

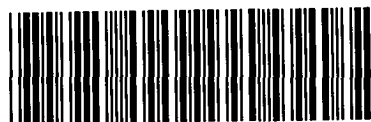
Registered no: 05479016

Racal Acoustics Group Limited

Annual report

For the year ended 25 October 2013

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RACAL ACOUSTICS GROUP LIMITED

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RACAL ACOUSTICS GROUP LIMITED

COMPANY INFORMATION

Directors

Robert D George
Frank E Houston
Keith Hartlage
Curtis Reusser

Secretary

Taylor Wessing Secretaries Limited
5 New Street Square
London
EC4A 3TW

Auditors

Ernst & Young LLP
Wessex House, 19 Threefield Lane,
Southampton
SO14 3QB

Bankers

Barclays Commercial Bank
1st Floor
27 Soho Square
London
W1D 3QR

Solicitors

Taylor Wessing
5 New Street Square
London
EC4A 3TW

Registered Office

Racal Acoustics Ltd
Waverley Industrial Park
Hailsham Drive
Harrow
Middlesex
HA1 4TR

RACAL ACOUSTICS GROUP LIMITED

Strategic report for the year ended 25 October 2013

Principal activities

The principal business of the company is operating as an investment holding company.

Results and dividends

The company made pre-tax loss of £154,000 (2012 loss: £740,000) in the year ended 25 October 2013. No dividend is proposed for the year (2012: nil).

Business review and future developments

As the company is an investment holding company and no operations take place within the company, the directors believe that a detailed business review is not necessary. The company's financial statements are consolidated at group level and therefore the directors believe that referring to the group financial statements of its parent undertaking Esterline Technologies Corporation would give a more appropriate understanding of the business.

Key performance indicators

The Esterline Group manages its Key Performance Indicators (KPIs) at a segmental and geographical level. As this is a holding company, there are no relevant KPIs in respect of this entity.

Principal risks and uncertainties

Risk management is integrated into the process of planning and performance management at a Group level and is monitored by Esterline Group through regular performance reviews. Company level risks have been considered and classified in four categories: strategic, compliance and ethics, financial risk management and operations. However, given that this is a holding company, these risks are not expected to have a significant impact on the reported results.

On behalf of the Board



Keith Hartlage

Director

Date: 28 July 2014

RACAL ACOUSTICS GROUP LIMITED

Directors' report for the year ended 25 October 2013

Registered number: 05479016

The directors present their report for the year ended 25 October 2013.

Going concern

These financial statements have been prepared on a going concern basis, the validity of which depends on the continued financial support of Racal Acoustics Limited, its trading subsidiary undertaking. The directors of Racal Acoustics Limited have indicated that it is their intention to provide finance for the continued operation of Racal Acoustics Group Limited for the foreseeable future. As a result the directors have a reasonable expectation that there are no significant doubts about the company's ability to continue as a going concern for the foreseeable future.

Directors

The directors who held office during the year and subsequently are noted below:

Robert D George
Frank E Houston
Keith Hartlage (appointed 19th November 2013)
Curtis C Reusser (appointed 5th March 2014)
Richard B Lawrence (resigned 5th March 2014)
Graham N Jones (resigned 19th November 2013)

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the director's report and 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

RACAL ACOUSTICS GROUP LIMITED

Directors' report for the year ended 25 October 2013 (continued)

Disclosure of information to auditors

In so far as the directors are aware:

- (a) 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


Keith Hartlage
Director
Date: 28 July 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACAL ACOUSTICS GROUP LIMITED

We have audited the financial statements of Racal Acoustics Group Limited for the year ended 25 October 2013, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 13. 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).

This report is made solely for 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 Statement of Directors' Responsibilities set out on page 4, 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 Annual 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 25 October 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's 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 by the company, 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.

