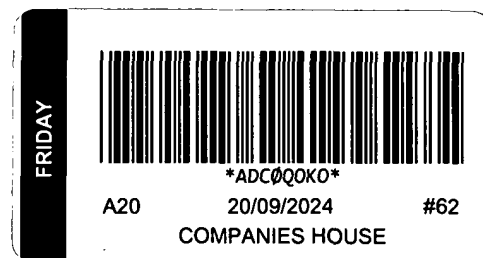


Chelton Defence Communications Limited  
Annual report and financial statements  
for the year ended 30 September 2023

Registered number 04576040



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# Chelton Defence Communications Limited

## Directors' report for the year ended 30 September 2023

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors have taken the exemption under this regime not to prepare the strategic report. The company is entitled to the small companies' exemption in relation to the strategic report per the provisions of section 414B of the Companies Act 2006.

The directors have pleasure in submitting their report, together with the audited financial statements of Chelton Defence Communications Limited (the Company) for the year ended 30 September 2023. The Company is a private company limited by shares and is incorporated, registered and domiciled in England, number 04576040. The address of the registered office of the Company is The Chelton Centre, Fourth Avenue, Marlow, SL7 1TF.

### Results

The Company's results for the year are set out in the income statement on page 6 showing a loss for the financial year after tax of £270 (2022: £2,042 loss). At 30 September 2023, the Company had net assets of £312,937 (2022: £313,207).

### Future developments

The company ceased to trade on 30 June 2018 and the Directors plan for the Company to remain non-trading for the foreseeable future.

The conflict in the Middle East, which commenced after the current year end, is not expected to have any material impact on the operations of the Company in the foreseeable future.

### Going concern

The directors have considered the going concern position of the Company, which is well placed to manage its business risks successfully. As the Company is not currently trading, the business has not seen a significant impact on its results due to the geopolitical tension in Russia and Ukraine.

The Company has a net asset position and no present obligations. The cash reserves of the business as at 30 September 2023 were £312,937, while the cash reserves as at 30 August 2024 were £312,726. The directors have performed a going concern assessment for a period up to 30 September 2025. As part of this assessment the directors have considered the forecast cash flows of the Company, with bank charges representing the only expected cash outflow in line with the nature of the business. Taking these forecasts into account, the directors have concluded the Company is able to operate, with no reasonable scenario that would result in a break point, based on reverse stress test analysis, considering the current level of cash reserves.

The Company has also received a letter of support from the immediate parent company, Chelton Limited, indicating that it will support the Company as needed to enable the Company to meet its liabilities as and when they fall due for a period until 30 September 2025.

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

### Directors

The following directors held office during the year and up to the date of signing these financial statements:

S Wynne	
J Burke	- appointed 20 June 2024
J M Abbott	- resigned 20 June 2024
N Garner	- appointed 4 September 2023
D Waters	- resigned 4 September 2023

The directors benefited from a Directors' and Officers' liability insurance policy which was in place during the financial year and at the date of this report.

# Chelton Defence Communications Limited

## Directors' report for the year ended 30 September 2023 (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101) 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;
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the board



Nicholas Garner

**Director**

18 September 2024

# **Independent auditor's report to the members of Chelton Defence Communications Limited**

## **Opinion**

We have audited the financial statements of Chelton Defence Communications Limited for the year ended 30 September 2023 which comprise the Income statement, the Balance sheet, the Statement of changes in equity and the related notes 1 to 6, 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **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 for a period until 30 September 2025.

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.

# **Independent auditor's report to the members of Chelton Defence Communications Limited (continued)**

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

# Independent auditor's report to the members of Chelton Defence Communications Limited (continued)

## ***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.

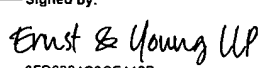
Our approach was as follows:

- 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 (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters to understand how the company maintains and communicates its policies and procedures in these areas and corroborated by reviewing supporting documentation, such as review of board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and meeting with management to understand where they considered there was susceptibility to fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries of management and those charged with governance. We also reviewed Board Minutes to identify any non-compliance with 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.

Signed by:  
  
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Makombe Chinodyaruswa (*Senior statutory auditor*)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
18 September 2024

# Chelton Defence Communications Limited

## Income statement for the year ended 30 September 2023

	Note	2023 £	2022 £
Administrative expenses		(270)	(2,042)
<b>Operating loss and loss on ordinary activities before taxation</b>	2	<b>(270)</b>	<b>(2,042)</b>
Tax on loss on ordinary activities	3	-	-
<b>Loss after taxation for the year</b>		<b>(270)</b>	<b>(2,042)</b>

All the Company's activities are classed as continuing in the current and comparative periods.

The Company has no recognised gains or losses other than the profit for the financial years as shown above and therefore a separate statement of comprehensive income is not presented.

# Chelton Defence Communications Limited

## Balance sheet as at 30 September 2023

	Note	2023 £	2022 £
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		<b>312,937</b>	313,207
<b>Net assets</b>		<b>312,937</b>	313,207
<b>Equity</b>			
Share capital	5	<b>100</b>	100
Retained earnings		<b>312,837</b>	313,107
<b>Total equity</b>		<b>312,937</b>	313,207

The financial statements on pages 6 to 12 were approved by the board on 18 September 2024 and were signed on its behalf by:



Nicholas Garner  
Director

## Chelton Defence Communications Limited

### Statement of changes in equity for the year ended 30 September 2023

	Share capital £	Retained earnings £	Total equity £
Total equity at 1 October 2022	100	313,107	313,207
Loss and total comprehensive expense for the year	-	(270)	(270)
<b>Total equity at 30 September 2023</b>	<b>100</b>	<b>312,837</b>	<b>312,937</b>

	Share capital £	Retained earnings £	Total equity £
Total equity at 1 October 2021	100	315,149	315,249
Loss and total comprehensive expense for the year	-	(2,042)	(2,042)
Total equity at 30 September 2022	100	313,107	313,207

# Chelton Defence Communications Limited

## Notes to the financial statements for the year ended 30 September 2023

### 1. Statement of accounting policies

#### Basis of preparation

These financial statements were prepared in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101).

