

Company Registration No. 02524190 (England and Wales)

IRVINGQ LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021



IRVINGQ LIMITED

COMPANY INFORMATION

Directors
L Sabol
D J Powell (President)
S L Bourke
M D Hennessy
M D H Steer
A D Smith

Company number 02524190

Registered office
Llangeinor
Bridgend
CF32 8PL
Wales

Auditor
Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

IRVINGQ LIMITED

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IRVINGQ LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Fair review of the business

The results for the year are set out on page 11.

Key performance indicators

Our performance is highlighted in the following KPIs: turnover, gross profit margin and operating profit. For the year ended 30 September 2021 the company achieved turnover of £36,183,000 (2020: £37,497,000), gross profit margin of 40% (2020: 35%) and operating profit of £5,584,000 (2020: £6,549,000).

March 2021 Finance Restructuring

In March 2021, a finance restructuring exercise took place within the TransDigm group (ultimate parent company). As part of this restructuring, IrvinGQ's investment in Edlaw Limited was impaired following a dividend that was paid by Edlaw Limited of £46,600,000.

Research and development

The company has a long history of, and will continue to invest in, the research and development of new products. The company has a number of proprietary products and will look to add to these in the future. The company incurred research and development expenditure of £571,000 (2020: £886,000).

Going concern and future developments

As noted in the key performance indicators, the company continues to trade profitably. Management's outlook for 2022 and beyond is that the business will continue to grow organically due to demand for our highly innovative proprietary products. The business has been able to react quickly to the challenges arising from Brexit and the Covid-19 pandemic in 2021 and continues to operate as a key defence supplier.

The company has sufficient funds in order for it to meet its obligations, given its ultimate parent company, TransDigm Group, Inc. has provided a letter of support for a period of 12 months from the signing of the 2021 financial statements. Consequently, the financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the period up to 30 September 2023.

Principal risks and uncertainties

The Covid-19 pandemic has had an unprecedented impact on the global economy. Risks arising as a result of Covid-19 include the availability of personnel, continuity of the supply chain and changing government guidelines and legislation. The company has been able to respond to these challenges, implementing operational changes where required and working with its suppliers and customers to ensure it continues to deliver its products and services as a key defence supplier.

The business has experienced very little in the way of disruption due to Brexit and the conflict in Ukraine. Whilst there were some minor supply chain delays in the months following Brexit, these have been managed with little to no impact on the financial results. IrvinGQ does not currently do business in Ukraine or Russia and as such the directors do not anticipate any specific risk relating to the events in those countries. The directors are mindful of the wider economic impact of these events and will continue to monitor this for any future impact.

One of the company's significant customers is the UK Ministry of Defence ("UK MoD") and there is a risk that the company's results would be affected if there were significant changes in the UK MoD's spending plans and priorities. The company has a number of other customers and a spread of customers that will reduce risk.

IRVINGQ LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial risk management

The operations of the company expose it to a variety of financial risks, including price risk, exchange rate risk, credit risk and liquidity risk. Exposures to these risks are monitored, reported and mitigated according to policies and procedures set by the ultimate parent company.

Price risk

Where deemed appropriate, the exposure to price risk and exchange rate fluctuations are managed through the use of financial instruments, for example forward exchange contracts. The company has no exposure to equity security price risk as it holds no listed investments.

Liquidity risk

The company maintains a mixture of long-term and short-term debt finance, principally with the wider group. This is designed to ensure the company has sufficient available funds for its operations.

Credit risk

As the majority of turnover and subsequent debt due to IrvinGQ Limited is with various Government and Defence Organisations, there is deemed to be little credit risk.

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

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

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

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

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

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

Engagement with employees

The directors recognise that our employees are one of our most valuable assets. As a company that has a proud history of saving lives for over 100 years, IrvinGQ Limited has many long serving employees, some of which have been with the company for more than 40 years. Long service is rewarded and celebrated at IrvinGQ Limited.

There is a Works Council which meets with the president regularly to discuss matters that are important to the employees. The Works Council includes representation from all areas of the organisation.

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

IRVINGQ LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Suppliers

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

Customers

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

Others

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

On behalf of the board

DocuSigned by:

.....93C3CF3518A449.....
S L Bourke
Director

Date: 30 September 2022
Date:

IRVINGQ LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company is the design, manufacture and supply of specialised military equipment and services to NATO and Partner countries. Delivering a wide range of highly engineered Troop, Cargo & Ejector Seat Parachutes, Aerial Delivery Equipment for Cargo, Vehicles & Boats and Naval Decoy Systems.

Results and dividends

The results for the year are set out on page 11.

No ordinary final dividends were paid for the year ended 30 September 2021. The directors do not recommend payment of a final dividend.

Directors

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

L Sabol

D J Powell (President)

S L Bourke

M D Hennessy

M D H Steer

A D Smith

(Appointed 1 October 2021)

Qualifying third party indemnity provisions

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

Disabled persons

The company's policy in relation to the employment of disabled persons is, where practicable, to continue to employ employees who become temporarily or permanently disabled. Full regard is given to their training needs, career development and promotional potential. Full and fair consideration is also given to the employment of applicants who are disabled, taking into account their aptitudes and abilities.

