

Company Registration No. 00140449 (England and Wales)

**AMSAFE BRIDPORT LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2020**



# AMSAFE BRIDPORT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr L J Stork Ms L A Sabol Mr J C Ashton
<b>Company number</b>	00140449
<b>Registered office</b>	The Court West Street Bridport Dorset DT6 3QU
<b>Auditor</b>	Ernst & Young LLP Grosvenor House Grosvenor Square Southampton Hampshire SO15 2BE
<b>Bankers</b>	Royal Bank of Scotland Vantage Point Woodwater Park Pynes Hill Exeter EX2 5FD
<b>Solicitors</b>	Burges Salmon One Glass Wharf Bristol BS2 0ZX

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# AMSAFE BRIDPORT LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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The directors present the strategic report for the year ended 30 September 2020.

The company is engaged in the design, manufacture, repair and distribution of safety and securement products for the aviation, speciality vehicle and military markets. Major products include restraint systems for the commercial and general aviation industries, nets and other cargo control products for use in connection with civil and military air freight.

#### Review of the business

The results for the year are given in the statement of comprehensive income on page 14.

AmSafe Bridport Limited generated an operating profit of £10,537,000 (2019: £21,125,000) on sales of £45,496,000 (2019: £53,289,000).

The company is due \$63,214,000 (2019: \$48,758,000) from its immediate US parent company, upon which interest is chargeable at 0.5% above USD LIBOR. The fluctuation in exchange rate influences the GBP value of this debt. These movements were responsible for a loss on exchange of £2,438,000 (2019: an exchange gain of £6,698,000) debited (2019: credited) to profit and loss within administrative expenses.

Total revenue reduced by £7,793,000 or 14.6% in 2020 compared to the prior year. The Feltham facility was heaviest hit by the impact of COVID-19 in 2020, generating revenue of £12,545,000, a decline of £6,024,000 or 32% in the aviation seat belt repair market, compared to the prior year. This was due to the reduction in commercial flights, because of COVID-19 restrictions, which in turn has led to many airlines retiring aircraft early, or delaying and cancelling orders for new aircraft.

During September 2020, prior to the year-end, the business announced that in order to reduce costs, the company planned to close the seat belt repair operations based in Feltham. A consultation period with employees commenced on 1st September 2020. Subsequent to year end, plans for the closure were finalised and implemented from 30th September 2020. The provision for costs associated with closure has been recorded in these financial statements including £523,000 redundancy costs and short term retention bonuses for 40 staff, £459,000 costs associated with the building lease and repairs and £134,000 for impairment of assets.

At the Bridport facility, where the impact of COVID-19 was less severe, production deliveries and design work for the Airbus A400M aircraft continued in 2020 though at a reduced rate with revenue reduced by £750,000 or 16% to £3,976,000, in line with Airbus build rates. Aftermarket sales for A400M reduced by £770,000 to £483,000. Boeing KC-46 Tanker Main Deck Barrier and Smoke Barrier revenue, OEM and Aftermarket, increased by £1,439,000 or 27% to £6,706,000.

Thermal Cover sales, predominantly to pharmaceutical companies for sea freight shipments, nearly doubled from £2,128,000 in 2019 to £4,188,000 in 2020.

Sales of pallet nets and helicopter underslung nets to defence organisations, including the UK Ministry of Defence, reduced from £4,265,000 in 2019 to £3,776,000 in 2020.

# **AMSAFE BRIDPORT LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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#### **Outlook and future developments**

The circumstances resulting from COVID-19 are expected to have a significant impact on the trading performance in the year ended 30 September 2021. There is no immediate certainty around the severity and duration of the impact on the business. Following Government "lock down" measures, introduced in March 2020 in the UK and across Europe, we have seen a market decline in our activities, with 2021 total revenue levels for the company expected to be approximately 30% lower than 2020 levels. We have taken steps to reduce outgoings and to utilise various Government Job Retention Scheme grants and initiatives to furlough staff where appropriate. Capital expenditure projects have been deferred and the company and wider Transdigm Group is taking a prudent and vigilant approach on all expenditure.

Within the Aviation division, the company took the decision to close the Feltham facility, which happened at beginning of January 2021, with all remaining seat belt repair operations moving to Phoenix. Revenue is expected to reduce to £2,070,000 in 2021 (2020: £12,545,000) representing sales from October to December 2020 only.

Within the Netting division based at Bridport, the impact on 2021 revenues will be less, with revenues for 2021 expected to be approximately £4,400,000 or 14% lower than 2020 levels. This was in part due to the loss of the Thermal Cover distribution contract in January 2021 resulting in a reduction in sales of £1,641,000 that was not COVID-19 related. The broad portfolio of commercial and defence products has somewhat mitigated the impact of COVID-19 on its activities. Cost cutting measures continued during 2021 including limited travel and marketing activity.

AmSafe Bridport remains the supplier of choice for military cargo freight nets and equipment. The current contract with the UK Ministry of Defence expired on 31st December 2021 and AmSafe Bridport Limited is currently responding to a tender for a 7-year sole source contract to replace this. The business continues to expand its product portfolio, working closely with Airbus (A400M) and Boeing (KC-46 Tanker) programs and its portfolio of Belly Hold Nets and Under-floor restraints for passenger aircraft feature on every Airbus platform.

