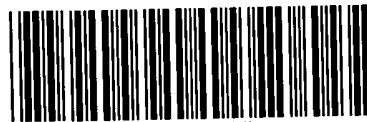


Company Registration No. 04847704 (England and Wales)

**AIRBORNE SYSTEMS HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2016**

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# AIRBORNE SYSTEMS HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C G Rowe D J Smith T M Parodie T P Dawkins
<b>Company number</b>	04847704
<b>Registered office</b>	Bettws Road Llangeinor Bridgend Mid Glamorgan CF32 8PL
<b>Auditor</b>	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

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# AIRBORNE SYSTEMS HOLDINGS LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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The directors present the strategic report for the year ended 30 September 2016.

### **Fair review of the business**

The company is dormant and did not trade during the year.

### **Principal risks and uncertainties**

As a holding company, the results of the company are subject to a number of risks. The principal risks and uncertainties affecting the company is related to its investments. The company is exposed to the risk of deterioration in business performance in its group undertakings which may have an adverse effect on the company value of the company's investments.

### **Financial risk management**

The company makes little use of financial instruments so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities and financial position of the company.

On behalf of the board



T P Dawkins

Director

29/6/17

29/6/17

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

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The directors present their annual report and financial statements for the year ended 30 September 2016.

#### Principal activities

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.

#### Directors

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

C G Rowe

D J Smith

G Rufus

T M Paradié

T P Dawkins

(Resigned 22 September 2016)

(Appointed 22 September 2016)

(Appointed 1 December 2016)

#### Auditor

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

#### Matters of strategic importance

The directors have chosen in accordance with section 414C(11) of the companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Going concern

The company is a wholly owned subsidiary of TransDigm Group, Inc., for which the year ended 30 September 2016 has been a very successful and productive year. Management's outlook for 2017 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.

On behalf of the board



T P Dawkins

Director

29/6/17

# **AIRBORNE SYSTEMS HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 AUDITOR'S REPORT TO THE MEMBERS OF AIRBORNE SYSTEMS HOLDINGS LIMITED**

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We have audited the financial statements of Airborne Systems Holdings Limited for the year ended 30 September 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIRBORNE SYSTEMS HOLDINGS LIMITED (CONTINUED)

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### 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.

Ernst & Young LLP

Ken Griffin (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol

.....  
5 July 2017

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	Notes	2016 £'000	2015 £'000
Profit on ordinary activities before taxation		-	-
Taxation		-	-
Profit for the financial year	10	<u>-</u>	<u>-</u>

*Handwritten note: "as per 31/12/15"*

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**AIRBORNE SYSTEMS HOLDINGS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2016**

	Notes	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Investments	5	18,907	18,907
<b>Current assets</b>		-	-
<b>Creditors: amounts falling due within one year</b>	7	(797)	(797)
<b>Net current liabilities</b>		(797)	(797)
<b>Total assets less current liabilities</b>		18,110	18,110
<b>Capital and reserves</b>			
Called up share capital	9	323	323
Share premium account	10	6,901	6,901
Profit and loss reserves	10	10,886	10,886
<b>Total equity</b>		18,110	18,110

The financial statements were approved by the board of directors and authorised for issue on 29/06/17 and are signed on its behalf by:



T P Dawkins  
Director

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 October 2014</b>	323	6,901	10,886	18,110
<b>Year ended 30 September 2015:</b>				
Profit and total comprehensive income for the year	-	-	-	-
<b>Balance at 30 September 2015</b>	323	6,901	10,886	18,110
<b>Year ended 30 September 2016:</b>				
Profit and total comprehensive income for the year	-	-	-	-
<b>Balance at 30 September 2016</b>	323	6,901	10,886	18,110

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# AIRBORNE SYSTEMS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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### 1 Accounting policies

#### Company information

Airborne Systems Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Bettws Road, Llangeinor, Bridgend, Mid Glamorgan, CF32 8PL.

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.

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. The principal accounting policies adopted are set out below.