Employee involvement

The directors are visible and accessible to the workforce on a daily basis, taking care to interact with employees at all levels of the organisation. Quarterly business presentations are made to the workforce, where the directors and other Senior employees will provide updates on the business performance and key projects, as well as taking questions from the employees. Such business updates are followed up with one to one discussions between directors and employees throughout the organisation.

Business relationships

The directors understand the need to foster good company business relationships with customers, suppliers and other parties in order to develop, protect and grow the business into the future. These stakeholders are continually considered in our principal decision making throughout the year.

IRVINGQ LIMITED**DIRECTORS' REPORT (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****Energy and carbon reporting**

Following the introduction of the Streamlined Energy & Carbon Reporting Framework in the prior year, the directors present their report on the performance of IrvinGQ Limited below.

	2021 kWh	2021 kgCO2e	2020 kWh	2020 kgCO2e
Gas	2,866,942	525,109	2,161,173	397,375
Total scope 1	2,866,942	525,109	2,161,173	397,375
Electricity	1,153,363	244,893	1,301,507	303,433
Total scope 2	1,153,363	244,893	1,301,507	303,433
Buisness travel in employee owned cars	4,039	1,131	10,923	3,013
Electricity T&D	-	21,672	-	26,095
Total scope 3	4,039	22,803	10,923	29,108
Total	4,024,344	792,805	3,473,603	729,916
Intensity ratio	14,528	2,862	11,855	2,491

The 2021 figures above have been converted into carbon emissions using the 2021 UK Government Conversion Factors with the 2020 figures converted using the 2020 Conversion Factors.

Intensity ratio is calculated as CO2e per employee.

Actions taken by IrvinGQ Limited over the past year include consolidation of the NDS business into the Llangeinor site to further reduce energy consumption along with reduced inter-site travel, investment in IT infrastructure to allow for more virtual meetings and less travel costs, upgrading of hand dryers to reduce energy consumption as well as introducing a cycle to work scheme to reduce travel costs and increase employee health and wellbeing. The Directors will continue to look for further opportunities to minimise our impact on the environment.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of going concern and future developments and financial risks.

Auditor

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

Statement of disclosure to auditor

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

Events after the reporting date

Since the year end a dividend of £37,250,000 has been declared in respect of the year ended 30 September 2022.

IRVINGQ LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

On behalf of the board

DocuSigned by:
Stacie Bourke
.....93C3FF3518A449.....
S L Bourke
Director

Date: 30 September 2022
.....

IRVINGQ LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRVINGQ LIMITED

Opinion

We have audited the financial statements of IrvinGQ Limited for the year ended 30 September 2021 which comprise the Statement of financial position, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2021 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.

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 the period ended 30 September 2023.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRVINGQ LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, Financial Reporting Standard 102, Income Tax Act 2007, Bribery Act 2010, Proceeds of Crime Act 2002 and Data Protection Act 2018
- We understood how IrvinGQ Limited is complying with those frameworks by making enquiries with management, considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage earnings. We also considered the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by inquiring with management and performing a walkthrough of the financial statement close process. We consider revenue recognition to be a fraud risk due to management override of controls alongside a cut off risk of revenue close to year end. We therefore tested manual journal entries posted to revenue and also performed period end cut off procedures. Further, we performed overall analytical procedures to ensure that the overall financial performance and the position as at and for the period ended are free of material misstatements. We have also performed journal entry testing to identify unusual transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of key management, reviewing key policies, and reading key management meeting minutes. We also completed procedures to conclude on the compliance of significant disclosures in the financial statements with the requirements of the relevant accounting and UK legislation.

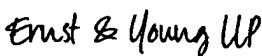
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRVINGQ LIMITED (CONTINUED)

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.

DocuSigned by:


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Paul Mapleston BEng FCA (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

Bristol

30 September 2022

IRVINGQ LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £'000	2020 £'000
Turnover	3	36,183	37,497
Cost of sales		(21,724)	(24,397)
Gross profit		14,459	13,100
Distribution costs		(1,129)	(1,336)
Administrative expenses		(6,438)	(5,083)
Other operating expenses (net)		(1,308)	(132)
Operating profit	5	5,584	6,549
Income from shares in group undertakings	8	46,600	-
Interest receivable and similar income	8	4,375	4,269
Amount written off investments	9	(43,600)	-
Profit on ordinary activities before taxation		12,959	10,818
Taxation	10	1,352	1,813
Profit for the financial year, being total comprehensive income		14,311	12,631

The notes on pages 14 - 29 form part of these financial statements.

All amounts relate to continuing operations.

IRVINGQ LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
Fixed assets					
Tangible assets	11		5,531		6,001
Investments	12		713		44,313
			<u>6,244</u>		<u>50,314</u>
Current assets					
Stocks	14	6,077		7,511	
Debtors falling due after one year	15	128,215		74,764	
Debtors falling due within one year	15	22,257		19,430	
Cash at bank and in hand		12,219		9,868	
		<u>168,768</u>		<u>111,573</u>	
Creditors: amounts falling due within one year	16	<u>(12,659)</u>		<u>(13,958)</u>	
Net current assets			<u>156,109</u>		<u>97,615</u>
Total assets less current liabilities			<u>162,353</u>		<u>147,929</u>
Accruals and deferred income falling due after one year	17		(747)		(772)
Provisions for liabilities	18		(98)		(8)
Net assets			<u>161,508</u>		<u>147,149</u>
Capital and reserves					
Called up share capital	22		12,113		12,113
Share premium account	23		1,949		1,949
Profit and loss reserves	23		147,446		133,087
Total equity			<u>161,508</u>		<u>147,149</u>

The notes on pages 14 - 29 form part of these financial statements.