Cost base scrutiny continues to enable the company to remain competitive in its chosen markets along with manufacturing at the group's low-cost facility in Sri Lanka. Productivity improvements; high quality standards and on-time delivery are vital to ensuring the company remains competitive in the market place in which it operates.

#### **Principal risks and uncertainties**

The decline in turnover from the impact of COVID-19 is expected to have an impact on the company's liquidity reserves. Cashflow and liquid reserves are managed centrally at a parent company level and the parent company has committed to providing sufficient liquidity to manage through the impact on the group's ability to meet its financial commitments.

The company's activities expose it to a number of financial risks, however the breadth of the company's products has always been a considerable benefit in mitigating the worst effects of macro-economic uncertainty and there is no reason to believe that this will not remain to be the case in the years ahead, as the global economy recovers from the impact of COVID-19.

The directors consider foreign exchange movements to be a risk area. The company principally trades in Sterling, US Dollars and Euro. It does not enter into any forward contracts to buy and sell currency and partially benefits from a natural hedge for US Dollar income in purchasing raw materials in that currency. The company does not deal in any financial instruments for speculative purposes.

The company remains vigilant to the influence of low-cost competitors, particularly in emerging markets and secures advantage by the global reach of the AmSafe organisation as a whole.

# AMSAFE BRIDPORT LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### **Director's duties to stakeholders (Section 172(1) statement)**

The directors are aware of their duty under S 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The directors of the company have sought to balance the needs of its members with the S 172 matters throughout the year, for example in the policies and practices which run through the company, ensuring that the company's reputation for high standards of conduct are maintained and the company engages regularly with their employees.

The directors of the company have a duty to promote the success of the company, and it relies on smooth operations and the support and joint efforts of stakeholders. Thus, effective communication and interaction are indispensable in the company's business operations. AmSafe Bridport Limited is aware of the importance of stakeholder opinions, and understands and responds to relevant stakeholders and their concerns.

We identified the most important stakeholders based on past stakeholder communications. We contact these stakeholders through regular/ad hoc channels to ensure comprehensive communications.

#### *Engagement with employees*

The directors recognise that our employees are one of our most valuable assets. As a company AmSafe Bridport Limited has a proud history and has many long serving employees, some of whom have been with the company for more than 30 years. Long service is rewarded and celebrated at AmSafe Bridport Limited.

There is a Site Steering Committee that meets with the directors regularly to discuss matters that are important to the employees. The Site Steering Committee includes representation from all areas of the organisation.

We are committed to recruiting training and retaining the best talent we can find. We set up strict selection procedures and standards in place to ensure non-discrimination in our employment policy. We provide employees with comprehensive training and career development opportunities. We conduct departmental and external professional training.

#### *Engagement with suppliers, customers and others in a business relationship with the company*

##### *Suppliers*

AmSafe Bridport Limited works with its supplier base to ensure its operations can be carried out as efficiently as possible, recognising that our success is dependent upon that of our supply chain. We work with suppliers to give them maximum possible vision of our relevant requirements, and ensure that invoices are paid in a timely manner.

##### *Customers*

AmSafe Bridport Limited works with its customers to ensure that our products are designed and manufactured to meet their current and future needs. We aim to deliver products of the highest quality and performance to meet our customer's high expectations.

##### *Others*

AmSafe Bridport Limited works with relevant tax authorities, government bodies and regulators to ensure the highest levels of compliance with regulations.

**AMSAFE BRIDPORT LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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On behalf of the board



.....  
Mr L J Stork  
Director

Date: 2-2-22.....

# AMSAFE BRIDPORT LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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The directors present their report and financial statements for the year ended 30 September 2020.

#### Results and dividends

The results for the company are set out in the statement of comprehensive income on page 14.

A final dividend of £9,887,000 was paid in the year (2019: £14,049,000).

#### Going concern

In light of the impact COVID-19 is expected to have on the company's cash flows and operations, the company's ultimate parent undertaking, Transdigm Group Inc., has confirmed in writing that they will continue to support the company in order to allow the company to satisfy its financial obligations in the normal course of business at least through to 2 February 2023.

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. The financial position of the company together with its cash flows, liquidity position and borrowing facilities, factoring in the likely impact of COVID-19, have been reviewed by the directors.

Given the company's financial position and the continued parental support, the directors expect that the company will be able to meet its liabilities as they fall due for the foreseeable future, being at least 12 months after the approval of the financial statements. Further information on this is given in basis of preparation paragraph in note 1 to these financial statements. Consequently the financial statements of the company are prepared on the going concern basis.

#### Principal activities

The principal activity of the company continued to be that of the design, manufacture, repair and distribution of safety and securement products for the aviation, speciality vehicle and military markets.

