

Company Registration No. 04317894 (England and Wales)

AIRBORNE SYSTEMS GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2017

WEDNESDAY



A17 *A77JDNTC* 06/06/2018 #315
COMPANIES HOUSE

AIRBORNE SYSTEMS GROUP LIMITED

COMPANY INFORMATION

Directors	C G Rowe D J Smith T P Dawkins J Skulina
Company number	04317894
Registered office	Bettws Road Llangeinor Bridgend Mid Glamorgan CF32 8PL
Auditor	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

AIRBORNE SYSTEMS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present the strategic report for the year ended 30 September 2017.

Fair review of the business

The company is an investment company and the only transactions relate to the unwinding on the intercompany loan.

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.

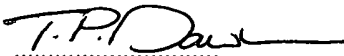
Financial risk management

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

Liquidity risk

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

On behalf of the board



T P Dawkins

Director

31/5/18

AIRBORNE SYSTEMS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their annual report and financial statements for the year ended 30 September 2017.

Principal activities

The principal activity of the company is investment in its subsidiary undertakings. The only transactions are the unwinding of the discount on the intercompany loan.

Directors

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

T M Paradie	(Resigned 8 January 2018)
C G Rowe	
D J Smith	
T P Dawkins	(Appointed 1 December 2016)
J Skulina	(Appointed 8 January 2018)

Results and dividends

The results for the year are set out on page 6. No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

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

Auditor

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

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

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.

The parent company, Airborne UK Acquisition Limited confirms it will continue to support the company and provide adequate financial assistance to enable it to continue its business operations as a going concern for the foreseeable future.

On behalf of the board



T P Dawkins

Director

31/5/18

AIRBORNE SYSTEMS GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 GROUP LIMITED

Opinion

We have audited the financial statements of Airborne Systems Group Limited for the year ended 30 September 2017 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2017 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the strategic report and directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

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, and for such internal control as the directors 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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Ernst & Young LLP

Ken Griffin (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

.....
4 June 2018

AIRBORNE SYSTEMS GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £'000	2016 £'000
Turnover		-	-
Interest payable and similar expenses	6	(3,936)	(3,658)
Loss on ordinary activities before taxation		(3,936)	(3,658)
Taxation	7	-	-
Loss for the financial year, being total comprehensive income		<u>(3,936)</u>	<u>(3,658)</u>

All amounts relate to continuing operations.

AIRBORNE SYSTEMS GROUP LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2017**

	Notes	2017 £'000	£'000	2016 £'000	£'000
Fixed assets					
Investments	8		51,103		51,103
Current assets					
Debtors	10	1,050		1,050	
Creditors: amounts falling due within one year	11	(55,726)		-	
Net current (liabilities)/assets			(54,676)		1,050
Total assets less current liabilities			(3,573)		52,153
Creditors: amounts falling due after more than one year	12		-		(51,790)
Net (liabilities)/assets			(3,573)		363
Capital and reserves					
Called up share capital	13		1,280		1,280
Share premium account	14		94		94
Profit and loss reserves	14		(4,947)		(1,011)
Total equity			(3,573)		363

The financial statements were approved by the board of directors and authorised for issue on 31/05/18 and are signed on its behalf by:



T P Dawkins
Director

AIRBORNE SYSTEMS GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Share capital	Share premium account	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
Balance at 1 October 2015	1,280	94	2,647	4,021
Year ended 30 September 2016:				
Loss and total comprehensive loss for the year	-	-	(3,658)	(3,658)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2016	1,280	94	(1,011)	363
Year ended 30 September 2017:				
Loss and total comprehensive loss for the year	-	-	(3,936)	(3,936)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2017	<u>1,280</u>	<u>94</u>	<u>(4,947)</u>	<u>(3,573)</u>

AIRBORNE SYSTEMS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Airborne Systems Group 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, including the provisions of the large and medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – 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 Erieview, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.

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.

The parent company, Airborne UK Acquisition Limited confirms it will continue to support the company and provide adequate financial assistance to enable it to continue its business operations as a going concern for the foreseeable future.

AIRBORNE SYSTEMS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies (Continued)

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.

Basic financial assets

Basic financial assets, which include amounts due from fellow group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including 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.

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.

AIRBORNE SYSTEMS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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.