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

DocuSigned by:

Stacie Bourke

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S L Bourke

Director

IRVINGQ LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 October 2019		12,113	1,949	120,370	134,432
Year ended 30 September 2020:					
Profit and total comprehensive income for the year		-	-	12,631	12,631
Credit to equity for equity settled share-based payments	7	-	-	86	86
Balance at 30 September 2020		12,113	1,949	133,087	147,149
Year ended 30 September 2021:					
Profit and total comprehensive income for the year		-	-	14,311	14,311
Credit to equity for equity settled share-based payments	7	-	-	48	48
Balance at 30 September 2021		12,113	1,949	147,446	161,508

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

IrvinGQ Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Llangeinor, Bridgend, Wales, CF32 8PL. The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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

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

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

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

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

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

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

Going concern

Management's outlook for 2021 and beyond is that the business will continue to grow organically due to demand for our highly innovative proprietary products. The business has been able to react quickly to the challenges arising from Brexit and the Covid-19 pandemic in 2021 and continues to operate as a key defence supplier.

The company has sufficient funds in order for it to meet its obligations, given its ultimate parent company, TransDigm Group, Inc. has provided a letter of support for a period of 12 months from the signing of the 2021 financial statements. Consequently, the financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the period up to 30 September 2023.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue in respect of long term contracts represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Revenue in respect of long term contracts is calculated as that proportion of total contract value with costs incurred to date bear to total expected costs for that contract.

Research and development expenditure

Research and development expenditure is charged to the statement of comprehensive income as incurred.

Tangible fixed assets

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

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

Freehold buildings	between 10 and 50 years
Long leasehold land and buildings	over the period of the lease
Plant and equipment	usually 10 years

No depreciation is charged on freehold land.

Assets under construction are not depreciated until they are deemed to be in use.

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

Fixed asset investments

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

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

Stocks

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

At each reporting date, an assessment is made to identify any old, excessive, obsolete, and slow moving or damaged stocks. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Provisions

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

Retirement benefits

The company operates a Group Personal Pension Plan. The amount charged to the statement of comprehensive income represents the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The company participates in the TransDigm Group, Inc. share-based payment arrangement granted to its employees. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in the group consolidated financial statements. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution.

Leases

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

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Government grants

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

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

The company received a discretionary cash grant of £131,667 (2020: £360,927) from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the company PAYE payroll and the employee cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingencies attached to the grant and the company has received no other forms of government assistance.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to income statement, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

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

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

The directors have considered whether any critical estimates or judgements have been made in the preparation of these financial statements and they believe there are none to note.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****3 Turnover and other revenue**

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

	2021	2020
	£'000	£'000
Turnover analysed by class of business		
Sale of goods	30,747	32,491
Provision of services	5,436	5,006
	<u>36,183</u>	<u>37,497</u>
Other revenue		
Interest income	4,375	4,269
Royalty income	154	154
Income from shares in group undertakings	46,600	-
Grants received	132	660
	<u>46,800</u>	<u>49,083</u>
Turnover analysed by geographical market		
United Kingdom	20,659	27,305
Rest of Europe	11,856	8,072
North America	2,178	1,499
Rest of World	1,490	621
	<u>36,183</u>	<u>37,497</u>

Royalty income and Grants received have been netted off Other operating expenses (net) in the Statement of Comprehensive Income.

4 Employees

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

	2021	2020
	Number	Number
Production and sales	260	273
Management and administration	17	20
	<u>277</u>	<u>293</u>
Total	<u><u>277</u></u>	<u><u>293</u></u>

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****4 Employees (Continued)**

Their aggregate remuneration comprised:

	2021	2020
	£'000	£'000
Wages and salaries	8,841	9,372
Social security costs	859	908
Pension costs	517	554
	<u>10,217</u>	<u>10,834</u>

5 Operating profit

	2021	2020
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	1,747	793
Research and development costs	571	886
Government grants	(155)	(685)
Fees payable to the company's auditor for the audit of the company's financial statements	68	68
Depreciation of owned tangible fixed assets	831	737
Profit on disposal of tangible fixed assets	(5)	-
Share-based payments	48	86
Operating lease charges	299	279
	<u>7,299</u>	<u>7,299</u>

6 Directors' remuneration

	2021	2020
	£'000	£'000
Remuneration for qualifying services	729	5,705
Company pension contributions to defined contribution schemes	27	24
	<u>756</u>	<u>5,729</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020: 4).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 4 (2020: 4).

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****6 Directors' remuneration (Continued)**

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

	2021 £'000	2020 £'000
Remuneration for qualifying services	352	3,066
Company pension contributions to defined contribution schemes	9	2
	<u> </u>	<u> </u>

The highest paid director has been entitled to receive shares under a long term incentive scheme during the year.

