

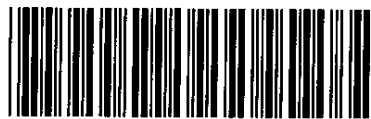
TRIUMPH CONTROLS – UK, LTD.

FINANCIAL STATEMENTS

for the year ended

31 March 2019

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Company Registration No. 06804329

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**TRIUMPH CONTROLS – UK, LTD.****COMPANY INFORMATION**

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<b>DIRECTORS</b>	J H Allen D J Crowley F Dubey J F McCabe JR M Sievers
<b>SECRETARY</b>	J H Allen
<b>COMPANY NUMBER</b>	06804329
<b>REGISTERED OFFICE</b>	Meteor Business Park Cheltenham Road East Gloucester GL2 9QL
<b>AUDITOR</b>	Ernst & Young LLP Grosvenor House Grosvenor Square
<b>Southampton</b>	Hampshire SO15 2BE

**TRIUMPH CONTROLS – UK, LTD.**

**DIRECTORS' REPORT  
for the year ended 31 March 2019**

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The directors present their report and financial statements of Triumph Controls – UK, Ltd. (Company Registration No. 06804329) for the year ended 31 March 2019.

**PRINCIPAL ACTIVITIES**

The principal activity of the company was, until June 2017, a trading company involved in the manufacture and sale of aviation control systems and components and is now an intermediate holding company.

**DIRECTORS**

The following directors have held office since 1 April 2018 and up to the date of approval of this report:

J H Allen	(appointed 31 December 2018)
D J Crowley	
F Dubey	(appointed 31 December 2018)
T K Holzthum	(resigned 31 December 2018)
J F McCabe JR	
M Sievers	
J B Wright II	(resigned 31 December 2018)

**GOING CONCERN**

In preparing the financial statements on a going concern basis, the directors have acknowledged the company's accumulated losses to date. The ultimate parent company, Triumph Group, Inc., has no current intention of withdrawing its support. Therefore, the company will be able to continue its operations and to settle its liabilities as they fall due. The directors have a reasonable expectation that despite current economic uncertainty the company has adequate resources to continue in operational existence for the foreseeable future. On this basis, the directors continue to adopt the going concern basis in preparing the financial statements.

**STATEMENT OF DISCLOSURE TO AUDITOR**

The directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**TRIUMPH CONTROLS – UK, LTD.**

**DIRECTORS' REPORT (Continued)**  
**for the year ended 31 March 2019**

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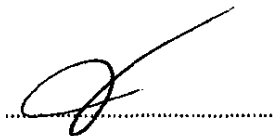
**REAPPOINTMENT OF AUDITORS**

Ernst & Young LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to section 415A of the small companies' regime of the Companies Act 2006.

This report was approved by the board of directors on 12<sup>th</sup> March 2020

Signed on behalf of the board



James F. McCabe DIRECTOR

Dated: 12<sup>th</sup> March 2020

**TRIUMPH CONTROLS – UK, LTD.**

**DIRECTORS' RESPONSIBILITY STATEMENT**

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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), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements.
- make judgements and accounting estimates that are reasonable and prudent; 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.

## TRIUMPH CONTROLS – UK, LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIUMPH CONTROLS – UK, LTD

**Opinion**

We have audited the financial statements of Triumph Controls - UK Ltd for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. 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 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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.

**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 annual 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 this report, we do not express any form of assurance conclusion thereon.

## TRIUMPH CONTROLS – UK, LTD

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIUMPH CONTROLS – UK, LTD (CONTINUED)

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

TRIUMPH CONTROLS – UK, LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIUMPH CONTROLS – UK, LTD  
(CONTINUED)

**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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**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.

*Ernst & Young LLP*

James Harris (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Southampton

Date: 13/3/2020



## TRIUMPH CONTROLS – UK, LTD.

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 March 2019

	Notes	2019 £	2018 £
REVENUE	4	-	582,426
Cost of sales		-	(630,918)
GROSS LOSS		-	(48,492)
Distribution costs		-	(11,138)
Administrative income/(expenses)		76,882	(283,663)
Waiver of intercompany loan	5	3,290,549	-
OPERATING PROFIT/(LOSS)		3,367,431	(343,293)
Interest payable and similar charges	6	-	(166,125)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	7	3,367,431	(509,418)
Taxation	10	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		3,367,431	(509,418)
		=====	=====

The notes on pages 11 to 20 form part of these financial statements. All operations of the company relate to discontinued activities.

