equivalent

AIRBORNE SYSTEMS HOLDINGS LIMITED

BALANCE SHEET AT 30 JUNE 2013

	Note	30 June 2013		30 June 2012	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	8		18,907		30,115
Tangible assets	9		19		37
			<u>18,926</u>		<u>30,152</u>
Current assets					
Debtors amounts falling due within one year	10	-		61	
Debtors amounts falling due after more than one year	10	-		2,530	
Cash at bank and in hand		-		44	
		-		<u>2,635</u>	
Creditors: amounts falling due within one year	11	<u>(5)</u>		<u>(360)</u>	
Net current (liabilities)/assets			<u>(5)</u>		<u>2,275</u>
Total assets less current liabilities			<u>18,921</u>		<u>32,427</u>
Creditors: amounts falling due after more than one year	12		<u>(792)</u>		<u>(15,591)</u>
Net assets			<u>18,129</u>		<u>16,836</u>
Capital and reserves					
Called up share capital	14		323		323
Share premium account	14		6,901		6,901
Profit and loss account	15		10,905		9,612
Total shareholders' funds	16		<u>18,129</u>		<u>16,836</u>

The notes on pages 6 to 13 form part of these financial statements

The financial statements were approved by the Board of Directors on 4 March 2014 and were signed on its behalf by



DJ Wilkinson
Director

AIRBORNE SYSTEMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, and under the historical cost accounting rules. The financial statements have been prepared on a going concern basis as detailed in the report of the directors.

The company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006 as it is a subsidiary of an undertaking which is not established under the laws of an EEA State but met the related conditions for the exemption.

Related party transactions

The company is a wholly owned subsidiary of HDT Global, Inc. (and is included in the consolidated financial statements of that group) and has taken advantage of the exemption contained in FRS 8, Related Party Disclosures, not to disclose any transactions, as required by the standard, with entities that are part of the group.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost less any provisions for impairment.

The carrying amounts of investments are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the investment's recoverable amount is estimated, and an impairment loss is then recognised in the profit and loss account if the recoverable amount is lower than the carrying amount.

Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost, which represents purchase cost together with any incidental cost of acquisition.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office equipment	3 to 4 years
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The assets' residual values, useful lives and depreciation rates are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying amounts of tangible fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is then recognised in the profit and loss account if the recoverable amount is lower than the carrying amount.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

AIRBORNE SYSTEMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

1. Accounting policies (continued)

Taxation

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax in respect of previous years

Deferred taxation is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but have not been reversed by the balance sheet date, except as otherwise required by FRS 19.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Provisions

A provision is recognised in the balance sheet when there is a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year.

Exceptional Items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of performance.

Audit fees

Audit fees for the company are paid by Airborne Systems Limited and form part of the disclosure of audit fees in the financial statements of that company.

AIRBORNE SYSTEMS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

2. Staff costs

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

	Year Ended 30 June 2013 No.	Year Ended 30 June 2012 No
Management and administration	-	3

	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
Their aggregate payroll costs were		
Wages and salaries	-	201
Social security costs	-	33
Pension costs	-	4
	-	238

The remuneration of the directors of Airborne Systems Holdings Limited (all US based) is included within the financial statements of other group companies by means of the management charge made by HDT Global, Inc. This is not separately identifiable. In 2013, two UK Directors were appointed, their remuneration is included in Airborne Systems Limited where their primary roles are served.

3. Exceptional items

	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
Exceptional Items	11,147	-

On 10 April 2013 the following companies were dissolved resulting in a total loss on disposal of £11,146,074. These costs relate to the writing off costs of investments in Edlaw No 15 Limited (£6,167,073), Edlaw No 5 Limited (£102,747), and Precis 807 Limited (£4,937,652). As a result of the dissolution, a provision on a loan of £61,398 due from Edlaw No 15 Limited was written back.

AIRBORNE SYSTEMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

4. Income from shares in group undertakings

	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
Dividends received from Airborne Systems Limited	-	7,641
Dividends received from Edlaw No 3 Limited	-	5,412
Dividends received from Edlaw No 5 Limited	730	-
Dividends received from Precis 807 Limited	4,939	-
Dividends received from Edlaw No 15 Limited	6,790	132
	12,459	13,185

On 10 April 2013, the company Edlaw No 5 Limited was liquidated. Prior to this a dividend of £729,788 was paid to Airborne Systems Holdings Limited.

On 10 April 2013 the company Precis 807 Limited was liquidated. Prior to this a dividend of £4,938,864 was paid to Airborne Systems Holdings Limited.

On 10 April 2013, the company Edlaw No 15 Limited was liquidated and, prior to this, a dividend of £6,790,343 was paid to Airborne Systems Holdings Limited.