The financial statements have been prepared on the going concern basis, under the historical cost convention unless as otherwise stated and in accordance with the Companies Act 2006 as applicable to companies applying FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

The functional currency of the Company and the presentational currency of these financial statements is pounds Sterling.

#### Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a cash flow statement and related notes (IAS 7, Statement of Cash Flows and paragraphs 10(d) and 111 of IAS 1, Presentation of Financial Statements);
- capital management disclosures required by paragraphs 134 to 136 of IAS 1;
- the requirements of paragraphs 30 and 31 of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors concerning the effects of new but not yet effective IFRSs;
- details of compensation of key management personnel required by paragraph 17 and 18A of IAS 24, Related Party Disclosures; and
- the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group.

#### Going concern

The directors have considered the going concern position of the Company, which is well placed to manage its business risks successfully. As the Company is not currently trading, the business has not seen a significant impact on its results due to the geopolitical tension in Russia and Ukraine.

The Company has a net asset position and no present obligations. The cash reserves of the business as at 30 September 2023 were £312,937, while the cash reserves as at 30 August 2024 were £312,726. The directors have performed a going concern assessment for a period up to 30 September 2025. As part of this assessment the directors have considered the forecast cash flows of the Company, with bank charges representing the only expected cash outflow in line with the nature of the business. Taking these forecasts into account, the directors have concluded the Company is able to operate, with no reasonable scenario that would result in a break point, based on reverse stress test analysis, considering the current level of cash reserves.

The Company has also received a letter of support from the immediate parent company, Chelton Limited, indicating that it will support the Company as needed to enable the Company to meet its liabilities as and when they fall due for a period until 30 September 2025.

# Chelton Defence Communications Limited

## Notes to the financial statements for the year ended 30 September 2023 (continued)

### 1. Statement of accounting policies (continued)

#### Going concern (continued)

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

#### Management judgement and estimation uncertainty

The preparation of financial statements requires the use of judgements and estimates that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses.

These judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The current economic conditions have been considered when evaluating accounting judgements and estimates, including the application of the going concern basis of preparation. Although estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

#### Significant judgements in applying accounting policies

There were no significant judgements, apart from those involving estimations, that the directors made in the process of applying the Company's accounting policies which require separate disclosure in these financial statements.

#### Assumptions and estimation uncertainties

At the balance sheet date there were no key assumptions concerning the future or other major sources of estimation uncertainty which had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

#### Principal accounting policies

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### Current and deferred taxation

The tax expense is the sum of current tax and deferred tax. Tax is charged or credited to the income statement except when it relates to items recognised in other comprehensive income (OCI) or directly in equity, in which case the tax is also recognised in OCI or directly in equity respectively.

Current tax is provided at the amounts expected to be paid using rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. It is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply in the year in which the asset is realised or liability is settled.

#### Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, Financial Instruments, and are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value at trade date. All financial assets and liabilities are classified as current or non-current dependent upon the maturity date of the instruments. Financial assets and liabilities are presented on an offset basis when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis.

# Chelton Defence Communications Limited

## Notes to the financial statements for the year ended 30 September 2023 (continued)

### 2. Operating loss

Administrative expenses in the year comprise bank charges totalling £270 (2022: £1,944 bank charges and £98 other costs).

Fees for the audit of the Company's financial statements were borne by the immediate parent undertaking in the current year with no recharge to the Company. Fees paid to the Company's auditors, Ernst & Young LLP, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated group financial statements of Transdigm Group Incorporated for the year ended 30 September 2023 disclose the non-audit fees on a consolidated basis.

### 3. Tax on loss on ordinary activities

There is no current or deferred tax charged in the income statement for the current or prior year.

The tax on loss on ordinary activities can be reconciled to the accounting profit as follows:

	2023 £	2022 £
<b>Loss on ordinary activities before taxation</b>	<b>(270)</b>	<b>(2,042)</b>
Loss on ordinary activities multiplied by the standard rate in the UK of 22.00% (2022: 19.00%)	59	388
Effects of:		
Group relief surrendered	(59)	(388)
<b>Total tax on loss on ordinary activities</b>	<b>-</b>	<b>-</b>

The rate of UK Corporation tax increased to 25% from 1 April 2023, resulting in a blended rate for the year ended 30 September 2023 of 22%.

### 4. Directors' emoluments and employee costs

All directors who served during the year ended 30 September 2023 and prior year were employed by, and received emoluments from, other group undertakings. No specific amounts are payable in the current year or prior year in respect of services supplied by these directors to the Company.

The Company had no employees during the current year or prior year.

### 5. Share capital and reserves

Share capital – allotted, called up and fully paid

	2023 £	2022 £
100 Ordinary shares of £1 each	100	100

# **Chelton Defence Communications Limited**

## **Notes to the financial statements for the year ended 30 September 2023 (continued)**

### **6. Immediate and ultimate parent undertaking**

The Company's immediate parent undertaking is Chelton Limited.

At the balance sheet date, the ultimate parent undertaking and controlling party was Transdigm Group Incorporated, a company registered in the USA. This is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Transdigm Group Incorporated can be obtained from US Bank Centre, 1350 Euclid Avenue, Suite 1600, Cleveland, Ohio 44115, USA.