

Registered number 07649574

## **Esterline Technologies French Acquisition Limited**

### **Report and Financial Statements**

26 October 2012

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## Esterline Technologies French Acquisition Limited

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Registered No 07649574

### **Directors**

R Lawrence  
R George  
A Yost

### **Secretary**

Taylor Wessing Secretaries Limited

### **Auditors**

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

### **Bankers**

Bank of America  
London Branch  
2 King Edward Street  
London EC1A 1HQ

### **Solicitors**

Taylor Wessing LLP  
5 New Street Square  
London  
United Kingdom  
EC4A 3TW

### **Registered office**

Taylor Wessing LLP  
5 New Street Square  
London  
United Kingdom  
EC4A 3TW

## Directors' report

The directors present their report and financial statements of the company for the year ended 26 October 2012

### Results and dividends

The company profit for the period, after taxation, amounted to €59,000 (2011 profit of €38,000). The directors do not recommend payment of a dividend by the company.

### Principal activities and review of the business

The company acts as a holding company for European acquisitions and investments made on behalf of the company's ultimate parent, Esterline Technologies Corporation.

### Future developments

The company will continue to serve as a holding company for current investments and a vehicle for future European acquisitions in line with the strategy of its ultimate parent.

### Going Concern

After making an assessment of the company's financial position the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

### Directors and their interests

The directors during the period were as follows:

R Lawrence  
R George  
A Yost

Esterline Technologies Corporation, the company's ultimate parent has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and at the date of signing this report.

### Director's statement as to disclosure of information to auditors

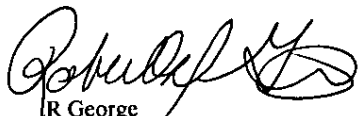
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

## Directors' report (continued)

This report has been prepared in accordance with the special provisions of Part XV of the Companies Act 2006 relating to smaller entities

On behalf of the board

  
R George  
Director

Date 19 Jul '13

Registered No 07649574

## Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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, and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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 Esterline Technologies French Acquisition Limited**

We have audited the report and financial statements of Esterline Technologies French Acquisition Limited for the year ended 26 October 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. 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 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 Statement of Directors' Responsibilities 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 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. 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 26 October 2012 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.

## **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 auditor's report

to the members of Esterline Technologies French Acquisition Limited (continued)

### 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 Directors' Report in accordance with the small companies regime

*Ernst + Young LLP*

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

Date *23/7/2013*

## Profit and loss account

for the year ended 26 October 2012

|  |              | <i>Year<br/>ended<br/>26 October<br/>2012<br/>€000</i> | <i>6 month period<br/>ended<br/>28 October<br/>2011<br/>€000</i> |
|--|--------------|--|--|
|  | <i>Notes</i> |  |  |
| Administrative expenses                              |              | <u>—</u>   | <u>—</u>   |
| <b>Operating profit (loss)</b>                       | 2            | —  | —  |
| Interest receivable and similar income               | 4            | <u>—</u>   | <u>38</u>  |
| <b>Profit on ordinary activities before taxation</b> |              | —  | 38   |
| Taxation credit                                      | 5            | <u>59</u>  | <u>—</u>   |
| <b>Profit for the financial period</b>               |              | <u>59</u>  | <u>38</u>  |

All operations are continuing

## Statement of total recognised gains and losses

There are no recognised gains or losses other than as shown above




## Balance sheet

at 26 October 2012

|  | Notes | 2012<br>€000   | 2011<br>€000  |
|--|-------|----------------|---------------|
| <b>Fixed assets</b>                                  |       |                |               |
| Investments  | 6     | 2,438          | 2,438         |
| <b>Current assets</b>                                |       |                |               |
| <b>Debtors</b> amounts falling due within one year   | 7     | 59             | —             |
| Cash at bank and in hand                             |       | <u>—</u><br>59 | <u>—</u><br>— |
| <b>Creditors</b> amounts falling due within one year |       | <u>—</u>       | <u>—</u>      |
| <b>Net current assets</b>                            |       | <u>59</u>      | <u>—</u>      |
| <b>Net assets</b>                                    |       | <u>2,497</u>   | <u>2,438</u>  |
| <b>Capital and reserves</b>                          |       |                |               |
| Called up share capital                              | 8     | —              | —             |
| Share premium account                                | 9     | 2,400          | 2,400         |
| Profit and loss account                              | 9     | <u>97</u>      | <u>38</u>     |
| <b>Shareholders' funds</b>                           | 9     | <u>2,497</u>   | <u>2,438</u>  |

These financial statements were approved by the board of directors on Jul 19 2013 and were signed on its behalf by

  
R. George  
Director

## Notes to the financial statements

at 26 October 2012

### 1. Accounting policies

#### **Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

The directors consider the functional currency of the company to be Euros as the main financing and cashflows of the company is of that denomination. Accordingly the financial statements have also been presented in Euros

#### **Consolidation**

Group financial statements have not been prepared as the company is a wholly owned subsidiary and is included in the financial statements of a larger group incorporated in the USA with comparable accounting policies and is therefore entitled to take advantage of the exemption granted by section 400-402 of the Companies Act 2006

#### **Statement of cash flows**

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows

#### **Related party transactions**

The company is a wholly owned subsidiary of Esterline Technologies Corporation, the consolidated accounts of which are publicly available. Accordingly the company has taken advantage of the exemption in FRS 8 from disclosing transactions with other wholly owned members of the Esterline group

#### **Fixed asset investments**

Investments are initially recorded at cost. The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

#### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

## Notes to the financial statements

at 26 October 2012

### 1 Accounting policies (continued)

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

### 2. Operating profit

This is stated after charging

|   | <i>Year<br/>ended<br/>26 October<br/>2012<br/>€000</i> | <i>6 month period<br/>ended<br/>28 October<br/>2011<br/>€000</i> |
|---|--|--|
| Auditors' remuneration – audit services | —  | —  |

Auditors remuneration is borne by a fellow subsidiary undertaking

### 3 Employees' and Directors' remuneration

None of the directors received remuneration in respect of qualifying services provided to the company. The Company has no employees other than the directors.