David Marshall (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton

Ernst & Young LLP

30/7/2014

RACAL ACOUSTICS GROUP LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 25 OCTOBER 2013

	Note	Year Ended 25 October 2013 £'000	Year Ended 26 October 2012 £'000
Interest payable and similar charges	4	(154)	(740)
Loss on ordinary activities before taxation		(154)	(740)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	11	(154)	(740)

All results are from the continuing operations of the company. There are no gains and losses, other than those included in the profit and loss account.

BALANCE SHEET AS AT 25 OCTOBER 2013

	Note	25 October 2013 £'000	26 October 2012 £'000
Investments	6	61,432	16,487
Current assets			
Debtors – falling due within one year	7	-	33,519
Total current assets		-	33,519
Creditors – amounts falling due within one year	8	(23,309)	(37,048)
Net current liabilities		(23,309)	(3,529)
Net assets		38,123	12,958
Capital and reserve			
Called up share capital	9	73	73
Share premium	11	41,806	16,487
Profit and loss reserve	11	(3,756)	(3,602)
Total shareholders' funds	10	38,123	12,958

The financial statements were approved by the board of directors on 28 July 2014 and were signed on its behalf by:


Keith Hartlage
Director

RACAL ACOUSTICS GROUP LIMITED

Notes to the financial statements for the year ended 25 October 2013

1. Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

The company is exempt under section 400 of the Companies Act 2006 for the requirement to prepare group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

These financial statements have been prepared on a going concern basis, the validity of which depends on the continued financial support of Racal Acoustics Limited, its trading subsidiary undertaking. The directors of Racal Acoustics Limited have indicated that it is their intention to provide finance for the continued operation of Racal Acoustics Group Limited for the foreseeable future. As a result the directors have a reasonable expectation that there are no significant doubts about the company's ability to continue as a going concern for the foreseeable future.

Investments

Investments in subsidiaries are held at cost less provision for impairment. The directors carry out an impairment review if there are events or changes in circumstances that indicate that the carrying amount of the investment may not be recoverable.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary and is included in the consolidated financial statements of Esterline Technologies Corporation, a company incorporated in the United States. The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with wholly owned entities that are part of the Esterline group.

2. Loss on ordinary activities before taxation

Fees paid to the auditors for audit and non-audit services are borne by another group company.

3. Employee and director information

The company had no employees during the period. The services of the directors to this company are of a non executive nature and their emoluments are deemed to be wholly attributable to their qualifying services to Esterline Technologies Corporation (Richard B Lawrence, Robert D George and Frank E Houston) and Racal Acoustics Limited (Graham N Jones). Accordingly these financial statements include no emoluments in respect of these directors (2012:nil).

RACAL ACOUSTICS GROUP LIMITED

Notes to the financial statements for the year ended 25 October 2013 (continued)

4. Interest payable and similar charges

	Year Ended 25 October 2013 £'000	Year Ended 26 October 2012 £'000
Interest payable on loans from group companies	154	740
	154	740

5. Taxation on the loss for the year

	Year Ended 25 October 2013 £'000	Year Ended 26 October 2012 £'000
Current tax:		
UK corporation tax on loss for the year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on loss on ordinary activities	-	-
	Year Ended 25 October 2013 £'000	Year Ended 26 October 2012 £'000
Loss on ordinary activities before tax	(154)	(740)
Loss on ordinary activities multiplied by standard rate in the UK 23.42% (2012: 24.85%)	(36)	(184)
Effect of:		
Group relief given for nil consideration	36	184
Current tax charge for the year	-	-

RACAL ACOUSTICS GROUP LIMITED

Notes to the financial statements for the year ended 25 October 2013 (continued)

6. Investments

	Subsidiary Undertakings	
	25 October	26 October
	2013	2012
	£'000	£'000
Cost and net book value		
Opening balance	16,487	16,487
Additions	44,945	-
Closing balance	61,432	16,487

During the year Racal Acoustics Holdings Limited restructured its business resulting in the repayment and capitalisation of loans, and an increase in the investment of Racal Acoustics Group Limited. The investment in the wholly owned subsidiary company (100% of ordinary share capital), Racal Acoustics Holdings Limited, is stated at cost. This company is incorporated in the United Kingdom and operates as an investment holding company.

