

Esterline Technologies French Acquisition Limited

Report and Financial Statements

31 October 2014



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31/07/2015

#369

COMPANIES HOUSE

Registered No: 07649574

Directors

C Reusser

R George

A Yost

Secretary

Taylor Wessing Secretaries Limited

Auditors

Ernst & Young LLP

Wessex House

19 Threefield Lane

Southampton

SO14 3QB

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

Strategic report

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.

Principal risks and uncertainties

As an investment holding company, the principal risks and uncertainties faced by the Company arise from the underlying trading activity of its subsidiary investments and the resulting input on the value of the investments held, and in the movements in foreign exchange, in particular the US\$ dollars, the GB pound and the Euro. There risks are managed as part of the overall Esterline Group risk management process and set out in more detail in the financial statements of the Esterline Technologies Corporation, the ultimate parent undertaking.

On behalf of the board


R. George
Director

Date: 27 July '15

Registered No. 07649574

Directors' report

The directors present their report and financial statements of the company for the year ended 31 October 2014.

Results and dividends

The company loss for the period, after taxation, amounted to €88,000 (2013: profit of €8,000). The directors do not recommend payment of a dividend by the company.

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:

C Reusser (appointed 5 March 2014)

R George

A Yost

R Lawrence (resigned 5 March 2014)

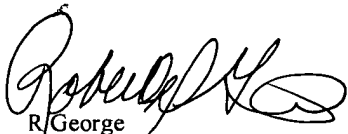
Esterline Technologies Corporation, the company's ultimate parent has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was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

On behalf of the board


R George
Director

Date: 27 July '15

Registered No. 07649574

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 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 financial statements of Esterline Technologies French Acquisition Limited for the year ended 31 October 2014 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 and to identify any information that is apparently inconsistent based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 October 2014 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 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.

Ernst & Young UK

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

Date: *30/7/2015*

Profit and loss account

for the year ended 31 October 2014

		<i>Year ended 31 October 2014 €000</i>	<i>Year ended 25 October 2013 €000</i>
	<i>Notes</i>		
Administrative expenses	2	<u>(9)</u>	<u>(12)</u>
Loss on ordinary activities before taxation		(9)	(12)
Taxation	4	<u>(79)</u>	<u>20</u>
(Loss)/profit for the financial period		<u>(88)</u>	<u>8</u>

All operations are continuing.

Statement of total recognised gains and losses

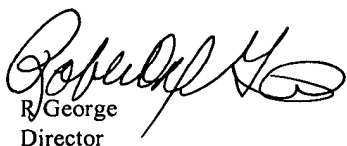
There are no recognised gains or losses other than as shown above

Balance sheet

at 31 October 2014

	Notes	2014 €000	2013 €000
Fixed assets			
Investments	5	2,438	2,438
Current assets			
Debtors: amounts falling due within one year	6	—	79
		—	79
Creditors: amounts falling due within one year	7	(21)	(12)
Net current (liabilities)/assets		(21)	67
Net assets		<u>2,417</u>	<u>2,505</u>
Capital and reserves			
Called up share capital	8	—	—
Share premium account	9	2,400	2,400
Profit and loss account	9	17	105
Shareholders' funds	9	<u>2,417</u>	<u>2,505</u>

These financial statements were approved by the board of directors on 27 July 2015 and were signed on its behalf by:


R. George
Director

Notes to the financial statements

at 31 October 2014

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. Where investments are acquired as part of a group reorganisation and a share-for-share exchange, the investments are recorded at fair value. 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 31 October 2014

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 loss

This is stated after charging:

	<i>Year ended 31 October 2014 €000</i>	<i>Year ended 25 October 2013 €000</i>
Auditors' remuneration – audit services	<u>9</u>	<u>12</u>

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.

Notes to the financial statements

at 31 October 2014

4. Taxation

(a) Tax on loss on ordinary activities

The tax charge/(credit) is made up as follows:

	<i>Year ended 31 October 2014 €000</i>	<i>Year ended 25 October 2013 €000</i>
<i>Current tax:</i>		
UK corporation tax charge/(credit) on the profit for the period	–	(18)
Adjustment in respect of prior periods	<u>79</u>	<u>(2)</u>
Total current tax charge/(credit) (note 4(b))	<u>79</u>	<u>(20)</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 21.83% (2013: 23.42%). The differences are explained below:

	<i>Year ended 31 October 2014 €000</i>	<i>Year ended 25 October 2013 €000</i>
Loss on ordinary activities before tax	<u>(9)</u>	<u>(12)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 21.83% (2013: 23.42%)	(2)	(3)
<i>Effects of:</i>		
Group relief surrendered for nil payment	14	–
Losses transferred from group entity	(12)	(15)
Adjustment relating to prior periods	–	(2)
Adjustment in respect of prior year group relief	<u>79</u>	<u>–</u>
Current tax charge/(credit) for the period (note 4 (a))	<u>79</u>	<u>(20)</u>

(c) Deferred Tax:

There are no recognised or unrecognised deferred tax balances.

Notes to the financial statements

at 31 October 2014

5. Investments

*Investment in
subsidiary
undertakings
€000*

Cost or valuation:

At 25 October 2013 and 31 October 2014

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 directly held investments in group undertakings at 31 October 2014 were as follows:

<i>Name of Company</i>	<i>Nature of Business</i>	<i>Country of Incorporation</i>	<i>Percentage Ownership</i>
Esterline Technologies French Holding SNC	Investment holding company	France	0.50%

6. Debtors: amounts falling due within one year

	<i>2014 €000</i>	<i>2013 €000</i>
Amounts owed by fellow group undertakings	<u>—</u>	<u>79</u>
	<u>—</u>	<u>79</u>

7. Creditors: amounts falling due within one year

	<i>2014 €000</i>	<i>2013 €000</i>
Amounts owed to fellow group undertakings	<u>(21)</u>	<u>(12)</u>
	<u>(21)</u>	<u>(12)</u>

Notes to the financial statements

at 31 October 2014

8. Share capital

Allotted, called up and fully paid

	No.	2014 €000	No.	2013 €000
Ordinary shares of €1 each	100	<u>—</u>	100	<u>—</u>

9. Reserves and reconciliation of shareholders' funds

	Share Capital €000	Share premium account €000	Profit and loss account €000	Shareholders' funds €000
At 26 October 2012	—	2,400	97	2,497
Profit for the period	<u>—</u>	<u>—</u>	<u>8</u>	<u>8</u>
At 25 October 2013	—	2,400	105	2,505
Loss for the period	<u>—</u>	<u>—</u>	<u>(88)</u>	<u>(88)</u>
At 31 October 2014	<u>—</u>	<u>2,400</u>	<u>17</u>	<u>2,417</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 108th Avenue NE, Suite 1500, Bellevue, WA 98004, USA.