#### Directors

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

Mr L J Stork	
Mr J M Abbott	(Resigned 1 February 2021)
Mr J D Crandall	(Resigned 16 October 2019)
Ms L A Sabol	(Appointed 16 October 2019)
Mr J C Ashton	(Appointed 13 September 2021)

# **AMSAFE BRIDPORT LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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#### **Employment policies**

The company seeks to ensure that employees at all levels are knowledgeable about the progress and development of the business in which they work and the overall performance of the company. The communication is by the means best suited to the individual style of each operation, and includes consultative committees and briefing groups.

It is the company's policy to employ the most suitably qualified people, regardless of sex, ethnic origin, age or religion.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The company identifies the training requirements that result from its business development plans. Training is implemented after discussion with the individuals concerned, taking into account their needs and career aspirations.

The management of the company includes a regular review of our responsibilities for the health, safety and welfare of employees and others associated with the business.

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Future developments**

The outlook and future developments of the Company are set out in the Strategic Report.

#### **Auditor**

The auditor, Ernst & Young LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Energy and carbon reporting**

##### **Introduction**

As AmSafe Bridport Limited (AmSafe) is classified as a large unquoted company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, it needs to comply with the new government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR).

To fulfil this, we have measured our UK energy and greenhouse gas emissions as classified within Scope 1, Scope 2 and mandatory elements of Scope 3 emissions of the Streamlined Energy and Carbon Reporting (SECR) regulations, which are presented in tables 1, 2 and 3 as these are material to our organisation's activities.

##### **Organisational and operational boundaries of the Company**

AmSafe's structural and operational boundaries are the same. The Company is operating from two sites within UK, where the Company is responsible for the energy consumption:

- The Court, West Street, Bridport, Dorset, DT6 3QU
- Unit V1, Forest Rd, Feltham, TW13 7EH

##### **Environmental Performance**

AmSafe decided to follow and adapt, for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol – Corporate Standard methodology. As at 30 September 2020 the Company's energy usage and associated carbon emissions for the year, 1 October 2019 to 30 September 2020 were as follows:

# AMSAFE BRIDPORT LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

Total energy consumption and associated greenhouse gas emissions from Scope 1 and for SECR Year 1 reporting period

Energy Type:		Energy Use (kWh)	% Split (KWh)	Emissions (tCO2e/yr.)	% Split (tCO2e)
Combustion of gas	(Scope 1)	693,025	25.44%	161.6	30.03%
Electricity	(Scope 2)	1,952,793	71.69%	359.1	66.74%
Combustion of LPG	(Scope 1)	49,779	1.83%	10.7	1.98%
Transport	(Scope 1 & 3)	28,282	1.04%	6.7	1.25%
<b>Total</b>	<b>(Scope 1 and 2)</b>	<b>2,723,879</b>	<b>100.00%</b>	<b>538.1</b>	<b>100.00%</b>

#### Intensity ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. AmSafe has chosen to compare overall energy consumption and associated emissions against annual turnover and the number of full-time employees for the 2019-20 financial year.

**Intensity Ratio - Energy consumption and associated greenhouse gas emissions per £100,000 of annual turnover**

Total energy consumption (kWh)	Total GHG emissions (tCO2e)	Annual turnover (£)	Intensity ratio (kWh / £100,000 of turnover)	Intensity ratio (tCO2e/£100,000 of turnover)
2,723,879	538.1	45,382,000	6,002.11	1.186

**Intensity Ratio - Energy consumption and associated greenhouse gas emissions per the number of full-time employees**

Total energy consumption (kWh)	Total GHG emissions (tCO2e)	Number of Full Time Employees (-)	Intensity Ratio (kWh/Full Time Employee)	Intensity Ratio (tCO2e/Full Time Employee)
2,723,879	538.1	140	19,456.3	3.843

Energy intensity ratios are calculated and presented as advised by the Department of Business Energy and Industry Strategy (BEIS) recommendations.

#### Energy Efficiency Actions

Due to the COVID-19 pandemic AmSafe has not been able to undertake any actions to improve its energy efficiency in the 2020 period. However, as a consequence of increased home working and reduced business travel AmSafe's carbon emissions are likely to be lower than in previous years. AmSafe will consider what actions it is able to carry out during 2020-21 financial year.

# AMSAFE BRIDPORT LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### Methodology

The methodology used for determining energy and carbon emissions originates from a number of sources of greenhouse emissions:

- Natural gas used for building heating and domestic hot water (Scope 1)
- LPG used in the Tarian dye house
- Electricity used for lighting, heating, ventilation and air conditioning (HVAC), and the operation of office equipment (Scope 2)
- Transport activities (Scope 1 and 3)

The gas consumption is obtained from accurate and verifiable monthly invoice data from automated meter readings for both sites where AmSafe is directly responsible for the energy use.

The electricity consumption for Bridport uses accurate and verifiable half hourly data where AmSafe is directly responsible for the energy use, however the electricity consumption within Feltham has been estimated based on the unit floor area and BEES energy consumption benchmarks (Industrial sector workshops category has been used) as the electricity data was not available.

