

Company Registration No. 10414808

**BE AEROSPACE GLOBAL HOLDINGS
LIMITED**

Annual Report and Financial Statements

For the year ended 28 September 2018

BE AEROSPACE GLOBAL HOLDINGS LIMITED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 SEPTEMBER 2018

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**BE AEROSPACE GLOBAL HOLDINGS LIMITED ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 28 SEPTEMBER 2018**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Steven J. Buesing
Daniel Middleton
Peter Ross

COMPANY SECRETARY

Vaughn Michael Klopfenstein (resigned 26 November 2018)
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

J P Morgan Chase Bank, NA and
125 London Wall
London
EC2 5AJ

HSBC Bank PLC
Level 30 Canada Square
Canary Wharf
London
E14 5HQ

SOLICITORS

Eversheds
1 Wood Street
London
EC2V 7WS
United Kingdom

AUDITOR

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

BE AEROSPACE GLOBAL HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2018

The Directors present their Strategic Report together with the audited Financial Statements for the year ended 28 September 2018.

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

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

Details of future developments and significant events since the balance sheet date are contained in note 14 to the financial statements.

BUSINESS REVIEW

The company made a Loss before tax is \$18,057 K (2017: \$692,171k profit).

As part of the review of the business, the directors monitor the value of the underlying investments as the key performance indicator of the Company.

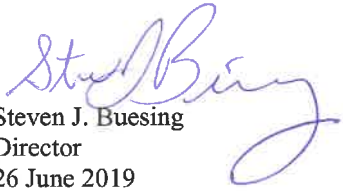
The directors have reviewed this key performance indicator and have confirmed it is in line with expectations.

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 companies.
- 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. Management reviews for indicators of impairment on an ongoing basis, no such indicators have been identified.
- Following the United Kingdom’s decision to leave the European Union there is uncertainty around foreign exchange and future trade agreements with other EU member states. The directors are monitoring this situation and will take appropriate action as necessary.

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


Steven J. Buesing
Director
26 June 2019

BE AEROSPACE GLOBAL HOLDINGS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 28 SEPTEMBER 2018

The directors present their annual report and the audited financial statements for the financial year ended 28 September 2018.

DIRECTORS

The current directors are shown on page 1.

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

Steven J. Buesing (appointed 26 November 2018)

Daniel Middleton (appointed 26 November 2018)

Peter Ross (appointed 26 November 2018)

Martin McGinley (Resigned 26 November 2018)

Vaughn M Klopfenstein (Resigned 26 November 2018)

DIVIDENDS

During 2018 the company declared and settled no dividends (2017: \$Nil).

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 group company with directors in common with the Company. 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.

EVENTS AFTER THE BALANCE SHEET DATE

Details of significant events since the balance sheet date are contained in note 14 to the financial statements.

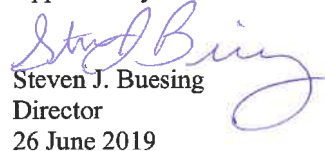
AUDITOR

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.

Approved by the Board of Directors and signed on its behalf by


Steven J. Buesing
Director
26 June 2019

BE AEROSPACE GLOBAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 28 SEPTEMBER 2018

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 MEMBERS OF BE AEROSPACE GLOBAL HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of BE Aerospace Global Holdings Limited (the 'company') 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BE AEROSPACE GLOBAL HOLDINGS LIMITED

Responsibilities of directors

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, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BE AEROSPACE GLOBAL HOLDINGS LIMITED

Report on other legal and regulatory requirements

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 period 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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

BE AEROSPACE GLOBAL HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 28 September 2018**

		Year ended 28 September 2018 \$'000	Period ended 29 September 2017 \$'000
	Note		
Administrative expenses		(43)	(1)
OPERATING LOSS		(43)	(1)
Dividend Income		-	695,000
Finance costs (net)	3	(18,014)	(2,828)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(18,057)	692,171
Tax on ordinary activities	7	3,431	551
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(14,626)	692,722

All activities derive from continuing operations.

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

Notes on pages 11-20 form an integral part of the financial statements

BE AEROSPACE GLOBAL HOLDINGS LIMITED

BALANCE SHEET

As at 28 September 2018

	Note	28 September 2018 \$'000	29 September 2017 \$'000
Investments	8	4,493,100	4,493,100
		<u>4,493,100</u>	<u>4,493,100</u>
Current assets			
Debtors	9	501,718	894,947
Cash at bank and in hand		190	2,689
		<u>501,908</u>	<u>897,636</u>
NET CURRENT ASSETS		<u>501,908</u>	<u>897,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,995,008</u>	<u>5,390,736</u>
CREDITORS: amounts falling due after more than one year	10	(757,467)	(1,125,720)
NET ASSETS		<u>4,237,541</u>	<u>4,265,016</u>
CAPITAL AND RESERVES			
Called-up share capital	11	36,169	36,169
Share premium account	11	3,523,276	3,536,125
Profit and loss account	11	678,096	692,722
SHAREHOLDER'S FUND		<u>4,237,541</u>	<u>4,265,016</u>

These financial statements of BE Aerospace Global Holdings Limited (registered number 10414808) were approved by the Board of Directors and authorised for issue on 26 June 2019.