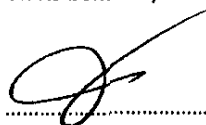
**TRIUMPH CONTROLS – UK, LTD.**  
Company Registration No. 06804329

**STATEMENT OF FINANCIAL POSITION**  
as at 31 March 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Investments	11	42,020,047	42,020,047
<b>CURRENT ASSETS</b>			
Debtors	12	2,645,852	2,174,016
Cash at bank and in hand		-	610,807
		2,645,852	2,784,823
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(197,281)	(128,644)
<b>NET CURRENT ASSETS</b>		2,448,571	2,656,179
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		44,468,618	44,676,226
<b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b>	14	(2,786,027)	(6,361,066)
<b>NET ASSETS</b>		41,682,591	38,315,160
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	2,001	2,001
Share premium account	16	48,820,946	48,820,946
Profit and loss account	16	(7,140,356)	(10,507,787)
<b>SHAREHOLDERS' FUNDS</b>		41,682,591	38,315,160
		=====	=====

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 11 to 20 form part of these financial statements. The financial statements on pages 8 to 20 were approved by the board of directors and authorised for issue on 12<sup>th</sup> March 2020 and are signed on its behalf by:



JAMES F. MCComb DIRECTOR

Dated: 12<sup>th</sup> March 2020

**TRIUMPH CONTROLS – UK, LTD.****STATEMENT OF CHANGES IN EQUITY**  
as at 31 March 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
Balance at 1 April 2017	2,001	48,820,946	(9,998,369)	38,824,578
Loss and total comprehensive income for the year	-	-	(509,418)	(509,418)
Balance at 31 March 2018	2,001	48,820,946	(10,507,787)	38,315,160
Profit and total comprehensive income for the year	-	-	3,367,431	3,360,699
Balance at 31 March 2019	2,001	48,820,946	(7,140,356)	41,675,859
	=====	=====	=====	=====

The notes on pages 11 to 20 form part of these financial statements.

**TRIUMPH CONTROLS – UK, LTD.****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2019****1 GENERAL INFORMATION**

Triumph Controls - UK, Ltd. (the company) was, until June 2017, a trading company involved in the manufacture and sale of aviation control systems and components and is now an intermediate holding company. The company (Company Registration No. 06804329) is a private company limited by shares and it is incorporated and registered in England and Wales. The address of its registered office is Meteor Business Park, Cheltenham Road East, Gloucester GL2 9QL.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. They have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**BASIS OF PREPARATION**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006, and under historical cost convention. The financial statements are prepared in pounds Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1, except where otherwise indicated.

**REDUCED DISCLOSURES**

The company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts for financial instruments measured at amortised cost or cost less impairment, interest income/expense and net gains/losses for financial instruments measured at amortised cost, loan defaults or breaches, and descriptions of hedging relationships.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the company are consolidated in the financial statements of Triumph Group, Inc., a company registered in the United States of America. These consolidated financial statements may be obtained from the directors at 899 Cassatt Road, Suite 210, Berwyn, PA 19312.

**GOING CONCERN**

In preparing the financial statements on a going concern basis, the directors have acknowledged the company's accumulated losses to date. The ultimate parent company, Triumph Group, Inc., has no current intention of withdrawing its support. Therefore, the company will be able to continue its operations and to settle its liabilities as they fall due. The directors have a reasonable expectation that despite current economic uncertainty the company has adequate resources to continue in operational existence for the foreseeable future. On this basis, the directors continue to adopt the going concern basis in preparing the financial statements.

**TRIUMPH CONTROLS – UK, LTD.****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 March 2019**

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****CONSOLIDATION**

The company has taken advantage of the exemption in section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

**REVENUE RECOGNITION**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**FOREIGN CURRENCY TRANSLATION**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the statement of comprehensive income, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**VALUATION OF INVESTMENTS**

Interests in subsidiaries and other group participating interests are initially measured at cost and subsequently measured at cost less accumulated impairment losses.

