

**Company Registration No. 06469453**

**BE AEROSPACE (UK) EUROPE HOLDINGS  
LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2016**

**BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED**

**LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

S J Cromie  
W Lieberherr

**COMPANY SECRETARY**

Vaughn Michael Klopfenstein  
C/O Rockwell Collins 730 Wharfedale Road  
Winnersh  
Wokingham  
England  
RG41 5TP

**REGISTERED OFFICE**

C/O Rockwell Collins 730 Wharfedale Road  
Winnersh  
Wokingham  
England  
RG41 5TP

**BANKERS**

JP Morgan Chase Bank  
125 London Wall  
London  
EC2 5AJ

**SOLICITORS**

Eversheds  
1 Wood Street  
London  
EC2V 7WS  
United Kingdom

**AUDITOR**

Deloitte (NI) Limited  
Chartered Accountants and Statutory Auditor  
Belfast, United Kingdom

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Strategic Report together with the Financial Statements and Audit Report for the year ended 31 December 2016.

### PRINCIPAL ACTIVITY

The principal activity of the BE Aerospace (UK) Europe Holdings Limited ("the Company") during the year was that of an intermediate holding company. The directors expect these activities to continue into the future.

### BUSINESS REVIEW

Profit before tax is \$57,772k (2015: \$61,384k).

On 28th September 2016 the Company issued one ordinary share of £1.00 for total consideration of \$81,500k.

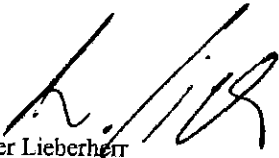
The directors have reviewed this key performance indicator and have confirmed it is in line with expectations.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to the following principal risks and uncertainties:

- The Company's credit risk is primarily attributable to its receivables from other Group Undertakings.
- In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company ensures regular communication with other Group companies.
- As a holding company, the Directors consider that there is also a risk regarding the trading performance of subsidiaries as this may have an impact on the carrying value of the Company's investments.

The Strategic Report was approved by the Board of Directors and signed in its behalf by:



Werner Lieberherr

Director

5 December 2017

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

### DIRECTORS

The Board of Directors, who served throughout the year and to the date of this report unless otherwise stated were:

R M Patch (resigned 13 April 2017)  
W Lieberherr  
S J Cromie  
J L Bomar, Jr. (resigned 13 April 2017)

### REVIEW OF ACTIVITIES

The company made a profit before tax of \$57,772K (2015: \$61,384k) for the financial year. This includes the receipt of dividend income of \$6,480k (2015: \$82,946k) from subsidiary undertakings. The company paid no dividends in 2016 to its immediate holding company. It is not anticipated that the Company will trade in the foreseeable future.

### DIVIDENDS

During 2016 the company declared and settled no dividends (2015: \$453,801k).

### GOING CONCERN

The Directors have considered the appropriateness of the going concern assumption for the Company. In doing so, they have considered forecasts for the Company's trading subsidiaries in the context of the group structure in which it sits. As an intermediate holding company, the Company does not trade and so its results and financial position are impacted only by transactions with other group companies. The counter-party to the Company's loan notes is another B/E Aerospace group company with directors in common with the Company; the loan notes are redeemable in February 2018 and October 2020, or such earlier date should the note holders or issuer request giving notice of between 21 to 35 days. The directors do not consider early redemption to be likely. Based on these facts and the directors' review of the forecasts of the Company's trading subsidiaries, the directors have concluded that the Company has sufficient funds to continue in operational existence for a period not less than 12 months from the date of these financial statements. Thus, the going concern basis of preparation is considered appropriate.

### AUDITOR

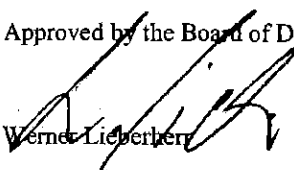
Each of the persons who are directors at the date of the approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information (as defined in the Companies Act 2006), of which the Company's auditor is 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 (as defined) and to establish that the Company's auditor is aware of that information;

This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte (NI) Limited has expressed its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors on 5 December 2017 and signed on its behalf by

  
Werner Lieberherr  
Director

## **BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2016**

We have audited the financial statements of BE Aerospace (UK) Europe Holdings Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15. 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".