They were signed on its behalf by:


Steven J. Buesing
Director

Notes on pages 11-20 form an integral part of the financial statements.

BE AEROSPACE GLOBAL HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 28 September 2018

	Called-up share capital \$'000	Share premium account \$'000	Profit and loss account \$'000	Total \$'000
At 6 October 2016	-	-	-	-
Issue of share capital	36,169	3,536,125	-	3,572,294
Profit and total comprehensive income for the financial period	-	-	692,722	692,722
At 29 September 2017	36,169	3,536,125	692,722	4,265,016
Loss and total comprehensive loss for the financial year	-	-	(148,276)	(148,276)
Reduction in share premium	-	2,513,000	294,973	2,806,973
At 28 September 2018	36,169	3,523,276	629,419	4,289,864

Notes on pages 11-20 form an integral part of the financial statements.

BE AEROSPACE GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 28 September 2018

1. ACCOUNTING POLICIES

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

General information and basis of accounting

BE Aerospace Global Holdings Limited is a private company incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. 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 Global 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 Global Holdings 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 Global Holdings Limited is consolidated in the financial statements of its parent, Rockwell Collins, 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.

The company's financial statements cover the period 30 September 2017 to 28 September 2018 ("2018") with comparative figures covering the period 6 October 2016 to 29 September 2017 ("2017").

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 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, Rockwell Collins, Inc. Details of how to obtain these are included in note 13.

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 GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 28 September 2018

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 GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 28 September 2018

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.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

BE AEROSPACE GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 28 September 2018

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. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

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 GLOBAL HOLDINGS LIMITED**NOTES TO FINANCIAL STATEMENTS (Continued)****For the year ended 28 September 2018****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 2018 or 2017 impairment reviews.

3. FINANCE COSTS (NET)

	2018	2017
	\$'000	\$'000
Interest payable to group companies	48,797	33,216
Interest received	(30,850)	(31,068)
Exchange (gain) / loss	67	(9)
Property Tax	-	689
	<u>18,014</u>	<u>2,828</u>

4. AUDITOR'S REMUNERATION

The auditor's remuneration in respect of fees payable for the audit of the Company's annual financial statements of \$25,647 (2017: \$25,647) is borne by a fellow B/E Aerospace group entity with no right of reimbursement.

BE AEROSPACE GLOBAL HOLDINGS LIMITED**NOTES TO FINANCIAL STATEMENTS (Continued)****For the year ended 28 September 2018****5. 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.

6. DIVIDENDS ON EQUITY	2018 \$'000	2017 \$'000
Amounts recognised as distributions to equity holders in the period:	-	-

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2018 \$'000	2017 \$'000
Current tax		
Corporation tax charge / (Credit) for the year	(3,431)	(551)
Factors affecting the tax charge for the current year:		
Profit /(Loss) on ordinary activities before taxation	(18,057)	692,171
Tax on Profit / (Loss) on ordinary activities at UK tax rate of 19 % (2017: 19.33%)	(3,431)	134,925
Non taxable dividend income	-	(135,476)
Total tax credit	(3,431)	(551)

At 29 September 2017 and 28 September 2018, the Company had no deferred tax assets or liabilities to recognise.

Reductions in the UK Corporation tax rate were substantially enacted as part of Finance Act 2016. These reduced the main rate of tax to 19% from 1 April 2017 and to 17% from 1 April 2020.

BE AEROSPACE GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 28 September 2018

8. INVESTMENTS

\$'000

The Company's investment in subsidiaries is made up as follows:

Cost

At 30 September 2017 and 28 September 2018-

Subsidiary undertakings

4,493,100

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

Company	Country of Registration and Operation	Registered Office	Principal Activity	Holding	Proporti on held	Proportion held
					2018	2017
BE Aerospace International Holdings Limited (company number: 10417251) *	England and Wales	C/O Rockwell Collins 730 Wharfedale Road Winnersh Wokingham England RG41 5TP	Holding company	Ordinary	100%	100%
BE Aerospace Investments Holdings II Sarl (company number B198443)	Luxembourg	6, rue Eugène Ruppert, L-2453, Luxembourg	Holding company	Share capital	100%	100%
Rockwell Collins do Brasil Ltda (company number: CNPJ 02.048.100/0001-13)	Brazil	Rua Ambrósio Molina, 1090 - Quadra 11F1, São José dos Campos - SP - Cep 12.247.000	Sales and support for Rockwell Collins products	Equity Shares	99.99%	99.99%
BEA Jersey Limited (company number: 122217)	Jersey	4 th Floor, St Pauls Gate, 22-24 New Street, St Helier, Jersey, JE1 4TR	Intermediate Holding Company	Ordinary	100%	100%

