

Company Registration Number: 07835957

ALIGN AEROSPACE UK LIMITED

Report and Financial Statements

For the year ended 31 December 2015



ALIGN AEROSPACE UK LIMITED

Company information

DIRECTOR

Jerome De Truchis

Ian Cohen

REGISTERED NUMBER

07835957

REGISTERED OFFICE

20-22 Bedford Row

London

United Kingdom

WC1R 4JS

BANKERS

Bank of America N.A.

5 Canada Square

London

United Kingdom

E14 5AQ

LAWYERS

Rich & Carr Freer Bouskell

Assurance House

24 Rutland street

Leicester

LE1 1RD

AUDITORS

Ernst & Young LLP

Barony House

Stoneyfield Business Park

Inverness IV2 7PA

United Kingdom

ALIGN AEROSPACE UK LIMITED

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ALIGN AEROSPACE UK LIMITED

Directors' report for the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015

Directors

The directors who served during the period were:

Jerome De Truchis (appointed 1 September 2015)
Ian Cohen (appointed 31 March 2015)
Noah Roy (resigned 31 March 2015)
Raynard Benvenuti (resigned 31 March 2015)
Andrew Roberts (appointed 31 March 2015, resigned 1 September 2015)

Principal activities

The Company is set as a sales office only for servicing European customers. All operations and logistics associated with sales from the UK office are handled by its headquarters in Chatsworth, CA.

Going concern

The company is in a net current liabilities and a net liabilities position. However, the directors have obtained a letter of support from the ultimate parent company, and have received assurances on the ability of the parent to provide such support, so are confident that, if required, group support is forthcoming.

As a consequence, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Thus, they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ALIGN AEROSPACE UK LIMITED

**Directors' report (continued)
for the year ended 31 December 2015**

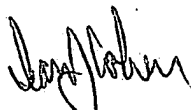
Auditors

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

The directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 01 June 2016 and signed on its behalf.



I J Cohen
Director

ALIGN AEROSPACE UK LIMITED

Directors' responsibilities statement for the year ended 31 December 2015

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 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 judgments and accounting estimates that are reasonable and prudent;
- 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' report to the members of Align Aerospace UK Limited

We have audited the financial statements of Align Aerospace UK Limited for the year ended 31 December 2015, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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 auditors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Report and Financial Statements 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 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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.

Independent auditors' report to the members of Align Aerospace UK Limited

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Ernst & Young LLP

Donald Forsyth (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

Inverness

Date: *13 June 2016*

ALIGN AEROSPACE UK LTD

**Profit and Loss Account
for the year ended 31 December 2015**

| | Note | 2015 £ | 2014 £ |
|--|------|------------------------|---------------------|
| Turnover | 1 | 176,286 | 261,022 |
| Administrative expenses | | <u>(167,892)</u> | <u>(248,592)</u> |
| Operating profit | 3 | 8,394 | 12,430 |
| Profit on ordinary activity before taxation | | 8,394 | 12,430 |
| Tax on profit on ordinary activities | 5 | <u>29,215</u> | <u>7,242</u> |
| (Loss)/profit for the financial year | | <u><u>(20,821)</u></u> | <u><u>5,188</u></u> |

There were no recognised gains and losses for 2015 other than those included in the Profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

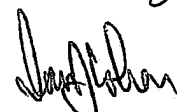
ALIGN AEROSPACE UK LTD
Registered Number: 07835957

Balance sheet
at 31 December 2015

| | Note | £ | 2015 £ | £ | 2014 £ |
|---|------|------------------|------------------|------------------|------------------|
| Current assets | | | | | |
| Debtors | 6 | 3,860 | | 695 | |
| Cash at bank | | <u>2,845</u> | | <u>-</u> | |
| | | 6,705 | | 695 | |
| Creditors: amounts falling due within one year | 7 | <u>(667,733)</u> | | <u>(640,902)</u> | |
| Net current liabilities | | | <u>(661,028)</u> | | <u>(640,207)</u> |
| Net liabilities | | | <u>(661,028)</u> | | <u>(640,207)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 10 | | 10 |
| Profit and loss account | 9 | | <u>(661,038)</u> | | <u>(640,217)</u> |
| Shareholders' deficit | 10 | | <u>(661,028)</u> | | <u>(640,207)</u> |

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2016



I J Cohen
Director

The notes on pages 8 to 12 form part of these financial statements

ALIGN AEROSPACE UK LIMITED

Notes to the financial statements for the year ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales and related taxes.