Transport emissions were determined from the Company's expense claim system using the mileage travelled, fuel used and engine size range of the vehicles on business in Company vehicles and in personal vehicles (grey fleet). This data was used to convert the mileage figures into carbon dioxide equivalent emissions using Government published conversion factors appropriate to the fuel used and engine size.

GHG emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2020 as most of the Company's financial year falls in 2020.

### Energy and Carbon Conversion Factors, gas, electricity and company car

Activity	Fuel	Unit	Year	kgCO <sub>2</sub> e
Combustion of Gas	Natural Gas	kWh	2020	0.18387
Combustion of LPG	LPG	kWh	2020	0.2145
Grid supplied electricity	Electricity: UK	kWh	2020	0.23314

Fuel	Car size	Conversion factor (Kg/mile)
Diesel	Small	0.22082
Diesel	Medium	0.26775
Diesel	Large	0.32863
Petrol	Small	0.23877
Petrol	Medium	0.30029
Petrol	Large	0.44752
LPG	Small	0.28721
Average car		0.2758

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they should have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# AMSAFE BRIDPORT LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### **Matter of strategic importance**

The directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company. It has done so in respect of financial risk management policies and future developments.

On behalf of the board



.....  
Mr L J Stork  
Director

Date: 2-2-22 .....

# **AMSAFE BRIDPORT LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The directors are responsible for preparing the Strategic Report and 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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 AMSAFE BRIDPORT LIMITED**

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### **Opinion**

We have audited the financial statements of AmSafe Bridport Limited (the 'company') for the year ended 30 September 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes 1 to 23, 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 state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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. 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern throughout the going concern assessment period, covering a period to 2 February 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMSAFE BRIDPORT LIMITED (CONTINUED)**

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### **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 strategic report and the directors' report.

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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, 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.

### **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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, FRS 102), the Companies Act 2006 and relevant tax compliance regulations in the UK.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce the opportunity for fraudulent transactions. We understood the potential incentives and ability of management to override controls and considered management attitude and tone at the top to embed a culture of honesty and ethical behaviours. We further understood how the company maintains and communicated its policies and procedures in these areas and corroborated this by reviewing board minutes and any correspondence received from regulatory bodies.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMSAFE BRIDPORT LIMITED (CONTINUED)

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- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, through enquiry of management and those charged with governance and by understanding the potential incentives and pressures. We considered the risk of management override and assessed revenue as a fraud risk which could be perpetrated through improper revenue recognition or by revenue transactions at or near to the year end ('cut-off').

- Our procedures to address this risk involved the testing of revenue cut-off at the year end by selecting sample of revenue transactions and testing whether revenue was recorded in the correct period through agreement to proof of delivery to confirm the period that the revenue relates to. Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:

- Enquiry of management and those charged with governance as to any fraud identified or suspected in the period, any actual or potential litigation or claims or breaches of significant laws or regulations applicable to the company;

- Auditing the risk of management override of controls, through testing of a sample of journal entries and other adjustments for appropriateness

- Our procedures to address management override involves testing journals identified by specific risk criteria. We also incorporated data analytics into our testing of manual journals and revenue recognition, along with gross margin analysis and performed cash anchor testing. We tested specific transaction back to source documentation, ensuring appropriate authorisation of the transactions.

- Enquiry of management, coupled with testing of journal entries, in order to identify and understand any significant transactions outside of the normal course of business;

- Challenging the judgements made by management through corroborating the basis for those judgments and considering contradicting evidence; and

- Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

Nikki Forster ACA (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Chartered Accountants  
Grosvenor House  
Grosvenor Square  
Southampton  
Hampshire, SO15 2BE

.....  
2nd February 2022

# AMSAFE BRIDPORT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2020

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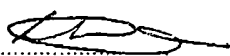
	Notes	2020 £'000	2019 £'000
Turnover	3	45,497	53,289
Cost of sales		(24,717)	(27,562)
<b>Gross profit</b>		<b>20,780</b>	<b>25,727</b>
Administrative expenses		(12,131)	(4,690)
Other operating income		1,888	88
<b>Operating profit</b>	7	<b>10,537</b>	<b>21,125</b>
Interest receivable and similar income	8	763	1,042
Interest payable and similar expenses	9	(130)	(87)
<b>Profit before taxation</b>		<b>11,170</b>	<b>22,080</b>
Tax on profit	10	(647)	(2,949)
<b>Profit for the financial year</b>		<b>10,523</b>	<b>19,131</b>
<b>Other comprehensive income net of taxation</b>			
Actuarial loss on defined benefit pension schemes		(6,802)	(3,740)
Tax relating to other comprehensive income		1,368	711
<b>Total comprehensive income for the year</b>		<b>5,089</b>	<b>16,102</b>

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**AMSAFE BRIDPORT LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