The directors have considered whether any critical estimates or judgements have been made in preparing the financial statements and they believe there are none to note.

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.

5 Directors' remuneration

The directors were remunerated by other group companies during the current and prior year. The remuneration received in respect of services to the company are indistinguishable.

6 Interest payable and similar expenses

	2017 £'000	2016 £'000
Unwinding of discount on intercompany loans	3,936	3,658

AIRBORNE SYSTEMS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

7 Taxation

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2017 £'000	2016 £'000
Loss before taxation	(3,936)	(3,658)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	(768)	(732)
Tax effect of expenses that are not deductible in determining taxable profit	768	732
Taxation charge for the year	-	-

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) have been substantively enacted. These changes will reduce the company's future current tax charge accordingly.

No deferred taxation has been provided in respect of unutilised losses as at 30 September 2017 amounting to £8,117,000 (2016: £8,117,000) 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 2017 of £1,380,000 (2016: £1,380,000).

The company's unprovided deferred tax asset as at 30 September 2017 has therefore been calculated based on the rate of 17% (2016: 17%) as this rate was substantively enacted at the year end date and will be effective from 1 April 2020.

8 Fixed asset investments

	Notes	2017 £'000	2016 £'000
Investments in subsidiaries	9	51,103	51,103

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost	
At 1 October 2016 & 30 September 2017	51,103
Carrying amount	
At 30 September 2017	51,103
At 30 September 2016	51,103

AIRBORNE SYSTEMS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Subsidiaries

Details of the company's subsidiaries at 30 September 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Advanced Inflatable Products Limited	a)	Dormant company	Ordinary		100.00
Air-Sea Survival Equipment Trustee Limited	a)	Dormant company	Ordinary	100.00	
Airborne Systems France SAS	b)	Parachutes and aerial delivery systems	Ordinary		100.00
Airborne Systems Holdings Limited	a)	Investment	Ordinary	100.00	
Airborne Systems Limited	a)	Parachutes and aerial delivery systems	Ordinary		100.00
Airborne Systems Pension Trust Limited	a)	Dormant company	Ordinary		100.00
Aircraft Materials Limited	a)	Dormant company	Ordinary		100.00
Edlaw Limited	a)	Investment	Ordinary		100.00
GQ Parachutes Limited	a)	Dormant company	Ordinary		100.00
Irvin Aerospace Limited	a)	Dormant company	Ordinary		100.00
Irvin-GQ Limited	a)	Dormant company	Ordinary		100.00

a) Bettws Road, Llangeinor, Bridgend, Mid Glamorgan, CF32 8PL

b) 16 bis rue Paule Raymond, 31200, Toulouse, France

10 Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,050	1,050

Included in the above loan is an interest free loan to Edlaw Limited of £1,006,231 (2016: £1,006,231). There are no fixed repayment terms for the amounts owed by group undertakings.

11 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts due to group undertakings	55,726	-

There is a loan with Edlaw Limited, which was repayable in full on 31 March 2018, but since the year end this has been extended to 31 March 2023. The directors of both companies agreed that the borrower (Airborne Systems Group Limited) shall not be required to pay any interest on the un-repaid balance of principal commencing 1 July 2011. The outstanding principal balance on this loan at the year ended 30 September 2017 was £45,271,279 (2016: £45,271,279). Interest on the Edlaw Limited loan accrued at 7.6% per annum up until 30 June 2011, based on the principal amount. At 30 September 2017 accrued interest amounted to £12,539,077 (2016: £12,539,077), which is also repayable in full on the same date as the principal balance.

AIRBORNE SYSTEMS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Creditors: amounts falling due after more than one year

	2017 £'000	2016 £'000
Amounts due to group undertakings	-	51,790

13 Share capital

	2017 £'000	2016 £'000
Ordinary share capital		
Issued and fully paid		
12,795,138 Ordinary shares of 10p each	1,280	1,280

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

14 Reserves

Share premium

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

Profit and loss reserves

Cumulative profits and losses net of any distributions to owners.

15 Controlling party

The immediate parent company is Airborne UK Acquisition Limited, a company incorporated in England and Wales (registered office: Bettws Road, Llangeinor, Bridgend, Mid Glamorgan, CF32 8PL).

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 their registered office: The Tower at Erieview, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.