7 Share-based payment transactions

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

The company participates in a group share based payment plan, and recognises and measures its share based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The allocation is based on the number of shares granted to this company as a percentage of the total shares granted in the group plan.

8 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest income		
Interest on bank deposits	-	5
Interest receivable from group companies	4,375	4,264
	<u> </u>	<u> </u>
Total interest revenue	4,375	4,269
Income from fixed asset investments		
Income from shares in group undertakings	46,600	-
	<u> </u>	<u> </u>
Total income	50,975	4,269
	<u> </u>	<u> </u>

9 Amount written off investments

	2021 £'000	2020 £'000
Impairment of fixed asset investments	(43,600)	-
	<u> </u>	<u> </u>

As a result of the TransDigm group finance restructuring that took place in March 2021, IrvingQ's investment in Edlaw Limited was impaired following a dividend that was paid by Edlaw Limited of £46.6m.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****10 Taxation**

	2021	2020
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	26	1,166
Adjustments in respect of prior periods	(1,112)	(3,170)
Total current tax	<u>(1,086)</u>	<u>(2,004)</u>
Deferred tax		
Origination and reversal of timing differences	(18)	213
Changes in tax rates	(56)	(22)
Adjustment in respect of prior periods	(192)	-
Total deferred tax	<u>(266)</u>	<u>191</u>
Total tax credit	<u><u>(1,352)</u></u>	<u><u>(1,813)</u></u>

The charge for the year can be reconciled to the statement of comprehensive income as follows:

	2021	2020
	£'000	£'000
Profit before taxation	<u>12,959</u>	<u>10,818</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	2,462	2,055
Tax effect of expenses that are not deductible in determining taxable profit	8,389	16
Tax effect of income not taxable in determining taxable profit	(12)	(8)
Adjustments in respect of prior years	(1,304)	(3,170)
Effect of change in corporation tax rate	(56)	-
Group relief not paid for	(1,883)	-
Permanent capital allowances in excess of depreciation	-	63
Research and development tax credit	-	29
Other permanent differences	(77)	(879)
Non taxable dividend income	(8,854)	-
Deferred tax not recognised	(17)	10
Effect of change in local deferred tax rate	-	(20)
Other differences	-	(56)
Unamortised taxable capital grants	-	147
Taxation credit for the year	<u><u>(1,352)</u></u>	<u><u>(1,813)</u></u>

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****10 Taxation (Continued)**

Other permanent differences of £77,000 (2020: £879,000) relate to the company's share scheme (note 7).

Adjustments in respect of prior periods have primarily arisen as finalisation of group relief claims of £5.3m in 2021 and £14.5m in 2020.

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK fiscal statement on 23 September 2022 included measures to target annual economic growth of 2.5%, encourage investment, higher wages and increased consumer spending. These measures included the cancellation of the planned increase in the corporation tax rate to 25%. The cancellation was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's/group's deferred tax balances.

11 Tangible fixed assets

	Freehold buildings	leasehold land and buildings	Long assets	Assets under construction	Plant and equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 October 2020	5,518	1,917	-	-	9,289	16,724
Additions	61	-	-	58	250	369
Disposals	-	-	-	-	(174)	(174)
At 30 September 2021	5,579	1,917	-	58	9,365	16,919
Depreciation and impairment						
At 1 October 2020	2,087	1,639	-	-	6,997	10,723
Depreciation charged in the year	276	59	-	-	496	831
Eliminated in respect of disposals	-	-	-	-	(166)	(166)
At 30 September 2021	2,363	1,698	-	-	7,327	11,388
Carrying amount						
At 30 September 2021	3,216	219	-	58	2,038	5,531
At 30 September 2020	3,431	278	-	-	2,292	6,001

12 Fixed asset investments

	Notes	2021 £'000	2020 £'000
Investments in subsidiaries	13	713	44,313

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****12 Fixed asset investments (Continued)****Movements in fixed asset investments**

	Shares in group undertakings £'000
Cost or valuation	
At 1 October 2020 & 30 September 2021	44,313
Impairment	
At 1 October 2020	-
Impairment	43,600
At 30 September 2021	43,600
Carrying amount	
At 30 September 2021	713
At 30 September 2020	44,313

As a result of the TransDigm group finance restructuring that took place in March 2021, IrvinGQ's investment in Edlaw Limited was impaired following a dividend that was paid by Edlaw Limited of £46.6m.

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Airborne Systems Pension Trust Limited	a)	Dormant	Ordinary	100.00	-
Aircraft Materials Limited	a)	Dormant	Ordinary	100.00	-
Edlaw Limited	a)	Investments	Ordinary	100.00	-
Irvin Aerospace Limited	a)	Dormant	Ordinary	-	100.00
IrvinGQ France	b)	Parachutes and aerial delivery solutions	Ordinary	99.98	-

a) Bettws Road, Llangeinor, Bridgend, Mid Glamorgan, CF32 8PL

b) 5 T Impasse Alfred Sauvy, 31270, Cugnaux, France

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****14 Stocks**

	2021	2020
	£'000	£'000
Raw materials and consumables	2,786	3,253
Work in progress	3,145	4,244
Finished goods and goods for resale	146	14
	<u>6,077</u>	<u>7,511</u>

During the year an impairment to stock of £201,000 (2020: £323,000) has been recognised in profit or loss.