	Notes	2020		2019	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		3,727		4,222
Investments			-		-
			<u>3,727</u>		<u>4,222</u>
<b>Current assets</b>					
Stocks	13	6,474		7,998	
Debtors	14	59,642		60,855	
Cash at bank and in hand		12,305		10,797	
		<u>78,421</u>		<u>79,650</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(14,042)</u>		<u>(18,002)</u>	
<b>Net current assets</b>			<u>64,379</u>		<u>61,648</u>
<b>Total assets less current liabilities</b>			<u>68,106</u>		<u>65,870</u>
<b>Provisions for liabilities</b>	16		-		(19)
<b>Net assets excluding pension liability</b>			<u>68,106</u>		<u>65,851</u>
<b>Defined benefit pension liability</b>	18		<u>(14,204)</u>		<u>(7,416)</u>
<b>Net assets including pension liability</b>			<u>53,902</u>		<u>58,435</u>
<b>Capital and reserves</b>					
Called up share capital	19		1,000		1,000
Other reserves	20		3,652		3,387
Profit and loss reserves	20		49,250		54,048
<b>Total equity</b>			<u>53,902</u>		<u>58,435</u>

The financial statements were approved by the board of directors and authorised for issue on 2-2-22 and are signed on its behalf by:

  
 .....  
 Mr L J Stork  
 Director

# AMSAFE BRIDPORT LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Share capital £'000	Other reserves £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 October 2018</b>		1,000	3,105	51,995	56,100
<b>Year ended 30 September 2019:</b>					
Profit for the year		-	-	19,131	19,131
Other comprehensive income net of taxation:					
Actuarial losses on defined benefit plans	18	-	-	(3,740)	(3,740)
Tax relating to other comprehensive income	10	-	-	711	711
Total comprehensive income for the year		-	-	16,102	16,102
Dividends paid	11	-	-	(14,049)	(14,049)
Share based payment transactions		-	282	-	282
<b>Balance at 30 September 2019</b>		1,000	3,387	54,048	58,435
<b>Year ended 30 September 2020:</b>					
Profit for the year		-	-	10,523	10,523
Other comprehensive income net of taxation:					
Actuarial losses on defined benefit plans	18	-	-	(6,802)	(6,802)
Tax relating to other comprehensive income	10	-	-	1,368	1,368
Total comprehensive income for the year		-	-	5,089	5,089
Dividends paid	11	-	-	(9,887)	(9,887)
Share based payment transactions		-	265	-	265
<b>Balance at 30 September 2020</b>		1,000	3,652	49,250	53,902

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies

#### Company information

AmSafe Bridport Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is The Court, West Street, Bridport, Dorset, DT6 3QU.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

#### Accounting convention

The financial statements are prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements have been prepared with the adoption of the FRS 102 Triennial Review 2017 amendments in full. This is the first set of financial statements where the Triennial Review amendments have been adopted. There have been no changes to amounts presented in respect of transactions or balances in any of the main statements as a result of adoption of the changes, but certain disclosures have been updated in line with the new requirements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and transactions with other wholly owned members of the TransDigm Group.

The financial statements of the company are consolidated in the financial statements of TransDigm Group, Inc. The consolidated financial statements of TransDigm Group, Inc. are available from The Tower at Erieview, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies (Continued)

#### 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 on pages 1 and 2. The Strategic Report also describes the financial position of the company.

The company meets its day-to-day working capital requirements from its own resources and from time to time remits surplus funds to one of its intermediary US parents. This resultant loan is denominated in US Dollars and is repayable on demand with a value of \$63,214,000 (2019: \$48,758,000).

The current economic conditions create uncertainty particularly over (a) the level of demand for the company's products; (b) the exchange rate between Sterling and the US Dollar and between Sterling and Euro and thus the consequences for the Sterling value of its sales in foreign currency as well as the cost of the company's raw materials; and (c) the demands of the ultimate parent company to meet its interest obligations to the providers of leveraged finance.

The directors have considered the forecasts and projections of the company and the group, taking account of reasonably possible changes in trading performance and related cashflows. The forecasts include consideration of the likely impact from COVID-19 on underlying demand for its products, together with the evaluation of known liabilities and contingencies. There is no expectation that there will be a demand for cash from the company's US parent in support of interest obligations regardless of any underlying change in US prime or LIBOR rates. The directors are content that these forecasts and projections show that the company should be able to operate within the funds it currently holds and will generate in the year ahead. The directors have also received a written confirmation of financial support for the company from its ultimate parent through the going concern assessment period, being 2 February 2023, which is 12 months from the date of approval of these financial statements, should such funding be required in this period.

As a consequence of these enquiries the directors have concluded that there is 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.

#### Turnover

Turnover is measured at the fair value of the consideration receivable, excluding discounts, rebates, VAT and other sales taxes or duty. Turnover is recognised on despatch of goods to UK customers on the basis that title is deemed to be transferred to the customer at this point. Where goods are despatched to overseas customers, revenue is recognised based on the contractual terms of the distribution agreement.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by recognising turnover and related costs as the contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies (Continued)

#### Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold properties	20 to 40 years straight line
Short leasehold properties	Term of lease
Plant and machinery	3 to 15 years straight line
Motor vehicles	4 years straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### 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 instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 1 Accounting policies (Continued)

##### ***Basic financial assets***

Basic financial assets, which include trade and other debtors, cash and bank balances and amounts owed by group undertakings that are classified as debt, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified 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.