Interests in subsidiaries and other group participating interests are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

**TRIUMPH CONTROLS – UK, LTD.****NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 March 2019****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****IMPAIRMENT**

Fixed asset investments are subject to review for impairment. Any impairment in the value of such fixed assets is charged to the profit and loss account, as an additional component of amortisation and depreciation charges, as it arises.

Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses are recognised by the amount by which the carrying amount of the net asset exceeds its recoverable amount, which is the higher of fair market value less costs to sell, and its value in use. In calculating value in use, future cash flows are discounted at an interest rate that takes into account the market's assessment of risk-free interest rate adjusted for the risk premium related to the specific asset. For assets dependent on other assets generating cash flows, the recoverable amount is calculated for the income generating unit to which the asset belongs. Impairment losses are reversed if there is a trigger that changes the recoverable amount, with the exception of impairment losses on goodwill.

**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 assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Financial assets***Trade, group and other debtors*

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the statement of comprehensive income for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the statement of comprehensive income.

**TRIUMPH CONTROLS – UK, LTD.**

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 March 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

*Trade, group and other creditors*

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**TRIUMPH CONTROLS – UK, LTD.**

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 March 2019

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SHARE CAPITAL**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**DEFINED CONTRIBUTION PENSION OBLIGATION**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**3 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**4 TURNOVER**

*Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.*

Geographical analysis of turnover:	2019 £	2018 £
United Kingdom	-	291,197
Europe	-	288,122
Rest of the world	-	3,107
	<hr/>	<hr/>
	-	582,426
	=====	=====



## TRIUMPH CONTROLS – UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 March 2019

5	WAIVER OF INTERCOMPANY LOAN		
	In May 2018, intercompany loans notes totalling €3,250,000 with Triumph Controls-Germany GmbH became due. They were not repaid when due and were not renegotiated. Subsequently, Triumph Controls-Germany GmbH decided to waive the loans and all accrued interest with an effective date the same as that on which they were initially due for repayment. As a result, a gain has been recognised in the financial statements of £3,165,508.		
6	INTEREST PAYABLE AND SIMILAR CHARGES	2019 £	2018 £
	Interest payable on loans from group undertakings	-	166,125
		=====	=====
7	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2019 £	2018 £
	The company's profit on ordinary activities before taxation is stated after charging/(crediting):		
	Depreciation on tangible fixed assets	-	10,501
	Loss on disposal of tangible fixed assets	-	10,179
	Royalty expenses	-	20,960
	Foreign exchange (gains)/losses	(122,706)	159,048
	Auditor's remuneration in respect of external audit services	45,000	20,000
	Operating lease rentals	-	253,637
	- leasehold property	-	-
		=====	=====
8	STAFF COSTS	2019 No.	2018 No.
	The average monthly number of employees (including directors) during the year was:		
	Production	-	2
	Administration and support	-	1
	Directors	5	5
		5	8
		===	===
		£	£
	Employment costs for the above staff comprised the following:		
	Wages and salaries	-	75,974
	Social security costs	-	13,295
	Other pension costs	-	1,752
		-	91,021
		=====	=====

## TRIUMPH CONTROLS – UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 March 2019

## 9 DIRECTORS' REMUNERATION

The directors were not directly remunerated for their services to the company during the year (2018: £Nil). The company's directors are also directors for other group undertakings and they are remunerated for their services to the group by other group undertakings. The amount allocated to this company in respect of charges for their services was £Nil (2018: £Nil) due to no significant services being provided to the company by those directors.

10	TAXATION	2019 £	2018 £
	CURRENT TAX CHARGE		
	UK corporation tax	-	-
	DEFERRED TAX CHARGE		
	Origination and reversal of timing differences	-	-
	TOTAL TAX ON PROFIT ON ORDINARY ACTIVITIES	-	-
		=====	=====
	FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
	The tax assessed for the year is lower than (2018: higher than) the standard rate of corporation tax 19% (2018: 19%) as explained below:		
	Profit/(loss) on ordinary activities before taxation	3,367,431(509,418)	
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2018: 19%)	639,812	(96,789)
	Effects of:		
	(Decrease)/increase from tax losses for which no deferred tax asset was recognised	(639,812)	96,789
	TOTAL TAX ON PROFIT ON ORDINARY ACTIVITIES	-	-
		=====	=====

Changes to reduce the UK corporation tax rate to 17% from 1 April 2020 were substantively enacted on September 2016. The Government announced in the budget on 11 March 2020 that it would no longer reduce the corporation tax rate to 17% and instead it would remain at 19%. However, as this change was not substantively enacted at the balance sheet date, and since no material amount is expected to unwind prior to 1 April 2020, any deferred tax as at 31 March 2019 would have been calculated using the 17% tax rate.