15 Debtors

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	6,774	7,826
Corporation tax recoverable	6,242	3,065
Amounts owed by group undertakings	6,426	7,881
Other debtors	346	108
Prepayments and accrued income	2,272	550
	<u>22,060</u>	<u>19,430</u>
Deferred tax asset (note 19)	197	-
	<u>22,257</u>	<u>19,430</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	128,154	74,764
Deferred tax asset (note 19)	61	-
	<u>128,215</u>	<u>74,764</u>
Total debtors	<u>150,472</u>	<u>94,194</u>

There are no fixed repayment terms for the amounts owed by group undertakings. As the amounts relate to long term loans they have been classified as due after more than one year.

IrvinGQ has more than 20 loans in place with TransDigm with interest terms ranging from 0% to 7.5%. In 2022, TransDigm cleared the equivalent of \$17.5m of the loans and accompanying interest.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****16 Creditors: amounts falling due within one year**

	Notes	2021 £'000	2020 £'000
Trade creditors		1,362	2,531
Amounts owed to group undertakings		7,895	7,926
Taxation and social security		1,067	1,672
Government grants	20	25	25
Accruals and deferred income		2,310	1,804
		<u>12,659</u>	<u>13,958</u>

There are no fixed repayment terms for the amounts owed to group undertakings. As the amounts relate to trade balances they have been classified as due within one year.

The amounts owed to group undertakings are predominantly made up of SG&A and Insurance recharges from TransDigm, both of which attract 0% interest. In 2022 we have cleared \$5.6M of amounts owed to Transdigm.

17 Creditors: amounts falling due after more than one year

	Notes	2021 £'000	2020 £'000
Government grants	20	<u>747</u>	<u>772</u>

18 Provisions for liabilities

	Notes	2021 £'000	2020 £'000
Warranty provision		38	-
Dilapidation provision		60	-
		<u>98</u>	<u>-</u>
Deferred tax liabilities	19	-	8
		<u>98</u>	<u>8</u>

Movements on provisions apart from deferred tax liabilities:

	Warranty provision £'000	Dilapidation provision £'000	Total £'000
Additional provisions in the year	<u>38</u>	<u>60</u>	<u>98</u>

During the year the company set up two warranty provisions. The first provision relates to the corrosion of supplies, and the second relates to an issue with a bought in part. Both warranty provisions have been subsequently confirmed as being required by IrvinGQ management, with the costs expected to be incurred during the year ended 30 September 2022, and are in line with the amounts provided at 30 September 2021.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****18 Provisions for liabilities (Continued)**

A provision for contractual dilapidation obligations has been made in the year.

19 Deferred taxation

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

	Liabilities 2021 £'000	Liabilities 2020 £'000	Assets 2021 £'000	Assets 2020 £'000
Balances:				
Fixed asset timing differences	-	27	23	-
Other timing differences	-	(19)	235	-
	<u>-</u>	<u>8</u>	<u>258</u>	<u>-</u>
	<u>-</u>	<u>8</u>	<u>258</u>	<u>-</u>
Movements in the year:				2021 £'000
Liability at 1 October 2020				8
Credit to profit or loss				(266)
				<u>-</u>
Asset at 30 September 2021				<u>(258)</u>

20 Government grants

	2021 £'000	2020 £'000
Arising from government grants	<u>772</u>	<u>797</u>
Deferred income is included in the financial statements as follows:		
Current liabilities	25	25
Non-current liabilities	747	772
	<u>772</u>	<u>797</u>

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****21 Retirement benefit schemes**

	2021	2020
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	517	554
	<u>517</u>	<u>554</u>

The company operates a group personal pension plan for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2021	2020	2021	2020
	Number	Number	£'000	£'000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	12,112,740	12,112,740	12,113	12,113
	<u>12,112,740</u>	<u>12,112,740</u>	<u>12,113</u>	<u>12,113</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

23 Reserves**Share premium**

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

24 Operating lease commitments**Lessee**

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

	2021	2020
	£'000	£'000
Within one year	219	282
Between one and five years	167	355
	<u>386</u>	<u>637</u>

25 Events after the reporting date

Since the year end a dividend of £37,250,000 has been declared in respect of the year ended 30 September 2022.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

26 Ultimate controlling party

The immediate parent company is TransDigm European Holdings Limited, a company incorporated in England and Wales (registered office: Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB).

The directors consider the ultimate parent and controlling party to be TransDigm Group, Inc., a public company incorporated in the United States of America and listed on the NYSE. TransDigm Group, Inc. are the smallest and largest group to produce consolidated financial statements which include the results of IrvingQ Limited. The consolidated financial statements are available from their registered office: The Tower at Erieview, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.