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors, and amounts owed to group undertakings that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

##### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

##### ***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 and deferred tax is charged or credited to 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 the net basis or to realise the asset and settle the liability simultaneously.

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 recognised in respect of all timing differences that have originated but not reversed at the year end where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the year end. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 1 Accounting policies (Continued)

#### Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Retirement benefits

The company participates in both a defined benefit pension scheme and a defined contribution pension scheme.

For the defined contribution scheme, the amount charged to profit or loss in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 1 Accounting policies (Continued)

##### Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes-Merton model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

##### Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

##### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

The company received a discretionary cash grant of £211,000 from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the company PAYE payroll and the employee cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingencies attached to the grant and the company has received no other forms of government assistance.

##### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) 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 profit or loss, 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.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies (Continued)

#### Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

### 2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors have considered whether any critical estimates or judgements have been made in the preparation of these final statements. These are considered to be:

- Defined benefit pension scheme - the actuarial assumptions selected for the calculation of the pension scheme liability at the year end date (see note 20); and
- Stock provisions - the estimates made relating to the required provisions to record stock at net realisable value when this is lower than the cost value (see note 13).

### 3 Turnover

An analysis of the company's turnover is as follows:

	2020 £'000	2019 £'000
<b>Turnover analysed by class of business</b>		
Cargo	10,795	9,028
Airframes	19,920	21,792
Tarian	370	1,641
Safety restraints	1,763	2,241
Aviation	12,649	18,587
	<u>45,497</u>	<u>53,289</u>
	2020 £'000	2019 £'000
<b>Turnover analysed by type</b>		
Sales of goods	30,017	31,854
Provision of services	15,374	21,435
	<u>45,497</u>	<u>53,289</u>

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 3 Turnover (Continued)

Turnover analysed by geographical market

	2020 £'000	2019 £'000
Western Europe	23,322	30,165
United Kingdom	7,228	9,550
Rest of the world	7,840	7,424
North America	7,107	6,150
	<u>45,497</u>	<u>53,289</u>

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Production	88	135
Administration and marketing	52	68
	<u>140</u>	<u>203</u>

Employment costs:

	2020 £'000	2019 £'000
Wages and salaries	6,016	6,335
Share-based payments	265	282
Social security costs	164	1,347
Pension costs	283	270
	<u>6,728</u>	<u>8,234</u>

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# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 5 Directors' remuneration

	2020 £'000	2019 £'000
Remuneration for qualifying services	340	324
Company pension contributions to defined contribution schemes	11	13
	<u>351</u>	<u>337</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019: 2).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 2 (2019: 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £'000	2019 £'000
Remuneration for qualifying services	230	218
Company pension contributions to defined contribution schemes	5	7
	<u>235</u>	<u>225</u>

#### 6 Share-based payment transactions

Certain employees of the company participate in the TransDigm Group 2006 Stock Incentive Plan. This is a US dollar denominated equity-settled share option scheme operated by the TransDigm Group, Inc. (NYSE: TDG). Options are exercisable at a price equal to the fair market value of the parent company's shares on the date of grant. The vesting period is five years. Options are vested upon achievement of predefined, incremental levels of operating profit in each business. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the group before the options vest.

#### 7 Operating profit

	2020 £'000	2019 £'000
Operating profit for the year is stated after charging/(crediting):	£'000	£'000
Exchange losses/(gains)	2,438	(6,698)
Research and development costs	142	190
Government grants	(282)	(88)
Fees payable to the company's auditor for the audit of the company's financial statements	106	116
Depreciation of owned tangible fixed assets	435	374
Loss on disposal of tangible fixed assets	137	-
Share-based payments	265	282
Operating lease charges	211	232
	<u>2,342</u>	<u>(6,002)</u>

Other operating income includes government grants of £211,000 (2019: £nil) relating to the CJRS as disclosed in note 1 and £71,000 (2019: £88,000) relating to research and development tax credits.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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<b>8</b>	<b>Interest receivable and similar income</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Interest income</b>		
	Interest on bank deposits	64	14
	Interest receivable from group companies	699	1,028
		<u>763</u>	<u>1,042</u>
	Total income	<u>763</u>	<u>1,042</u>
<b>9</b>	<b>Interest payable and similar expenses</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Net interest on the net defined benefit pension liability (see note 20)	130	87
		<u>130</u>	<u>87</u>
		<u>130</u>	<u>87</u>
<b>10</b>	<b>Taxation</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	910	3,979
	Adjustments in respect of prior periods	(213)	(939)
		<u>697</u>	<u>3,040</u>
	Total current tax	<u>697</u>	<u>3,040</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	102	(91)
	Changes in tax rates	(152)	-
		<u>(50)</u>	<u>(91)</u>
	Total deferred tax	<u>(50)</u>	<u>(91)</u>
	Total tax charge	<u>647</u>	<u>2,949</u>

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# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £'000	2019 £'000
Profit before taxation	11,170	22,080
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	2,122	4,195
Tax effect of expenses that are not deductible in determining taxable profit	51	57
Tax effect of income not taxable in determining taxable profit	(304)	-
Adjustments in respect of prior years	(213)	(939)
Effect of change in corporation tax rate	(152)	94
Depreciation on assets not qualifying for tax allowances	7	6
Research and development tax credit	14	17
Other permanent differences	(1,049)	(390)
Other differences	76	(91)
Deferred tax not recognised	95	-
Taxation charge for the year	647	2,949

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020 £'000	2019 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(1,368)	(711)

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. In March 2020 the Chancellor announced that the tax rate would remain at 19%, and this rate has been used to measure deferred tax assets and liabilities where applicable. Subsequent to the year end, in March 2021, the Chancellor announced that the corporation tax rate would increase to 25% in the year 2023, however, this rate had not been substantively enacted at the reporting date and it has not been used in the measurement of deferred tax.