The directors have elected to apply the amended FRS 102 accounting standards before the mandatory requirement commencing 1 January 2016.

These financial statements are the first financial statements of Airborne Systems Holdings Limited prepared in accordance with FRS 102. The financial statements of Airborne Systems Holdings Limited for the year ended 30 September 2015 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 12.

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' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Remuneration of key management personnel.

The financial statements of the company are consolidated in the financial statements of TransDigm Group Inc. The consolidated financial statements of TransDigm Group, Inc. are available from The Tower at Erievue, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2016

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#### **1 Accounting policies (Continued)**

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

#### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Income statement**

The company has not traded during the year or the preceding financial period. During this time the company received no income and incurred no expenditure.

#### **Fixed asset investments**

Interests in subsidiaries 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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

#### **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 loans from fellow group companies, 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.

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

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### 1 Accounting policies (Continued)

#### Taxation

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.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Auditor's remuneration

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

### 4 Employees

The company had no employees during the current and prior year.

		2016 Number	2015 Number
		=====	=====
5	Fixed asset investments		
	Notes	2016 £'000	2015 £'000
	Investments in subsidiaries	6	18,907
		=====	=====

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 5 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 October 2015 & 30 September 2016	18,907
<b>Carrying amount</b>	
At 30 September 2016	18,907
At 30 September 2015	18,907

### 6 Subsidiaries

These financial statements are separate company financial statements for Airborne Systems Holdings Limited.

Details of the company's subsidiaries at 30 September 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
Irvin-GQ Limited	England and Wales	Dormant company	Ordinary	100.00	-
Airborne Systems France SASU	France	Parachutes and aerial delivery systems	Ordinary	100.00	-
Advanced Inflatable Products Limited	England and Wales	Dormant company	Ordinary	100.00	-
GQ Parachutes Limited	England and Wales	Dormant company	Ordinary	100.00	-
Airborne Systems Limited	England and Wales	Parachutes and aerial delivery systems	Ordinary	100.00	-
Airborne Systems Pension Trust Limited	England and Wales	Dormant company	Ordinary	-	100.00
Edlaw Limited	England and Wales	Investment	Ordinary	-	100.00
Aircraft Materials Limited	England and Wales	Dormant company	Ordinary	-	100.00
Irvin Aerospace Limited	England and Wales	Dormant company	Ordinary	-	100.00

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

### 7 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts due to group undertakings	797	797

There are no fixed repayment terms for the amounts owed to group undertakings.

### 8 Deferred taxation

No deferred taxation has been provided in respect of unutilised tax losses at 30 September 2016 amounting to £139,000 (2015: £139,000) 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 September 2016 of £28,000 (2015: £28,000).

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) have also been announced, but these had not been substantively enacted by the year end date.

The company's unprovided deferred tax asset at 30 September 2016 has therefore been calculated based on the rate of 20% as this rate was substantively enacted at the balance sheet date.

### 9 Share capital

	2016 £'000	2015 £'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
322,971 Ordinary shares of £1 each	323	323

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings.

### 10 Reserves

#### Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# AIRBORNE SYSTEMS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

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### 11 Controlling party

The immediate parent company is Airborne Systems Group Limited, a company incorporated in England and Wales.

The ultimate parent company is TransDigm Group, Inc., a public company incorporated in the USA, and listed on the NYSE, which is the smallest and largest group to consolidate these financial statements. Copies of the group consolidated financial statements are available from The Tower at Erieview, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.

The directors do not consider there to be an ultimate controlling party.

### 12 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	1 October 2014 £'000	30 September 2015 £'000
Equity as reported under previous UK GAAP and under FRS 102	18,110	18,110

#### Reconciliation of profit for the financial period

	2015 £'000
Profit as reported under previous UK GAAP and under FRS 102	-

#### Notes to reconciliations on adoption of FRS 102

##### a) Reclassification of long-term creditor

There are no fixed repayment terms on the amount due to group undertakings, therefore £797,000 has been reclassified from creditors due after more than one year to creditors due within one year.