7. Debtors – falling due within one year

	25 October	26 October
	2013	2012
	£'000	£'000
Amounts owed by group undertakings	-	11,442
Loan notes to group undertakings	-	22,077
	-	33,519

During the year amounts owed by group undertakings and loan notes to group companies were repaid or capitalised.

8. Creditors - amounts falling due within one year

	25 October	26 October
	2013	2012
	£'000	£'000
Amounts owed to subsidiary undertakings	23,309	19,308
Loan notes from group undertakings	-	17,740
	23,309	37,048

During the year the company repaid or capitalised loan notes from group undertakings.

RACAL ACOUSTICS GROUP LIMITED

Notes to the financial statements for the year ended 25 October 2013 (continued)

9. Called up share capital

	25 October 2013 £'000	26 October 2012 £'000
Allotted and fully paid		
73,004 ordinary shares of £1 each (2012 : 73,002)	73	73

During the year the company issued 2 ordinary shares of £1 each in return for settlement of £25,319,000 loan notes and other amounts due to group undertakings.

10. Reconciliation of movements in shareholders' funds

	25 October 2013 £'000	26 October 2012 £'000
Opening shareholders' funds	12,958	13,698
Loss for the year	(154)	(740)
Share premium on loan capitalisation	25,319	-
Closing shareholders' funds	38,123	12,958

11. Reserves

	Share premium £000	Profit and loss reserve £000
At 27 October 2012	16,487	(3,602)
Loss for the year	-	(154)
Share premium on loan capitalisation	25,319	-
As at 25 October 2013	41,806	(3,756)

12. Related party transactions

The company has taken advantage of the exemption in FRS 8, para 3c not to disclose transaction with other group companies which meet the criteria that all subsidiary undertakings which are party to the transaction are wholly owned by the ultimate controlling parent.

13. Ultimate parent undertaking

The immediate parent undertaking is Weston Aerospace Limited, a company incorporated in England and Wales. According to the register kept by the Company, Weston Aerospace Limited has a 100% interest in the equity capital at Racal Acoustics Group Limited at 25 October 2013.

The company's ultimate parent undertaking and controlling party is Esterline Technologies Corporation, a company incorporated in United States of America.

The largest and the smallest group in which the results of the company are consolidated is that headed by Esterline Technologies Corporation. The consolidated financial statements of that company are available to the public and may be obtained from 500 108th Avenue NE, Suite 1500, Bellevue, WA, 98004, USA.

RACAL ACOUSTICS HOLDINGS LIMITED

Strategic report for the year ended 25 October 2013

Principal activities

The principal business of the company is operating as an investment holding company.

Results and dividends

The company made pre-tax loss of £114,000 (2012: £7,599,000 profit) in the year ended 25 October 2013. No dividend is proposed for the year (2012: nil).

Business review and future developments

As the company is an investment holding company and no operations take place within the company, the directors believe that a detailed business review is not necessary. The company's financial statements are consolidated at group level therefore the directors believe that referring to the group financial statements of its parent undertaking Esterline Technologies Corporation would give a more appropriate understanding of the business.

Key performance indicators

The Esterline Group manages its Key Performance Indicators (KPIs) at a segmental and geographical level. As this is a holding company, there are no relevant KPIs in respect of this entity.

Principal risks and uncertainties

Risk management is integrated into the process of planning and performance management at a Group level and is monitored by Esterline Group through regular performance reviews. Company level risks have been considered and classified in four categories: strategic, compliance and ethics, financial risk management and operations. However, given that this is a holding company, these risks are not expected to have a significant impact on the reported results.

On behalf of the Board



Keith Hartlage

Director

Date : 28 July 2014