Bleriot Finco Limited

Unaudited Financial Statements

Registered number: 12115114

Year Ended 31 December 2021

Contents

Company information

Directors	Gareth Hall Gareth Blackbird Toby Woolrych
Company secretary	Saltgate (UK) Limited
Registered number	12115114
Registered office	27-28 Clement's Lane London United Kingdom EC4N 7AE

Strategic report

The directors present their Strategic Report for the year ended 31 December 2021.

Principal activities

The principal activity of Bleriot Finco Limited ("the Company"), a subsidiary within the wholly owned group headed by Bleriot Finco Holdings Limited ("the Group"), is that of an intermediate holding company, directly holding 100% of the ordinary shares of Bleriot Midco Limited following the acquisition of the Ontic Engineering & Manufacturing UK Limited, Ontic Engineering and Manufacturing Inc. and their associated subsidiaries ("Ontic Group") which occurred on 31 October 2019. The principal activity of the subsidiaries of the holding company is the manufacture of legacy parts and the provision of maintenance, repair and overhaul services for the aviation industry worldwide.

In order to finance the acquisition of the Ontic Group from BBA Aviation PLC, on 31 October 2019 the Company received financing from its immediate parent, Bleriot Finco Holdings Limited, which was subsequently passed down back-to-back to its subsidiary Bleriot Midco Limited by means of an intercompany loan (refer to note 9).

Bleriot Finco Holdings Limited issued an unsecured loan facility of $710.6m repayable in full on its maturity on 31 March 2029. The loan bears interest of 10% per annum and compounds annually on 31 December each year.

Results

For the year ended 31 December 2021 the result of the period amounted to a nil profit (For the period from 22 July 2019 to 31 December 2020: nil profit). The performance of the Company is disclosed within the Group consolidated financial statements available from the address noted in note 12.

Business review

The nil profit during the year was due to the Company incurring intercompany interest with related companies equal and opposite in interest receivable and other similar income and interest expense and other similar charges.

Risks and uncertainties

The key risks facing the Company are the impairment of its investments and non-recoverability of amounts due from subsidiaries caused by trading losses at the operating subsidiary level. These risks are managed by the directors and operating subsidiaries.

The directors consider the principal risk to the subsidiary businesses to be the impact of the Covid-19 pandemic outbreak in early 2020. The impact of Covid-19 on the subsidiary companies has seen a decline in civil revenue in line with reduced demand for civil flights globally. However, to mitigate this ongoing risk the business has successfully focused its resources towards improving military revenue streams. In 2021 this trend continued but civil flights are now starting to increase globally. The Directors are satisfied that as the economy recovers and travel opens up, the civil revenue stream will continue. Given the businesses have remained in operation throughout the period and the Group has considerable financial resources and strong relationships with key licensor partners, customers and suppliers, the directors believe Ontic ROW and the Company are well placed to manage their business risks successfully and the impact of the Covid-19 pandemic outbreak.

Credit risk

The Company's principal assets are investments in subsidiary companies. The Company also has receivables that primarily relate to other group companies. Any impairment arising on these is recognised based on comparisons to the recoverable amount and solvency/liquidity of these undertakings.

Liquidity risk

The Company's funding requirements are under constant review. Funding is through intercompany loans which are payable on a long-term basis.

Currency risk

The Company has minimal currency risk.

Strategic report (continued)

Section 172(1) Statement

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company, under section 172.

The Board always aims to act in the best interests of the Company, and to be fair and balanced in its approach. The needs of different stakeholders are always considered as well as the consequences of any decision in the long-term and the importance of our internally published high standards of business conduct. More specific information is given in sub-paragraphs (a) to (f), which correspond to the individual factors disclosed under Section 172(1).

a. Long-term decision making

The Board maintains oversight of the Company's performance, and reserves to itself specific matters for approval. In addition to this, any major decisions with long-term implications, including significant new business initiatives, would need shareholder approval under the Company Articles of Association, to ensure that the business decisions taken locally are in alignment with the long-term strategy of the Company. Any decisions approved either locally or by the Shareholders, are then implemented, with subsequent Board oversight to ensure these are in accordance with the agreed strategy.

b. Stakeholders: Employees

The Company has no employees, other than the directors.

c. Stakeholders: Customers, Suppliers, Others

As a holding company, the Company does not trade.