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

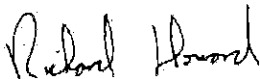
## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Howard FCA (Senior statutory auditor)  
for and on behalf of Deloitte (NI) Limited  
Chartered Accountants and Statutory Auditor  
Belfast, United Kingdom  
5 December 2017

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Administrative expenses		(30)	(49)
<b>OPERATING LOSS</b>		<b>(30)</b>	<b>(49)</b>
Income from shares in group undertakings		6,480	82,946
Forgiveness of intercompany creditor	11	14,341	-
Loss on disposal of shares	3	-	(8,802)
Impairment of investments	9	-	(6,553)
Finance costs (net)	4	36,981	(6,158)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>57,772</b>	<b>61,384</b>
Tax on profit on ordinary activities	8	818	(1,919)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>58,590</b>	<b>59,465</b>

All activities derive from continuing operations.

There are no recognised gains or losses for the current year or preceding year other than the profits stated above. Accordingly, no separate statement of comprehensive income is presented.

Notes on pages 9-19 form an integral part of the financial statements



**BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED**

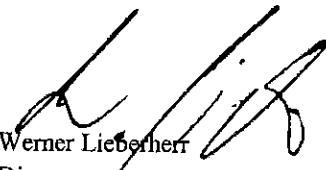
**BALANCE SHEET**

**As at 31 December 2016**

	Note	2016 \$'000	2015 \$'000
Investments	9	1,023,209	941,709
<b>Current assets</b>		<u>1,023,209</u>	<u>941,709</u>
Debtors	10	188,025	190,615
Cash at bank and in hand		2,622	2,746
		<u>190,647</u>	<u>193,361</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(308,795)	(370,999)
<b>NET CURRENT LIABILITIES</b>		<u>(118,148)</u>	<u>(176,738)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>905,061</u>	<u>764,971</u>
<b>NET ASSETS</b>		<u>905,061</u>	<u>764,971</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	12	-	-
Share premium account	12	846,463	764,963
Profit and loss account	12	58,598	8
		<u>905,061</u>	<u>764,971</u>
<b>SHAREHOLDER'S FUND</b>		<u>905,061</u>	<u>764,971</u>

These financial statements of BE Aerospace (UK) Europe Holdings Limited (registered number 06469453) were approved by the Board of Directors and authorised for issue on **5** December 2017.

They were signed on its behalf by:

  
 Werner Lieberherr  
 Director

Notes on pages 9-19 form an integral part of the financial statements.

**BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED****STATEMENT OF CHANGES IN EQUITY**

As at 31 December 2016

	<b>Called-up share capital \$'000</b>	<b>Share premium account \$'000</b>	<b>Profit and loss account \$'000</b>	<b>Total \$'000</b>
<b>At 1 January 2015</b>	-	764,963	394,344	1,159,307
Profit for the financial year	-	-	59,465	59,465
<b>Total comprehensive income</b>		764,963	453,809	1,218,772
Dividends paid on equity shares	-	-	(453,801)	(453,801)
<b>At 31 December 2015</b>	-	764,963	8	764,971
Profit for the financial year	-	-	58,590	58,590
<b>Total comprehensive income</b>	-	764,963	58,598	823,561
Issue of share capital	-	81,500	-	81,500
<b>At 31 December 2016</b>	-	846,463	58,598	905,061

Notes on pages 9-19 form an integral part of the financial statements.

# **BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED**

## **NOTES TO FINANCIAL STATEMENTS**

**For the year ended 31 December 2016**

### **1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### **General information and basis of accounting**

BE Aerospace (UK) Europe Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of BE Aerospace (UK) Europe Holdings Limited is considered to be US Dollar because that is the currency of the primary economic environment in which the Company operates and raises finance.

BE Aerospace Holdings (UK) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. BE Aerospace Holdings (UK) Limited is consolidated in the financial statements of its parent, B/E Aerospace, Inc. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **Going concern**

The Directors have considered the appropriateness of the going concern assumption for the Company. In doing so, they have considered forecasts for the Company's trading subsidiaries in the context of the group structure in which it sits. As an intermediate holding company, the Company does not trade and so its results and financial position are impacted only by transactions with other group companies. The counter-party to the Company's loan notes is another B/E Aerospace group company with directors in common with the Company; the loan notes are redeemable in February 2018 and October 2020, or such earlier date should the note holders or issuer request giving notice of between 21 to 35 days. The directors do not consider early redemption to be likely. Based on these facts and the directors' review of the forecasts of the Company's trading subsidiaries, the directors have concluded that the Company has sufficient funds to continue in operational existence for a period not less than 12 months from the date of these financial statements. Thus, the going concern basis of preparation is considered appropriate.