1.3 Going concern

At 31 December 2015 the company had net current liabilities of £661,028. The accounts have been prepared on the going concern basis as the parent company has agreed to continue to provide financial support to the company to enable it to meet its liabilities as they fall due. The directors are therefore satisfied that it is appropriate to prepare the accounts on the going concern basis.

1.4 Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. All exchange gains and losses are reported as part of the results for the year.

1.5 Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

1.6 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. There were no commitments under operating lease agreements outstanding at the balance sheet date.

ALIGN AEROSPACE UK LIMITED

Notes to the financial statements for the year ended 31 December 2015

1. Accounting policies (continued)

1.7 Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.8 Cash flow statement

The company is a wholly-owned subsidiary of Align Aerospace LLC and is included in the consolidated financial statements of Align Aerospace LLC, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996).

1.9 Related party transactions

The company is a wholly owned subsidiary of Align Aerospace LLC, the consolidated statements of which are publicly available. Accordingly the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Align Aerospace group.

2. Turnover

Overseas turnover amounted to 0% (2014 – 0%) of the total turnover for the year.

3. Operating loss

The operating loss is stated after charging:

| | 2015 £ | 2013 £ |
|--------------------------|-----------|-----------|
| Auditors remuneration | 12,000 | 10,000 |
| Operating lease rentals: | | |
| - property | - | 12,113 |

During the year, no director received any emoluments (2014 - £NIL).

The directors of the company are also directors or officers of other companies within the Align Aerospace Group. Their salaries are accordingly borne by other group companies. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider 9 that they have received any remuneration for their incidental services to the company for the year ended 31 December 2015 and for the previous year.

ALIGN AEROSPACE UK LIMITED**Notes to the financial statements
for the year ended 31 December 2015****4. Staff costs**

Staff costs were as follows:

| | 2015 | 2014 |
|-----------------------|---------------|----------------|
| | £ | £ |
| Wages and salaries | 85,661 | 141,896 |
| Social security costs | 9,597 | 9,805 |
| Pension costs | - | 5,100 |
| | <u>95,258</u> | <u>156,801</u> |

The average monthly number of employees during the year was as follows:

| | 2015 | 2014 |
|--------------------------|----------|----------|
| | £ | £ |
| Sales and administration | <u>2</u> | <u>4</u> |

5. Taxation

| | 2015 | 2014 |
|--|---------------|--------------|
| | £ | £ |
| UK corporation tax charge on profit for the year | 3,549 | 7,242 |
| Adjustments in respect of prior periods | <u>25,666</u> | <u>-</u> |
| | <u>29,215</u> | <u>7,242</u> |

6. Debtors

| | 2015 | 2014 |
|-------------------------------|--------------|------------|
| | £ | £ |
| Prepayments and other debtors | <u>3,860</u> | <u>695</u> |

ALIGN AEROSPACE UK LIMITED

Notes to the financial statements for the year ended 31 December 2015

7. Creditors (amounts falling due within one year)

| | 2015 | 2014 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Bank overdraft | - | 878 |
| Trade payables | 338 | - |
| Amounts owed to group undertakings | 656,392 | 625,595 |
| Corporation tax | 11,003 | 7,242 |
| Accruals and other payables | - | 7,187 |
| | <u>667,733</u> | <u>640,902</u> |

8. Share capital

| | 2015 | 2014 |
|------------------------------------|-----------|-----------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 10 Ordinary shares of £1 each | <u>10</u> | <u>10</u> |

9. Reserves

| | Profit and loss account £ |
|-----------------------------|------------------------------------|
| At 1 January 2015 | (640,217) |
| Loss for the financial year | (20,821) |
| At 31 December 2015 | <u>(661,038)</u> |

ALIGN AEROSPACE UK LIMITED

Notes to the financial statements for the year ended 31 December 2015

10. Reconciliation of movement in shareholders' deficit

| | 2015 | 2014 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Opening shareholders' deficit | (640,207) | (645,395) |
| Profit/(Loss) for the financial year | (20,821) | 5,188 |
| Closing shareholders' deficit | <u>(661,028)</u> | <u>(640,207)</u> |

11. Subsequent events

There have not been any significant events since the balance sheet date.

12. Ultimate parent undertaking

Align Aerospace UK Limited is a wholly owned subsidiary of GB Aero Holding SARL, a company incorporated in France.

The directors regard Align Aerospace LLC as the ultimate parent company, a company incorporated in the United States of America. The directors regard Align Aerospace LLC as the ultimate parent company due to the 100% controlling stake it holds in GB Aero Holding SARL. Align Aerospace LLC is the smallest and largest group of which the company is a member and for which consolidated financial statements are drawn up. The accounts of Align Aerospace LLC are publicly available.