BE AEROSPACE GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 28 September 2018

8. INVESTMENTS (continued)

Company	Country of Registration and Operation	Registered Office	Principal Activity	Holding	Proportion held	Proportion held
					2018	2017
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%
Engineering Services India Private Limited (company number U31908DL2007PTC159814)	India	B-59 (LGF), Sarvodaya Enclave, New Delhi, Delhi 110017	Engineering center for interior systems products	Equity Shares	99.99%	99.99%

BE AEROSPACE GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 28 September 2018

8. INVESTMENTS (continued)

Company	Country of Registration and Operation	Registered Office	Principal Activity	Holding	Proportion held 2018	Proportion held 2017
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		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 Global Holdings Limited

9. DEBTORS

	2018 \$'000	2017 \$'000
Amounts owed by parent and group undertakings	497,982	893,865
Accrued interest	3,736	1,082
	<u>501,718</u>	<u>894,947</u>

The amount due from group undertakings is repayable by the company's parent B/E Aerospace International Holdings LLC in respect of a \$494,000,000 loan note. Repayment of \$100,022,000 of this loan occurred during the year. A loan to B/E Aerospace International Barbados in respect of a \$299,291,000 borrowing was repaid in full during the year.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 \$'000	2017 \$'000
Loan notes due to other group undertakings	(756,528)	(1,120,000)
Accruals	(939)	(5,720)
	<u>(757,467)</u>	<u>(1,125,720)</u>

Loan notes due to other group undertakings comprise a loan from Rockwell Collins Barbados branch for \$354,018K, a loan note from BEA Global Holdings SRL (Barbados) for \$203,639K and a loan note with BE Aerospace Inc for \$198,871K. In all cases, interest accrues at 4.75% and is added to the loan total. During the year \$97,490K and \$265,982K was repaid to Rockwell Collins Barbados branch and BE Aerospace Inc respectively.

BE AEROSPACE GLOBAL HOLDINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

For the year ended 28 September 2018

11. CALLED-UP SHARE CAPITAL AND RESERVES

	2018 \$'000	2017 \$'000
Allotted, called-up and fully-paid 3,616,887 Ordinary shares of \$10 each	36,169	36,169

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

During the year the Company effected a reduction in its capital of \$12,849K by way of reducing share premium.

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.

12. 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.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's ultimate parent undertaking and controlling party is Rockwell Collins, Inc., a company incorporated in the United States of America. Rockwell Collins, Inc. is the parent of the largest and the smallest group of which the Company is a member and for which group financial statements are prepared. Copies of the group financial statements of Rockwell Collins, Inc. can be obtained from Rockwell Collins, Inc., World Headquarters, 200 Collins Road NW, Cedar Rapids, Iowa 52498, USA.

14. EVENTS AFTER THE BALANCE SHEET DATE

On 26 November 2018 the acquisition of Rockwell Collins by United Technologies Corp. was consummated pursuant to the terms of the previously announced Agreement and Plan of Merger that was subject to some customary conditions and regulatory approvals being received. As a result of the merger, Collins Aerospace, a company incorporated in the United States of America, was formed. Rockwell Collins, Inc. became a wholly owned subsidiary of Collins Aerospace and Collins Aerospace became the ultimate parent undertaking and controlling party of the Company.

Collins Aerospace is the parent of the largest and the smallest group of which the Company is a member and for which group financial statements will be prepared. Copies of the group financial statements of Collins Aerospace will be obtainable from Collins Aerospace, 777 S. Flagler Drive, Suite 1800, West Palm Beach, FL 33401.

On 9 June 2019, United Technologies Corp. and Raytheon Company announced they had reached an agreement under which United Technologies and Raytheon would merge in an all-stock merger of equals. The transaction is projected to close in the first half of 2020. The transaction is subject to other customary closing conditions, including the receipt of required regulatory approvals, the approval of Raytheon and United Technologies shareowners, as well as completion by United Technologies of the separation of its Otis and Carrier businesses.

15. COMPARATIVE BALANCES

Where appropriate, certain comparative balances have been reclassified to conform to current year presentation. Creditors falling due within one year of \$1,125,720 have been reclassified as falling due after more than one year.