d. Stakeholders: Community & Environment

As a holding company, the Company does not undertake community and environmental engagement.

e. Reputation for high standards of business conduct

The Board is responsible for developing the corporate culture across the Company, which promotes integrity and transparency. The Company uses the same comprehensive systems of corporate governance and approves policies and procedures which promote corporate responsibility and ethical behaviour, as are implemented within the Company and its subsidiaries. Central to these policies is the Code of Conduct. This applies to all Directors and employees and is embedded into the Company's operations.

f. Acting fairly as between members of the Company

The Board aims to understand the views of its shareholder and always to act in their best interests. In order to do this, the Board works closely with the principal shareholder on a regular basis to ensure operations, strategy and performance are aligned with the long-term objectives of the shareholders, while complying with the Articles of Association of the Company.

Future developments

The directors believe that despite the risks set out above, the Company will continue its long-term growth pattern and will be able to grow in both market share and profitability.

Strategic report (continued)

Key performance indicators

The Company has not identified particular key performance indicators due to its nature being an intermediate holding company.

Approved by order of the board and signed on its behalf by,

DocuSigned by:

Gareth Hall

Gareth Ian Hall
Director
30 September 2022

Directors' report

The directors present their directors' report and the unaudited financial statements for the year ended 31 December 2021.

Future developments and events after the balance sheet date

Details of future developments can be found in the Strategic Report. There were no relevant events after the balance sheet date save for the ongoing impact of the Covid-19 pandemic outbreak, considerations of which have been included in the Company's going concern disclosure.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2021.

Financial risk management

Financial risk management is undertaken at a Group level with no external financial instruments utilised by the Company as it holds no external debt.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

Since the first quarter of 2020, the Company, its subsidiaries, and the Ontic ROW and wider Group have been faced with the Covid-19 pandemic outbreak. Due to the nature of the business, in support of military operations in both the US and UK, the business was deemed a critical operation. All of the facilities have remained operational throughout this period. In addition, the Group has considerable financial resources and strong relationships with key licensor partners, customers and suppliers. As a consequence, the directors believe that the Group and the Company are well placed to manage their business risks successfully and the impact of the Covid-19 pandemic outbreak.

Although the Company is not subject to the uncertainties of a trading business the Company is reliant on the performance of Ontic Group to support future cashflows. Amounts owed to group undertakings in current liabilities are unsecured, interest free, have no fixed date of repayment and are repayable on demand, however there is no expectation that these balances will be recalled within the next 12 months. The parent undertaking Bleriot Finco Holdings has also guaranteed all outstanding liabilities to which the subsidiary company is subject at the end of the financial year in accordance with Section 479A of the Companies Act.

The Group has been assessed as a going concern due to the following:

- Ontic ROW has been assessed as a going concern due to its strong financial performance and position, the strength of its orderbook and its relationships with key licensor partners, customers and suppliers. Ontic ROW is therefore well-placed to settle their liabilities when they become due.

- Ontic US, comprised of Ontic Engineering and Manufacturing Inc., Firstmark Aerospace Corp, Firstmark Service Corp, Firstmark Corp, Twin Commander Aircraft LLC, Centroid Inc and Aircraft Belts Inc has been assessed as a going concern for the same reasons applicable to Ontic ROW and therefore there is no expectation that external loan covenants in relation to external financing held by Ontic US parent Bleriot US Bidco, Inc would be breached and therefore no indication that the availability of finance to Bleriot Bidco Limited, a subsidiary of Bleriot Midco Limited, would be put at risk.

The directors have reviewed the Company's forecasts and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Company continues to adopt the going concern basis of accounting for the preparation of its financial statements.

Directors' report (continued)

Directors and directors' interests

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

Gareth Hall	(appointed 26 February 2021)
Gareth Blackbird	(appointed 26 February 2021)
Anoop Kang	(appointed 26 February 2021 and resigned 14 June 2021)
Conor Keogh	(appointed on 22 July 2019 and resigned 26 February 2021)
James Mahoney	(appointed on 22 July 2019 and resigned 26 February 2021)
Toby Woolrych	(appointed on 25 April 2022)

The interests of the directors are disclosed in the directors' report of the parent company. None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the Company.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Political contributions

No political contributions were made during the period.