5. Interest payable and similar charges

	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
On bank loans and overdrafts	-	-
Interest payable to group companies	-	-
Foreign exchange differences	-	34
	-	34

6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
Depreciation	18	20

AIRBORNE SYSTEMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

7. Tax on profit on ordinary activities

	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
Current tax		
UK corporation tax at 23.75% (2012: 25.75%)	-	-
Taxation on profit on ordinary activities	-	-

The current tax charge for the year is different than the standard rate of corporation tax in the UK of 23.75% (2012: 25.75%). The differences are explained below:

	Year Ended 30 June 2013 £'000	Year Ended 30 June 2012 £'000
Current tax reconciliation		
Profit / (loss) on ordinary activities before taxation	1,293	13,133
Profit / (loss) multiplied by standard rate of corporation tax in the UK of 23.75% (2012: 25.75%)	307	3,382
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	1
Group relief surrendered from other companies but not paid for	-	9
Gain arising on the liquidation of dormant subsidiaries	(312)	(3,395)
Depreciation in excess of capital allowances	5	3
Current tax charge for the year	-	-

8. Fixed asset investments

	2013 £'000	2012 £'000
<i>Cost of shares in subsidiary undertakings</i>		
At 1 July	32,198	32,198
Disposals	(13,291)	-
At 30 June	18,907	32,198
<i>Provision for impairment</i>		
At 1 July	2,083	2,083
Utilised	(2,083)	-
At 30 June	-	2,083
<i>Net book value</i>		
At 1 July	30,115	30,115
At 30 June	18,907	30,115

AIRBORNE SYSTEMS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

9. Tangible fixed assets

	Office equipment £'000
<i>Cost</i>	
At 1 July 2012	104
Additions	-
At 30 June 2013	104
<i>Accumulated depreciation</i>	
At 1 July 2012	67
Charge for the year	18
At 30 June 2013	85
<i>Net book value</i>	
At 1 July 2012	37
At 30 June 2013	19

10. Debtors

	30 June 2013 £'000	30 June 2012 £'000
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	-	61
	-	61
<i>Amounts falling due after more than one year</i>		
Amounts owed by group undertakings	-	2,530

11. Creditors: amounts falling due within one year

	30 June 2013 £'000	30 June 2012 £'000
Trade creditors	5	35
Amounts owed to group undertakings	-	325
	5	360

AIRBORNE SYSTEMS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

12. Creditors: amounts falling due after more than one year

	30 June 2013 £'000	30 June 2012 £'000
Amounts owed to group undertakings	792	15,591
	792	15,591

There are no fixed repayment terms for the amounts owed to group undertakings. However, it has been agreed that the amounts disclosed above will not be called upon within 12 months of the balance sheet date.

13. Deferred taxation

No deferred taxation has been provided in respect of unutilised trading losses at 30 June 2013 amounting to £134,000 (2012: £10,000) due to uncertainty regarding the timing of utilisation of these losses in the future. This amounts to an unrecognised deferred tax asset as at 30 June 2013 of £31,000 (2012: £2,000).

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. The overall effect of the further changes from 23 percent to 20 percent, if these applied to the unrecognised deferred tax balance at 30 June 2013, would not be material.

14. Called up share capital and share premium account

Authorised	30 June 2013 £'000	30 June 2012 £'000
322,971 (2012: 322,971) Ordinary shares of £1 each	323	323
Issued, called up and fully paid		
	Share capital £'000	Share premium £'000
322,971 (2012: 322,971) Ordinary shares of £1 each at 1 July 2012 and 30 June 2013	323	6,901

15. Profit and loss account

	30 June 2013 £'000	30 June 2012 £'000
At beginning of year	9,612	(3,521)
Retained profit for the financial year	1,293	13,133
At end of year	10,905	9,612

AIRBORNE SYSTEMS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013 (CONTINUED)

16. Reconciliation of movements in shareholders' funds

	30 June 2013 £'000	30 June 2012 £'000
Retained profit for the financial year	1,293	13,133
Net increase in shareholders' funds	1,293	13,133
Opening surplus on shareholders' funds	16,836	3,703
Closing surplus on shareholders' funds	18,129	16,836

17. Subsidiary undertakings

The principal subsidiary undertakings at 30 June 2013 are set out below. Unless otherwise stated the 100% interest in each undertaking is represented by equity share capital and each undertaking operates from its country of incorporation which if other than Great Britain is stated below.

Subsidiary undertakings	Principal activity
Airborne Systems Limited	Parachutes and aerial delivery systems
Airborne Systems France SASU	Parachutes and aerial delivery systems

18. Ultimate parent company and controlling party

On 30 June 2013, the ultimate parent undertaking was HDT Global, Inc, a company incorporated in the USA, which is the smallest and largest group to consolidate these financial statements. Copies of the group consolidated financial statements are available from HDT Worldwide, LLC, 30500 Aurora Road, Solon, Ohio 44139. The ultimate controlling party by virtue of its holding in HDT Global, Inc was Metalmark Capital Partners, L P.

The ultimate controlling party changed on 19 December 2013 as set out in Note 20 below.

19. Cash flow statement

The cash flows of the business are included in the consolidated financial statements of HDT Global, Inc, which are available on request. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1.

20. Post Balance Sheet Event

On the 19 December 2013, HDT Global, Inc was acquired by TransDigm Group, Inc, a public company incorporated in the USA and listed on the NYSE. On acquisition, HDT Global was renamed to Airborne Systems Global, Inc.