#### **Group financial statements**

The financial statements have been prepared in respect of the single company undertaking only. The Company has taken advantage of the exemption not to prepare group financial statements, afforded to it under s401 of the Companies Act 2006, since group financial statements that include the Company and its subsidiary are prepared and made publicly available by the Company's ultimate parent undertaking and controlling party, B/E Aerospace, Inc.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

### 1. ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### (i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet certain conditions are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### (ii) Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

##### (iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

### 1. ACCOUNTING POLICIES (Continued)

#### Financial instruments (Continued)

##### (iv) Convertible loan notes

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria in (i) above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method. If those criteria are not met, the financial liability component is measured at fair value through profit or loss.

##### (v) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date 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 balance sheet date. 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.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

### 1. ACCOUNTING POLICIES (Continued)

#### Taxation (Continued)

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### Critical judgements in applying the Company's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### Critical judgements in investment carrying value

The valuation of the carrying value of investments held is based on the continual and annual impairment reviews which include assessing investments against impairment triggers regularly and concluding on the appropriate carrying value of the investment to report. No impairment was noted as a result of the 2016 or 2015 impairment reviews.

### 3. LOSS ON DISPOSAL OF SHARES

	2016 \$'000	2015 \$'000
Loss on disposal of shares	-	(8,802)

### 4. FINANCE COSTS (NET)

	2016 \$'000	2015 \$'000
Interest payable to group companies	(24,460)	(27,672)
Interest received	3,572	577
Exchange gain	57,869	18,863
Intercompany loan write off	-	2,074
	<u>36,981</u>	<u>(6,158)</u>

### 5. AUDITOR'S REMUNERATION

The auditor's remuneration in respect of fees payable for the audit of the Company's annual financial statements is \$25,647 (2015: \$30,200).

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

### 6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There are no payments to directors in either the current or prior years. All directors' emoluments are borne by another group company. The company has had no employees in either the current or prior years.

### 7. DIVIDENDS ON EQUITY

During 2015 the Company disposed of its investment in B/E Aerospace Investments Holdings II via a dividend in specie to its parent B/E Aerospace Europe Holdings LLP in the amount of \$453,801k. No final dividend has been proposed (2015: \$Nil). There is no liability for unpaid dividends at the year end (2015: \$Nil).

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2016 \$'000	2015 \$'000
Corporation tax charge for the year	5,382	1,919
Adjustment for prior years	(6,200)	-
Total current tax charge/ (credit)	<u>(818)</u>	<u>1,919</u>
Profit on ordinary activities before taxation	<u>57,772</u>	<u>61,384</u>
Tax on profit on ordinary activities at UK tax rate of 20.0% (2015: 20.25%)	11,554	12,430
Non taxable dividend income	(1,312)	(16,797)
Net disallowed income/expenses	(1,809)	6,286
Group relief from TPM	(3,051)	-
Adjustment for prior years	(6,200)	-
Current tax credit	<u>(818)</u>	<u>1,919</u>

The standard rate of UK Corporation Tax was reduced from 21% to 20% with effect from 1 April 2015. Finance Act 2015 provides for a future reduction of the Corporation Tax rate to 19% from 1 April 2017. Finance Act 2016 further reduced the rate to 17% with effect from 1 April 2020. These reductions to the tax rate had been substantively enacted at the balance sheet date and have therefore been reflected in these financial statements.



## BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

### NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

#### 9. INVESTMENTS

	\$'000
The Company's investment in subsidiaries is made up as follows:	
<b>Cost</b>	
At 1 January 2016	948,262
Acquisition of subsidiary undertakings	81,500
At 31 December	<u>1,029,762</u>
<b>Impairment</b>	
At 1 January 2015	6,553
Acquisition of subsidiary undertakings	-
At 31 December 2016	<u>6,553</u>
Net book value at 31 December 2016	<u>1,023,209</u>
Net book value at 31 December 2015	<u>941,709</u>

During 2016, the Company increased its investment in BE Aerospace Holdings (UK) Limited by \$81,500k.