IRVINGQ LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021
THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021		2020
	£'000	£'000	£'000
Turnover			
Sales of goods		36,183	37,497
Cost of sales			
Raw materials purchases	10,610		12,888
Direct costs	136		123
Carriage inwards and import duty	242		228
Wages and salaries	7,132		7,560
Social security costs	671		704
Staff recruitment costs	-		28
Staff welfare	4		3
Staff training	12		16
Staff pension costs defined contribution	427		456
Rent re operating leases	240		237
Rates	167		164
Cleaning	89		103
Power, light and heat	318		346
Premises insurance	3		2
Equipment repairs	236		199
Computer running costs	89		84
Software costs	6		10
Hire of equipment (not operating lease)	82		80
Leasing - plant and machinery	59		39
Motor running expenses	140		70
Travelling expenses	205		156
Professional subscriptions	29		33
Legal and professional fees	37		33
Insurances (not premises)	-		1
Printing and stationery	10		10
Telecommunications	19		21
Other office supplies	83		65
Sundry expenses	67		96
Health and safety	5		25
Depreciation	606		617
		<u>(21,724)</u>	<u>(24,397)</u>
Gross profit		14,459	13,100
Other operating income			
Government grants receivable and released	132		660
Royalties receivable	154		154
Exchange (losses)/gains	(1,594)		(946)
		<u>(1,308)</u>	<u>(132)</u>

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	£'000	2021 £'000	£'000	2020 £'000
Distribution costs				
Wages and salaries	700		747	
Social security costs	80		88	
Staff welfare	1		-	
Staff training	4		3	
Staff pension costs defined contribution	38		44	
Computer running costs	7		8	
Travelling expenses	44		101	
Professional subscriptions	9		17	
Legal and professional fees	215		245	
Advertising	20		70	
Telecommunications	10		10	
Other office supplies	-		1	
Depreciation	1		2	
	<u> </u>	(1,129)	<u> </u>	(1,336)

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	£'000	2021 £'000	£'000	2020 £'000
Administrative expenses				
Wages and salaries	232		408	
Social security costs	108		116	
Staff welfare	52		97	
Staff training	11		19	
Staff pension costs defined contribution	25		30	
Equity settled share based payment costs	48		86	
Directors' remuneration	729		571	
Directors' pension costs - defined contribution scheme	27		24	
Royalties payable	2,321		-	
Management charge	947		1,601	
Canteen costs	1		53	
Computer running costs	132		110	
Software costs	18		46	
Leasing - plant and machinery	-		3	
Travelling expenses	20		41	
Postage, courier and delivery charges	1		2	
Professional subscriptions	9		15	
Legal and professional fees	136		131	
Audit fees	68		68	
Bank charges	3		15	
Bad and doubtful debts	7		(11)	
Insurances (not premises)	260		174	
Printing and stationery	23		12	
Telecommunications	25		20	
Research and development costs	571		886	
Sundry expenses	290		626	
Intercompany write off	111		-	
Government grant	(23)		(25)	
Depreciation	138		118	
Loss on sale of tangible assets	(5)		-	
(Profit)/loss on foreign exchange	153		(153)	
		(6,438)		(5,083)
Operating profit		5,584		6,549

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	£'000	2021 £'000	£'000	2020 £'000
Interest receivable and similar income				
Interest receivable from group companies	4,375		4,264	
Bank interest received	-		5	
Dividends receivable from group companies	46,600		-	
		50,975		4,269
Other gains and losses				
Amounts written off fixed asset investments		(43,600)		-
Profit before taxation		<u>12,959</u>		<u>10,818</u>

Company Registration No. 02524190 (England and Wales)

IRVINGQ LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021

IRVINGQ LIMITED

COMPANY INFORMATION

Directors L Sabol
 D J Powell (President)
 S L Bourke
 M D Hennessy
 M D H Steer
 A D Smith

Company number 02524190

Registered office Llangeinor
 Bridgend
 CF32 8PL
 Wales

Auditor Ernst & Young LLP
 The Paragon
 Counterslip
 Bristol
 BS1 6BX

IRVINGQ LIMITED

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IRVINGQ LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Fair review of the business

The results for the year are set out on page 11.

Key performance indicators

Our performance is highlighted in the following KPIs: turnover, gross profit margin and operating profit. For the year ended 30 September 2021 the company achieved turnover of £36,183,000 (2020: £37,497,000), gross profit margin of 40% (2020: 35%) and operating profit of £5,584,000 (2020: £6,549,000).

March 2021 Finance Restructuring

In March 2021, a finance restructuring exercise took place within the TransDigm group (ultimate parent company). As part of this restructuring, IrvinGQ's investment in Edlaw Limited was impaired following a dividend that was paid by Edlaw Limited of £46,600,000.

Research and development

The company has a long history of, and will continue to invest in, the research and development of new products. The company has a number of proprietary products and will look to add to these in the future. The company incurred research and development expenditure of £571,000 (2020: £886,000).

Going concern and future developments

As noted in the key performance indicators, the company continues to trade profitably. Management's outlook for 2022 and beyond is that the business will continue to grow organically due to demand for our highly innovative proprietary products. The business has been able to react quickly to the challenges arising from Brexit and the Covid-19 pandemic in 2021 and continues to operate as a key defence supplier.

The company has sufficient funds in order for it to meet its obligations, given its ultimate parent company, TransDigm Group, Inc. has provided a letter of support for a period of 12 months from the signing of the 2021 financial statements. Consequently, the financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the period up to 30 September 2023.