## TRIUMPH CONTROLS – UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 March 2019

11	INVESTMENTS	Shares in group undertakings £
	COST	
	1 April 2018 and 31 March 2019	49,270,751
	IMPAIRMENT	
	1 April 2018 and 31 March 2019	7,250,704
	NET BOOK VALUE	
	At 31 March 2019	42,020,047
		=====
	At 31 March 2018	42,020,047
		=====

The company holds more than 20% of the share capital of the following companies:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held Class</i>	<i>%</i>
Triumph Group Holdings – UK, Ltd.	England and Wales	Ordinary	100
Triumph Actuation Systems – UK, Ltd.	England and Wales	Ordinary	100
Triumph Actuation Systems – IOM, Ltd.	Isle of Man	Ordinary	100
Triumph Structures International, Ltd.	England and Wales	Ordinary	100
SBP Holdings Limited	England and Wales	Ordinary	100
Triumph Aerospace Operations UK, Ltd.	England and Wales	Ordinary	100

The registered office address of all of the above companies is the same as Triumph Controls – UK, Ltd., except for Triumph Actuation Systems – IOM, Ltd. which has a registered office address of School Road, Onchan, Isle of Man IM3 4PB.

12	DEBTORS	2019 £	2018 £
	Amounts owed by group undertakings	2,645,853	2,174,016
		=====	=====
13	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019 £	2018 £
	Amounts owed to group undertakings	152,281	128,644
	Accruals	45,000	-
		197,281	128,644
		=====	=====

## TRIUMPH CONTROLS – UK, LTD.

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
for the year ended 31 March 2019

14	CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	2019 £	2018 £
	Amounts owed to group undertakings	2,786,027 =====	6,361,066 =====

The amounts owed to group undertakings due after one year represent loan notes arising from the acquisition of certain shares in group undertakings.

*This includes loan notes held with Triumph Aerospace Operations UK, Ltd. and denominated in Euros at the value of €4,000,000. These loan notes are fixed term for a period of 5 years from the date of issue and bear interest at a rate of six percent per annum, although to date no interest has been charged.*

Previously, amounts owed to group undertakings also included loan notes held with Triumph Controls-Germany GmbH that were denominated in Euros at the value of €3,250,000. These loan notes were fixed term for a period of 5 years from 2 May 2013 and bore interest at a rate of five percent per annum. These loan notes were waived during the year – see note 5.

15	SHARE CAPITAL	2019 £	2018 £
	Allotted, issued and fully paid 2,001 ordinary shares of £1 each	2,001 =====	2,001 =====

## Ordinary share rights

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

## 16 RESERVES

Reserves of the company represent the following:

## Share premium account

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

## Profit and loss account

Cumulative profit and loss, inclusive of amounts released from the revaluation reserve and net of distributions to owners.

**TRIUMPH CONTROLS – UK, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 March 2019**

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**17 CONTROL**

The immediate parent undertaking is Triumph Aerospace Systems Group – UK Ltd, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is Triumph Group, Inc., a company registered in the United States of America that is a worldwide, diversified manufacturer of complex metal components and products.

The consolidated financial statements drawn up for Triumph Group, Inc. are those for both the smallest and the largest group of which the company is a member, and for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Triumph Group, Inc. may be obtained from the directors at 899 Cassatt Road, Suite 210, Berwyn, PA 19312.

**18 RELATED PARTY TRANSACTIONS**

*The company has taken advantage of the exemption given in Section 33 of FRS 102 from the requirement to disclose transactions entered into between two or more members of a group provided that any party to the transaction is wholly owned within that group.*

There were no other related party transactions during the year.