During 2015, the Company acquired share capital of \$11k of BE Aerospace S.r.l. Investments were also made of \$1 HK in BE Aerospace (Hong Kong) Limited and a small investment in BE Aerospace Pte, Limited of 41 Singapore dollars.

During 2015, the Company increased its investment in Emteq Brazil by €800k and subsequently disposed of 100 per cent of its investments in the entity.

During 2015, the Company made an impairment in its holdings of Emteq Switzerland of \$6,553k.

During 2015, the Company disposed of its investment in BE Aerospace Investments Holdings II Sarl via a dividend in specie to its parent BE Aerospace Europe Holdings LLP.

# BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

### 9. INVESTMENTS (continued)

The Company's subsidiaries, all of which are wholly owned are:

Company	Country of Registration and Operation	Registered Office	Principal Activity	Holding	Proportion held	
					2016	2015
BE Aerospace Holdings (UK) Limited (company number: 00516846) *	England and Wales	C/O Rockwell Collins 730 Wharfedale Road Winnersh Wokingham England RG41 5TP	Intermediate holding company	Ordinary	100%	100%
B/E Aerospace (UK) Limited (company number: 03599118)	England and Wales	C/O Rockwell Collins 730 Wharfedale Road Winnersh Wokingham England RG41 5TP	Manufacturing	Ordinary	100%	100%
B/E Aerospace (Germany) GmbH (company number: HRB 97098)	Germany	Focksweg 36a 21129 Hamburg, Germany	Manufacturing	Ordinary	100%	100%
BE Aerospace (Netherlands) B.V. (company number: 30113214) *	Netherlands	Galvanibaas 5, 3439 MG Nieuwegein, The Netherlands	Intermediate Holding Company	Ordinary	100%	100%
B/E Aerospace B.V. (company number: 30273270)	Netherlands	Galvanibaas 5, 3439 MG Nieuwegein, The Netherlands	Manufacturing	Ordinary	100%	100%
Koninklijke Fabriek Inventum B.V. (company number: 30001132)	Netherlands	Galvanibaas 5, 3439 MG Nieuwegein, The Netherlands	Manufacturing	Ordinary	100%	100%
Wessex Advanced Switching Products Limited (company number 03846820) *	United Kingdom	C/O Rockwell Collins 730 Wharfedale Road Winnersh Wokingham England RG41 5TP	Manufacturing	Ordinary	100%	100%
SWAP (One) Limited (company number 05602971)	United Kingdom	C/O Rockwell Collins 730 Wharfedale Road Winnersh Wokingham England RG41 5TP	Intermediate Holding Company	Ordinary	100%	100%
SWAP (company number 01183279)	United Kingdom	C/O Rockwell Collins 730 Wharfedale Road Winnersh Wokingham England RG41 5TP	Intermediate Holding Company	Ordinary	100%	100%
WASP Membranes Limited (company number 01553201)	United Kingdom	C/O Rockwell Collins 730 Wharfedale Road Winnersh Wokingham England RG41 5TP	Non-Operating	Ordinary	100%	100%

**BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 December 2016**

**9. INVESTMENTS (continued)**

Company	Country of Registration and Operation	Registered Office	Principal Activity	Holding	Proportion held	
					2016	2015
B/E Aerospace Limited (company number 895157576MC0002) *	Canada	2500 – 360 Main Street Winnipeg, Manitoba R3C 4H6	Manufacturing	Ordinary	100%	100%
EMTEQ Europe GmbH (company number CHE-106.952.135) *	Switzerland	Bitzibergstrasse 5, 8184 Bachenbülach, Switzerland	Manufacturing	Ordinary	100%	100%
Emteq Enterprises, LLC (company number 4015510) *	USA	1209 Orange Street, Wilmington, DE 19801 USA	Intermediate Holding Company	Ordinary	100%	100%
B E Aerospace (Hong Kong) Limited (company number 2219297) *	Hong Kong	Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong	Manufacturing	Ordinary	100%	100%
BE Aerospace Pte Limited (company 201511810E) *	Singapore	160 Robinson Road #17-01 SBF Center Singapore 068914	Partnership	Ordinary	100%	100%
B/E Aerospace S.r.l. (company number 09095140969) *	Italy	Foro Buonaparte no. 67, 20121 Milano (MI)	Manufacturing	Ordinary	100%	100%