Principal risks and uncertainties

The Covid-19 pandemic has had an unprecedented impact on the global economy. Risks arising as a result of Covid-19 include the availability of personnel, continuity of the supply chain and changing government guidelines and legislation. The company has been able to respond to these challenges, implementing operational changes where required and working with its suppliers and customers to ensure it continues to deliver its products and services as a key defence supplier.

The business has experienced very little in the way of disruption due to Brexit and the conflict in Ukraine. Whilst there were some minor supply chain delays in the months following Brexit, these have been managed with little to no impact on the financial results. IrvinGQ does not currently do business in Ukraine or Russia and as such the directors do not anticipate any specific risk relating to the events in those countries. The directors are mindful of the wider economic impact of these events and will continue to monitor this for any future impact.

One of the company's significant customers is the UK Ministry of Defence ("UK MoD") and there is a risk that the company's results would be affected if there were significant changes in the UK MoD's spending plans and priorities. The company has a number of other customers and a spread of customers that will reduce risk.

IRVINGQ LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Financial risk management

The operations of the company expose it to a variety of financial risks, including price risk, exchange rate risk, credit risk and liquidity risk. Exposures to these risks are monitored, reported and mitigated according to policies and procedures set by the ultimate parent company.

Price risk

Where deemed appropriate, the exposure to price risk and exchange rate fluctuations are managed through the use of financial instruments, for example forward exchange contracts. The company has no exposure to equity security price risk as it holds no listed investments.

Liquidity risk

The company maintains a mixture of long-term and short-term debt finance, principally with the wider group. This is designed to ensure the company has sufficient available funds for its operations.

Credit risk

As the majority of turnover and subsequent debt due to IrvinGQ Limited is with various Government and Defence Organisations, there is deemed to be little credit risk.

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

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

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

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

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

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

Engagement with employees

The directors recognise that our employees are one of our most valuable assets. As a company that has a proud history of saving lives for over 100 years, IrvinGQ Limited has many long serving employees, some of which have been with the company for more than 40 years. Long service is rewarded and celebrated at IrvinGQ Limited.

There is a Works Council which meets with the president regularly to discuss matters that are important to the employees. The Works Council includes representation from all areas of the organisation.

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

IRVINGQ LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Suppliers

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

Customers

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

Others

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

On behalf of the board

DocuSigned by:

.....83C3CFF3816A449.....
S L Bourke
Director

Date: 30 September 2022
Date:

IRVINGQ LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company is the design, manufacture and supply of specialised military equipment and services to NATO and Partner countries. Delivering a wide range of highly engineered Troop, Cargo & Ejector Seat Parachutes, Aerial Delivery Equipment for Cargo, Vehicles & Boats and Naval Decoy Systems.

Results and dividends

The results for the year are set out on page 11.

No ordinary final dividends were paid for the year ended 30 September 2021. The directors do not recommend payment of a final dividend.

Directors

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

L Sabol

D J Powell (President)

S L Bourke

M D Hennessy

M D H Steer

A D Smith

(Appointed 1 October 2021)

Qualifying third party indemnity provisions

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

Disabled persons

The company's policy in relation to the employment of disabled persons is, where practicable, to continue to employ employees who become temporarily or permanently disabled. Full regard is given to their training needs, career development and promotional potential. Full and fair consideration is also given to the employment of applicants who are disabled, taking into account their aptitudes and abilities.

Employee involvement

The directors are visible and accessible to the workforce on a daily basis, taking care to interact with employees at all levels of the organisation. Quarterly business presentations are made to the workforce, where the directors and other Senior employees will provide updates on the business performance and key projects, as well as taking questions from the employees. Such business updates are followed up with one to one discussions between directors and employees throughout the organisation.

Business relationships

The directors understand the need to foster good company business relationships with customers, suppliers and other parties in order to develop, protect and grow the business into the future. These stakeholders are continually considered in our principal decision making throughout the year.

IRVINGQ LIMITED**DIRECTORS' REPORT (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2021****Energy and carbon reporting**

Following the introduction of the Streamlined Energy & Carbon Reporting Framework in the prior year, the directors present their report on the performance of IrvinGQ Limited below.

	2021 kWh	2021 kgCO2e	2020 kWh	2020 kgCO2e
Gas	2,866,942	525,109	2,161,173	397,375
Total scope 1	2,866,942	525,109	2,161,173	397,375
Electricity	1,153,363	244,893	1,301,507	303,433
Total scope 2	1,153,363	244,893	1,301,507	303,433
Buisness travel in employee owned cars	4,039	1,131	10,923	3,013
Electricity T&D	-	21,672	-	26,095
Total scope 3	4,039	22,803	10,923	29,108
Total	4,024,344	792,805	3,473,603	729,916
Intensity ratio	14,528	2,862	11,855	2,491

The 2021 figures above have been converted into carbon emissions using the 2021 UK Government Conversion Factors with the 2020 figures converted using the 2020 Conversion Factors.

Intensity ratio is calculated as CO2e per employee.