### 4. Interest receivable and similar income

|  | <i>Year<br/>ended<br/>26 October<br/>2012<br/>€000</i> | <i>6 month period<br/>ended<br/>28 October<br/>2011<br/>€000</i> |
|--|--|--|
| Interest receivable on loans from group undertakings | —  | 38   |
| Total interest receivable and similar income         | —  | 38   |

## Notes to the financial statements

at 26 October 2012

### 5. Taxation

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows

|  | <i>Year<br/>ended<br/>26 October<br/>2012<br/>€000</i> | <i>6 month period<br/>ended<br/>28 October<br/>2011<br/>€000</i> |
|--|--|--|
| <i>Current tax</i>                                     |  |  |
| UK corporation tax credit on the profit for the period | <u>59</u>  | <u>—</u>   |
| Total current tax credit (note 5(b))                   | <u>59</u>  | <u>—</u>   |

#### (b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 24.8% (2011 26.8%). The differences are explained below

|   | <i>Year<br/>ended<br/>26 October<br/>2012<br/>€000</i> | <i>6 month period<br/>ended<br/>28 October<br/>2011<br/>€000</i> |
|---|--|--|
| Profit on ordinary activities before tax  | <u>—</u>   | <u>38</u>  |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 24.8% (2011 26.8%) | —  | 10   |
| <i>Effects of</i>   |  |  |
| Losses transferred from group entity  | —  | (10)   |
| Gains transferred from group entity   | <u>(59)</u>  | <u>—</u>   |
| Current tax charge/(credit) for the period (note 5 (a))   | <u>(59)</u>  | <u>—</u>   |

#### (c) Deferred Tax

There are no recognised or unrecognised deferred tax balances

## Notes to the financial statements

at 26 October 2012

### 6. Investments

*Investment in  
subsidiary  
undertakings  
€000*

Cost

At 28 October 2011 and 26 October 2012

2,438

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the balance sheet

Details of investments in main group undertakings at 26 October 2012 were as follows

| <i>Name of<br/>Company</i>                | <i>Nature of Business</i>  | <i>Country of<br/>Incorporation</i> | <i>Percentage<br/>Ownership</i> |
|---|----------------------------|-------------------------------------|---------------------------------|
| Esterline Technologies French Holding SNC | Investment holding company | France                              | 1 01%                           |

### 7 Debtors' amounts falling due within one year

|                                     | <i>2012<br/>€000</i> | <i>2011<br/>€000</i> |
|-------------------------------------|----------------------|----------------------|
| Amounts due from group undertakings | <u>59</u>            | <u>—</u>             |
|                                     | <u>59</u>            | <u>—</u>             |

## Notes to the financial statements

at 26 October 2012

### 8. Share capital

*Allotted, called up and fully paid*

|                            | <i>No</i> | <i>2012<br/>€000</i> | <i>No</i> | <i>2011<br/>€000</i> |
|----------------------------|-----------|----------------------|-----------|----------------------|
| Ordinary shares of €1 each | 100       | <u>—</u>             | 100       | <u>—</u>             |

### 9. Reserves and reconciliation of shareholders' funds

|                                 | <i>Share<br/>Capital<br/>€000</i> | <i>Share<br/>premium<br/>account<br/>€000</i> | <i>Profit<br/>and<br/>loss account<br/>€000</i> | <i>Shareholders'<br/>funds<br/>€000</i> |
|---------------------------------|-----------------------------------|---|---|---|
| At incorporation on 26 May 2011 | —                                 | —   | —   | —                                       |
| Shares issued                   | —                                 | 2,400   | —   | 2,400                                   |
| Retained profit for the year    | <u>—</u>                          | <u>—</u>                                      | <u>38</u>                                       | <u>38</u>                               |
| At 28 October 2011              | —                                 | 2,400   | 38  | 2,438                                   |
| Retained profit for the year    | <u>—</u>                          | <u>—</u>                                      | <u>59</u>                                       | <u>59</u>                               |
| At 26 October 2012              | <u>—</u>                          | <u>2,400</u>                                  | <u>97</u>                                       | <u>2,497</u>                            |

### 10. Ultimate parent undertaking

The directors consider the ultimate parent undertaking and controlling party to be Esterline Technologies Corporation, a company incorporated in the United States of America. Esterline Technologies Corporation is the parent of the smallest and largest group of undertakings of which the company is a member and for which group financial statements are prepared.

The financial statements of the ultimate parent undertaking, which include the company, may be obtained from Esterline Technologies Corporation, 500 108<sup>th</sup> Avenue NE, Suite 1500, Bellevue, WA 98004, USA.