\* Held directly by BE Aerospace (UK) Europe Holdings Limited

**10. DEBTORS**

	2016 \$'000	2015 \$'000
Amounts owed by parent and group undertakings	<u>188,025</u>	<u>190,615</u>

The amount due from group undertakings is repayable by the company's parent B/E Aerospace Europe Holdings LLP in respect of a \$149,850,000 loan note and interest repayable bearing interest at 0.25%; and B/E Aerospace (UK) Limited in respect of a \$37,000,000 borrowing under a \$50,000,000 revolving credit agreement. Borrowings under the revolving credit agreement with B/E Aerospace (UK) Limited bear interest at the London Interbank Offered Rate plus 2.0% per annum. The effective interest rate at December 31, 2016 was 3.3%.

Post year end the amount repayable by the company's parent B/E Aerospace Europe Holdings LLP was novated to BEA Jersey Limited, another group company.

## BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED

### NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2016

#### 11. CREDITORS: AMOUNTS FALLING DUE

	2016 \$'000	2015 \$'000
Loan notes due to other group undertakings	264,157	321,261
Amounts owed to parent and group undertakings	-	20,544
Corporation tax	5,382	-
Accruals	39,256	28,294
	<u>308,795</u>	<u>370,099</u>

Loan notes due to other group undertakings comprise 152,916,000 £1 unsecured loan notes that were issued in 2008 at par and which are redeemable on 1 February 2018 or, if earlier, at the request of the holder or issuer. Interest accrues at 9.25% per annum and is payable annually. Loan notes due to other group undertakings also comprise 78,217,059 £1 unsecured loan notes issued during 2010 at par and which are redeemable on 27 October 2020 or, if earlier at the request of the issuer with the prior written consent of the holder. Interest accrues at 5% per annum and is payable annually. The loan notes, the counterparties for which are all B/E Aerospace group companies, were listed on the Channel Islands Stock Exchange.

During the year amounts owed to group undertakings of \$14,341k, were forgiven by the counterparty.

#### 12. CALLED-UP SHARE CAPITAL AND RESERVES

	2016 \$'000	2015 \$'000
Ordinary shares 417(2015:416) ordinary shares of \$1.66 each	-	-

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

On 28th September 2016 the Company issued one ordinary share of £1.00 for total consideration of \$81,500,000.

#### 13. RELATED PARTY TRANSACTIONS

In accordance with UK Financial Reporting Standards 'Related Party Disclosures', the transactions with other undertakings within the B/E Aerospace group have not been disclosed within these financial statements.

#### 14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is B/E Aerospace, Inc., a company incorporated in the state of Delaware, in the United States of America. At year end the immediate holding undertaking is B/E Aerospace Europe Holding LLP, a limited liability partnership is incorporated in the United Kingdom and registered in England and Wales. Copies of the group financial statements of B/E Aerospace, Inc. are available from B/E Aerospace, Inc., 1400 Corporate Center Way, Wellington, Florida 33414.

## **BE AEROSPACE (UK) EUROPE HOLDINGS LIMITED**

### **NOTES TO FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 December 2016**

#### **15. SUBSEQUENT EVENTS**

Subsequent to the end of the reporting period, the immediate holding undertaking changed from B/E Aerospace Europe Holding LLP to BEA (Barbados) International Holdings SRL, an intermediate holding company incorporated in Barbados.

On 13 April 2017, the acquisition of B/E Aerospace, Inc. by Rockwell Collins, Inc. ("Rockwell Collins") was consummated pursuant to the terms of the previously announced Agreement and Plan of Merger, dated as of October 23, 2016. As a result of the merger, B/E Aerospace, Inc. became a wholly owned subsidiary of Rockwell Collins and Rockwell Collins became the ultimate parent undertaking and controlling party of the Company.

On 4 September 2017, Rockwell Collins and United Technologies Corp. announced they had reached a definitive agreement under which United Technologies will acquire Rockwell Collins for \$140.00 per share, in cash and UTC stock. The transaction is projected to close by the third quarter of 2018, subject to approval by Rockwell Collins' shareowners, as well as other customary closing conditions, including the receipt of required regulatory approvals.