### 11 Dividends

	2020 £'000	2019 £'000
Final paid	9,887	14,049

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 12 Tangible fixed assets

	Freehold properties £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>			
At 1 October 2019	2,523	6,832	9,355
Additions	20	58	78
Disposals	-	(281)	(281)
At 30 September 2020	2,543	6,609	9,152
<b>Depreciation and impairment</b>			
At 1 October 2019	627	4,506	5,133
Depreciation charged in the year	35	400	435
Eliminated in respect of disposals	-	(143)	(143)
At 30 September 2020	662	4,763	5,425
<b>Carrying amount</b>			
At 30 September 2020	1,881	1,846	3,727
At 30 September 2019	1,896	2,326	4,222

Freehold land of £535,000 (2019: £535,000) is not depreciated.

Freehold land and buildings included above has a net book value of £1,821,000 (2019: £1,850,000). Short leasehold land and buildings are included above with a net book value of £60,000 (2019: £46,000). The market value of land is not considered to be materially different to the book value at which it is included above.

There were no outstanding commitments in respect of capital expenditure at 30 September 2020 or 30 September 2019 that are not provided in the financial statements.

### 13 Stocks

	2020 £'000	2019 £'000
Raw materials and consumables	3,653	7,431
Work in progress	687	408
Finished goods and goods for resale	2,134	159
	6,474	7,998

The difference between the purchase price of stocks and their replacement cost is not material.

During the year, an impairment loss on finished goods of £1,022,465 (2019: £522,000) was recognised within cost of sales.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 14 Debtors

	2020	2019
Amounts falling due within one year:	£'000	£'000
Trade debtors	6,700	12,467
Amounts owed by group undertakings	49,361	45,009
Other debtors	106	1,032
Prepayments and accrued income	762	1,053
	<u>56,929</u>	<u>59,561</u>
Deferred tax asset (note 17)	2,713	1,294
	<u>59,642</u>	<u>60,855</u>

Included in amounts owed by group undertakings above is a loan of \$63,214,000 owed by one of the intermediary US parent companies which is unsecured and denominated in USD (2019: \$48,758,000). Interest is chargeable at 0.5% above USD LIBOR. This loan is repayable on demand.

#### 15 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	1,739	2,623
Amounts owed to group undertakings	6,206	8,133
Corporation tax	2,517	3,046
Other taxation and social security	1,605	2,037
Other creditors	203	305
Accruals and deferred income	1,772	1,858
	<u>14,042</u>	<u>18,002</u>

Included in accruals are costs associated with the closure of the seat belt repair operations business based in Feltham as disclosed in the Strategic Report. Accrued costs include £523,000 redundancy costs and short term retention bonuses for 40 staff, as well as £459,000 of costs associated with the building lease.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 16 Provisions for liabilities

	2020 £'000	2019 £'000
PMI provision	-	19
	<u>          </u>	<u>          </u>
Movements on provisions:		PMI provision £'000
At 1 October 2019		(19)
Reversal of provision		19
		<u>          </u>
At 30 September 2020		-
		<u>          </u>

#### PMI provision

The provision for PMI at 30 September 2019 related to amounts payable for private medical issued to an employee. During the year the provision was reversed and therefore the provision at the year end is £nil (2019: £18,500).

### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £'000	Assets 2019 £'000
<b>Balances:</b>		
Accelerated capital allowances	(272)	(191)
Other timing differences	210	225
Defined benefit deferred tax asset	2,775	1,260
	<u>          </u>	<u>          </u>
	2,713	1,294
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		2020 £'000
Asset at 1 October 2019		(1,294)
Credit to profit or loss		(51)
Credit to other comprehensive income		(1,368)
		<u>          </u>
Asset at 30 September 2020		(2,713)
		<u>          </u>

The deferred tax asset set out above is expected to reverse within the foreseeable future and relates to the utilisation of tax losses against future expected profits of the same period.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 18 Retirement benefit schemes

The company participates in defined benefit and defined contribution pension schemes.

#### Defined contribution schemes

Since 1 October 2001 employees who were not members of the defined benefit plan were eligible to join a defined contribution scheme called the "Amsafe Employee Retirement Plan" (AMERP). In May 2014 the company established a new Group Pension Plan (GPP) that complies with "Auto-Enrolment" legislation. This plan will replace the AMERP scheme, the majority of members of the AMERP scheme have transferred their funds into the new GPP scheme. Activity is underway to transfer the remaining amounts left in AMERP which primarily relate to Deferred members. Company contributions to the GPP scheme in the year ending 30 September 2020 were £283,000 (2019: £270,000).

#### Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. The scheme is fully funded and closed to new members in 2001. The assets of the plan are held separately from those of the company in a separate trustee administered fund.

The most recent comprehensive actuarial valuation of the plan was carried out as at 1 July 2016, and was updated by the company's actuary (Capita) to take account of the requirements of FRS 102 in assessing the liabilities of the plan at the year end dates. Scheme assets are stated at their market values at the year end dates. As part of an ongoing review the company and its advisors will assess whether any additional liabilities may arise from pension right equalisation. As any additional liabilities for this are currently uncertain, any such liability arising will be included in a future period when this can be accurately assessed.

	2020	2019
<i>Key assumptions</i>	%	%
Discount rate	1.5	1.8
Expected rate of increase of pensions in payment	3.3	3.5
Expected rate of salary increases	3.1	3.3
	====	====
<i>Mortality assumptions</i>	2020	2019
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	22.0	21.3
- Females	24.3	23.2
	====	====
Retiring in 20 years		
- Males	23.4	22.3
- Females	25.8	24.4
	====	====

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 18 Retirement benefit schemes (Continued)

	2020	2019
	£'000	£'000
<i>Amounts recognised in the income statement</i>		
Current service cost	200	174
Net interest on defined benefit liability	130	87
Past service cost	-	573
Administration expenses	234	227
	<u>564</u>	<u>1,061</u>
	<u><u>564</u></u>	<u><u>1,061</u></u>
<i>Amounts taken to other comprehensive income</i>		
	2020	2019
	£'000	£'000
Actual return on scheme assets	(40)	(6,480)
Less: calculated interest element	899	1,294
	<u>859</u>	<u>(5,186)</u>
Return on scheme assets excluding interest income	859	(5,186)
Actuarial changes related to obligations	5,943	8,926
	<u>6,802</u>	<u>3,740</u>
	<u><u>6,802</u></u>	<u><u>3,740</u></u>

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2020	2019
	£'000	£'000
Present value of defined benefit obligations	63,658	57,910
Fair value of plan assets	(49,454)	(50,494)
	<u>14,204</u>	<u>7,416</u>
	<u><u>14,204</u></u>	<u><u>7,416</u></u>

	2020
	£'000
<i>Movements in the present value of defined benefit obligations</i>	
Liabilities at 1 October 2019	57,910
Current service cost	200
Benefits paid	(1,692)
Contributions from scheme members	34
Actuarial loss	5,943
Interest cost	1,029
Administration costs	234
	<u>63,658</u>
At 30 September 2020	<u><u>63,658</u></u>

The defined benefit obligations arise from plans which are wholly or partly funded.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 18 Retirement benefit schemes (Continued)

	2020 £'000
<i>Movements in the fair value of plan assets</i>	
Fair value of assets at 1 October 2019	50,494
Interest income	899
Return on plan assets (excluding amounts included in net interest)	(859)
Benefits paid	(1,692)
Contributions by the employer	578
Contributions by scheme members	34
	<hr/>
At 30 September 2020	49,454
	<hr/> <hr/>

The actual return on plan assets was £40,000 (2019: £6,480,000).

	2020 %	2019 %
<i>The analysis of the plan assets at the reporting date were as follows:</i>		
Equities and other growth assets	52.20	53.20
Bonds	47.30	46.00
Cash and other assets	0.50	0.80
	<hr/>	<hr/>
Total	100.00	100.00
	<hr/> <hr/>	<hr/> <hr/>

### 19 Share capital

	2020 Number	2019 Number	2020 £'000	2019 £'000
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	1,000,000	1,000,000	1,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>

The company's Ordinary shares carry full participation rights with regard to voting, dividend distribution and dissolution.

### 20 Reserves

#### Other reserves

Cumulative capital contributions from parent company in respect of share-based payments, net of transfers to profit and loss reserves.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# AMSAFE BRIDPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £'000	2019 £'000
Within one year	2	12
Between one and five years	2	3
	<u>4</u>	<u>15</u>

### 22 Events after the reporting date

During September 2020, prior to the year-end, the business announced that in order to reduce costs, the company planned to close the seat belt repair operations based in Feltham. A consultation period with employees commenced on 1st September 2020. Subsequent to year end, plans for the closure were finalised and implemented from 30th September 2020. The provision for costs associated with closure has been recorded in these financial statements including £523,000 redundancy costs and short term retention bonuses for 40 staff, £459,000 costs associated with the building lease and repairs and £134,000 for impairment of assets.

### 23 Ultimate controlling party

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member is the ultimate parent company TransDigm Group, Inc., a publicly traded company incorporated in the United States of America. Copies of the parent company financial statements may be obtained from their registered office: The Tower at Erieview, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.

The immediate parent undertaking is Bridport Limited, a company incorporated in England and Wales (registered office: The Court, Bridport, Dorset, DT6 3QU).