Audit exemption

The directors have taken advantage from exemption from audit under the parent company guarantee provisions of 479A of the Companies Act 2006.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board and signed on its behalf by,

DocuSigned by:

Gareth Hall

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Gareth Ian Hall
Director
30 September 2022

Directors' responsibilities statement in respect of the annual report and the financial statements

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 period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures, disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Statement of profit and loss and other comprehensive income

For the year ended 31 December 2021

	Note	Year ended 31 December 2021 $m	Period ended 31 December 2020 $m
Interest receivable and other similar income	5	80.9	85.4
Interest expense and other similar charges	6	(80.9)	(85.4)
Profit/(loss) before tax		-	-
Tax (expense)/credit		-	-
Profit/(loss) for the period		-	-

All amounts relate to continuing activities. There are no items of other comprehensive income other than those reflected in the statement of profit or loss. Accordingly, no separate statement of other comprehensive income is presented.

The notes on pages 13 to 20 are an integral part of these financial statements.

Statement of financial position

As at 31 December 2021

	Note	As at 31 December 2021 $m	As at 31 December 2020 $m
Non-current assets			
Investment in subsidiaries	7	7.2	7.2
Trade and other receivables	8	877.0	796.1
Total assets		884.2	803.3
Non-current liabilities			
Borrowings	9	(877.0)	(796.1)
Total liabilities		(877.0)	(796.1)
Net assets		7.2	7.2
Equity			
Share capital	10	0.1	0.1
Share premium	*10*	7.1	7.1
Retained earnings	10	-	-
Total shareholders' funds		7.2	7.2

The notes on pages 13 to 20 are an integral part of these financial statements.

For the year ended 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and were signed on its behalf by:

DocuSigned by:

Gareth Hall

Gareth Ian Hall
Director

Company Registration Number: 12115114

Statement of changes in equity

For the year ended 31 December 2021

	Note	Share Capital $m	Share Premium $m	Retained Earnings $m	Total $m
Loss and total comprehensive income for the period		-	-	-	-
Proceeds from shares issued	10	0.1	7.1	-	7.2
Balance at 31 December 2020		0.1	7.1	-	7.2
Balance as at 1 January 2021		0.1	7.1	-	7.2
Loss and total comprehensive income for *the period*		-	-	-	-
Balance at 31 December 2021		0.1	7.1	-	7.2

Notes to the financial statements

1. Accounting policies and presentation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

Reporting entity

Bleriot Finco Limited (the "Company") is registered in England and Wales under the Companies Act 2006 and is a private company limited by shares. The Company's registered office is 27-28 Clement's Lane, London, United Kingdom, EC4N 7AE.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and on the historical cost basis. The amendments to FRS 101 (2019/20 Cycle) issued in May 2020 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has elected to present the balance sheet under IAS 1.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of financial instruments;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following:

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets.
- Certain disclosures required by IFRS 3 in respect of business combinations.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

New interpretation mandatorily effective for the current period

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IFRS 9 , IAS 39, IFRS 4 and IFRS 7 Interest Rate Benchmark Reform (applicable for annual periods beginning on or after 1 January 2021)
- Amendments to IFRS 16 Covid-19 Related Rent Concessions beyond 30 June 2021

Notes to the financial statements (continued)

1. Accounting policies and presentation (continued)

Consolidation

The company is a wholly owned subsidiary of Bleriot Finco Holdings Limited and of its ultimate parent, Bleriot Holdings Jersey Limited. The largest (and smallest) group in which the results of the company are consolidated and made publicly available is that headed by Bleriot Finco Holdings Limited, incorporated in England and Wales, and registered at 27-28 Clement's Lane, London, United Kingdom, EC4N 7AE. Therefore the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

Foreign currency translation

(a) Functional and presentational currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The financial statements are presented in 'United States Dollar' ($), which is also the company's functional currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit and loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Operating loss

Operating loss is stated before investment income and finance costs.

Interest payable

Interest payable comprises of interest payable on intercompany borrowings calculated using the effective interest rate method.

Interest receivable

Interest receivable comprises of interest receivable on intercompany lending calculated using the effective interest rate method.

Financial assets and liabilities

Financial assets: Interest-bearing financial assets are initially recognised at fair value. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Borrowings: Interest-bearing loans and overdrafts are initially recorded at fair value, which equates to proceeds less direct issue costs at inception. Subsequent to initial recognition, borrowings are measured at amortised cost, using the effective interest rate method. Any difference between the proceeds, net of transaction costs, and the amount due on settlement is recognised in the profit and loss over the term of the borrowing.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. A provision for impairment is held against financial assets based on expected credit losses as required by IFRS 9.

Notes to the financial statements (continued)

1. Accounting policies and presentation (continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the financial statements (continued)

1. Accounting policies and presentation (continued)

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity or in other comprehensive income. The charge for taxation is based on the profit for the period and comprises current and deferred taxation.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax is calculated at tax rates which have been enacted or substantively enacted as at the balance sheet date.

Deferred taxation takes into account taxation deferred due to temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is accounted for using the balance sheet liability method and is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at tax rates which have been enacted or substantively enacted at the balance sheet date and that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the combined income statement, except when it relates to items charged or credited to the combined statement of comprehensive income, in which case the deferred tax is also dealt with in the combined statement of comprehensive income.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

Since the first quarter of 2020, the Company, its subsidiaries, and the Ontic ROW and wider Group have been faced with the Covid-19 pandemic outbreak. Due to the nature of the business, in support of military operations in both the US and UK, the business was deemed a critical operation. All of the facilities have remained operational throughout this period. In addition, the Group has considerable financial resources and strong relationships with key licensor partners, customers and suppliers. As a consequence, the directors believe that the Group and the Company are well placed to manage their business risks successfully. In 2021, the Group has demonstrated significant resilience and delivered a stable performance despite the impact of the Covid-19 pandemic.

Although the Company is not subject to the uncertainties of a trading business and the Company is in a net asset position, the Company is reliant on the performance of Ontic Group to support future cashflows. Amounts owed to group undertakings in current liabilities are unsecured, interest free, have no fixed date of repayment and are repayable on demand, however as set out below there is no expectation that these balances will be recalled within the next 12 months. A letter of guarantee has been provided between Bleriot Finco Holdings Limited and Bleriot Finco Limited. Bleriot Finco Holdings Limited has committed to provide support and has guaranteed that any subsidiary companies of Bleriot Finco Holdings Limited will not demand repayment of loans made or funds advanced until such a time the Company is able to repay the funds.

The Group has been assessed as a going concern due to the following:

- Ontic ROW has been assessed as a going concern due to its strong financial performance and position, the strength of its orderbook and its relationships with key licensor partners, customers and suppliers. Ontic ROW is therefore well-placed to settle their liabilities when they become due.

- Ontic US, comprised of Ontic Engineering and Manufacturing Inc., Firstmark Aerospace Corp, Firstmark Service Corp, Firstmark Corp, Twin Commander Aircraft LLC, Centroid Inc and Aircraft Belts Inc has been assessed as a going concern for the same reasons applicable to Ontic ROW and therefore there is no expectation that external loan covenants in relation to external financing held by Ontic US parent Bleriot US Bidco, Inc would be breached and therefore no indication that the availability of finance to Bleriot Bidco Limited, a subsidiary of Bleriot Midco Limited, would be put at risk.

Notes to the financial statements (continued)

1. Accounting policies and presentation (continued)

The directors have reviewed the Company's forecasts and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Company continues to adopt the going concern basis of accounting for the preparation of its financial statements.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying 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 review 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.

Critical judgements in applying the accounting policies

In preparing the financial statements, the directors have made no critical judgments.

Key sources of estimation uncertainty

Assessment of investment and intercompany receivable balances for impairment

Investments in subsidiary undertakings are stated at cost less accumulated provisions for impairment. Intercompany receivables are stated at amortised cost. The directors assess annually whether there are any indicators of impairment by considering the expected future profitability and cash generation of each business unit.

In relation to the current period, the directors consider that given that Ontic ROW and Ontic US are profitable and in a cash-*generative position, with a strong financial position and strong orderbook, there are no indicators of impairment. The directors also* prepared calculations of value-in-use for ROW and Ontic US, that were based on the discount rate of 9.3-10.1%, growth rate for revenue of 3-7%, forecast of direct margins, operating and capital expenditures. The terminal growth rate applied in this assessment was 3%. The directors concluded that the value in use was in excess of the carrying value of investments and intercompany receivables balance.

3. Staff numbers and costs

There were no employees during the period apart from the directors.

The emoluments of the directors who are also directors of the Group are disclosed within the accounts of the Group parent. The directors provided no qualifying services to the Company during the period for which they were remunerated.

4. Auditors' remuneration

In 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The amount attributable to the Company for the audit of the Group's financial statements is nil (2020: $5,000).

Notes to the financial statements (continued)

5. Interest receivable and other similar income

	Year ended 31 December 2021 $m	Period ended 31 December 2020 $m
Interest receivable on intercompany loans (note 8)	80.9	85.4
Interest receivable and other similar income	80.9	85.4

6. Interest payable and other similar charges

	Year ended 31 December 2021 $m	Period ended 31 December 2020 $m
Interest payable on intercompany loans (note 9)	(80.9)	(85.4)
Interest payable and other similar charges	(80.9)	(85.4)

7. Investment in subsidiaries

	Shares in group undertakings 2021 $m
At 1 January 2021 and 31 December 2021	7.2

The directors have considered the investments in subsidiary undertakings for impairment by comparing the carrying amount to the value in use and have concluded that no impairment is required.
At 31 December 2021 the direct subsidiary undertakings of the Company was as follows:

Name	Country of incorporation	Class of share	Holding	Principal activity
Bleriot Midco Limited	England and Wales	Ordinary	100%	Holding company

The consideration exchanged for the incorporation share capital of Bleriot Midco Limited was $100 for 100 ordinary shares at par value of $1 per share.

Notes to the financial statements (continued)

8. Trade and other receivables

	2021 $m	2020 $m
Amounts falling due after more than one year:		
Intercompany loan due from Bleriot Midco Limited	877.0	796.1
Total trade and other receivables	877.0	796.1

The intercompany loan between the Company and Bleriot Midco Limited is unsecured and interest accrues at a fixed rate of 10% per annum. The termination date of the intercompany loan is 31 March 2029.

9. Borrowings

	2021 $m	2020 $m
Intercompany loan from Bleriot Finco Holdings Limited	877.0	796.1
Total borrowings	877.0	796.1

In order to finance the acquisition of the Ontic Group from BBA Aviation PLC, on 31 October 2019 the Company received financing from its immediate parent, Bleriot Finco Holdings Limited, which was subsequently passed down to its subsidiary Bleriot Midco Limited by means of an intercompany loan (refer to note 8).

Bleriot Finco Holdings Limited issued an unsecured loan facility of $710.6m repayable in full on its maturity on 31 March 2029. The amount presented in the balance sheet is the sum of the initial loan principal of $710.6m and accumulated accrued interest, less any repayments made. The loan bears interest of 10% per annum and compounds annually on 31 December each year.

	2021 $m	2020 $m
Amount due for settlement after 12 months:		
Intercompany loan from Bleriot Finco Holdings Limited	877.0	796.1
	877.0	796.1

Included within the intercompany loan from Bleriot Finco Holdings Limited is an amount repayable after five years of $877.0m.

Notes to the financial statements (continued)

10. Equity

	2021 $m	2020 $m
Share capital	0.1	0.1
Share premium	7.1	7.1
Total	7.2	7.2

Upon incorporation, Bleriot Finco Limited issued 100 ordinary shares of $1 nominal value at par for consideration of $100.

All share capital has been authorised, issued and fully paid. All ordinary shares have voting rights attached and have the right to participate in the profits of the company.

The nature and purpose of each reserve within equity are:

- *Share premium - Amounts subscribed for share capital in excess of nominal value less any associated issue costs that have been* capitalised.
- Retained earnings - All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

11. Related party transactions

The company took advantage of the exemption under FRS 101 from disclosing transactions with wholly owned subsidiaries of the Group.

12. Ultimate parent company

The company is a subsidiary of Bleriot Finco Holdings Limited, incorporated in the UK. The ultimate parent company is Bleriot Holdings Jersey Limited, incorporated in Jersey. The directors believe that there is no ultimate controlling party given the diverse shareholdings of Bleriot Holdings Jersey Limited.

The largest (and smallest) group in which the results of the company are consolidated is that headed by Bleriot Finco Holdings *Limited, incorporated in England and Wales, and registered at 27-28 Clement's Lane, London, United Kingdom, EC4N 7AE. The* consolidated financial statements of the Group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.