Actions taken by IrvinGQ Limited over the past year include consolidation of the NDS business into the Llangeinor site to further reduce energy consumption along with reduced inter-site travel, investment in IT infrastructure to allow for more virtual meetings and less travel costs, upgrading of hand dryers to reduce energy consumption as well as introducing a cycle to work scheme to reduce travel costs and increase employee health and wellbeing. The Directors will continue to look for further opportunities to minimise our impact on the environment.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of going concern and future developments and financial risks.

Auditor

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

Statement of disclosure to auditor

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


Events after the reporting date

Since the year end a dividend of £37,250,000 has been declared in respect of the year ended 30 September 2022.

IRVINGQ LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

On behalf of the board

DocuSigned by:

.....93C3CF3518A449.....
S L Bourke
Director

Date: 30 September 2022
.....

IRVINGQ LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRVINGQ LIMITED

Opinion

We have audited the financial statements of IrvinGQ Limited for the year ended 30 September 2021 which comprise the Statement of financial position, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2021 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.

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 the period ended 30 September 2023.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRVINGQ LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, Financial Reporting Standard 102, Income Tax Act 2007, Bribery Act 2010, Proceeds of Crime Act 2002 and Data Protection Act 2018
- We understood how IrvinGQ Limited is complying with those frameworks by making enquiries with management, considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage earnings. We also considered the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by inquiring with management and performing a walkthrough of the financial statement close process. We consider revenue recognition to be a fraud risk due to management override of controls alongside a cut off risk of revenue close to year end. We therefore tested manual journal entries posted to revenue and also performed period end cut off procedures. Further, we performed overall analytical procedures to ensure that the overall financial performance and the position as at and for the period ended are free of material misstatements. We have also performed journal entry testing to identify unusual transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of key management, reviewing key policies, and reading key management meeting minutes. We also completed procedures to conclude on the compliance of significant disclosures in the financial statements with the requirements of the relevant accounting and UK legislation.

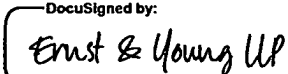
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRVINGQ LIMITED (CONTINUED)

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.

DocuSigned by:

 Ernst & Young LLP

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Paul Mapleston BEng FCA (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

Bristol

30 September 2022

IRVINGQ LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £'000	2020 £'000
Turnover	3	36,183	37,497
Cost of sales		(21,724)	(24,397)
Gross profit		14,459	13,100
Distribution costs		(1,129)	(1,336)
Administrative expenses		(6,438)	(5,083)
Other operating expenses (net)		(1,308)	(132)
Operating profit	5	5,584	6,549
Income from shares in group undertakings	8	46,600	-
Interest receivable and similar income	8	4,375	4,269
Amount written off investments	9	(43,600)	-
Profit on ordinary activities before taxation		12,959	10,818
Taxation	10	1,352	1,813
Profit for the financial year, being total comprehensive income		14,311	12,631

The notes on pages 14 - 29 form part of these financial statements.

All amounts relate to continuing operations.

IRVINGQ LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
Fixed assets					
Tangible assets	11		5,531		6,001
Investments	12		713		44,313
			<u>6,244</u>		<u>50,314</u>
Current assets					
Stocks	14	6,077		7,511	
Debtors falling due after one year	15	128,215		74,764	
Debtors falling due within one year	15	22,257		19,430	
Cash at bank and in hand		12,219		9,868	
		<u>168,768</u>		<u>111,573</u>	
Creditors: amounts falling due within one year	16	<u>(12,659)</u>		<u>(13,958)</u>	
Net current assets			<u>156,109</u>		<u>97,615</u>
Total assets less current liabilities			<u>162,353</u>		<u>147,929</u>
Accruals and deferred income falling due after one year	17		(747)		(772)
Provisions for liabilities	18		(98)		(8)
Net assets			<u>161,508</u>		<u>147,149</u>
Capital and reserves					
Called up share capital	22		12,113		12,113
Share premium account	23		1,949		1,949
Profit and loss reserves	23		147,446		133,087
Total equity			<u>161,508</u>		<u>147,149</u>

The notes on pages 14 - 29 form part of these financial statements.

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

DocuSigned by:

Stacie Bourke

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S L Bourke

Director

IRVINGQ LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 October 2019		12,113	1,949	120,370	134,432
Year ended 30 September 2020:					
Profit and total comprehensive income for the year		-	-	12,631	12,631
Credit to equity for equity settled share-based payments	7	-	-	86	86
Balance at 30 September 2020		12,113	1,949	133,087	147,149
Year ended 30 September 2021:					
Profit and total comprehensive income for the year		-	-	14,311	14,311
Credit to equity for equity settled share-based payments	7	-	-	48	48
Balance at 30 September 2021		<u>12,113</u>	<u>1,949</u>	<u>147,446</u>	<u>161,508</u>

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

IrvinGQ Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Llangeinor, Bridgend, Wales, CF32 8PL. The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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

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

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

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

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

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

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

Going concern

Management's outlook for 2021 and beyond is that the business will continue to grow organically due to demand for our highly innovative proprietary products. The business has been able to react quickly to the challenges arising from Brexit and the Covid-19 pandemic in 2021 and continues to operate as a key defence supplier.

The company has sufficient funds in order for it to meet its obligations, given its ultimate parent company, TransDigm Group, Inc. has provided a letter of support for a period of 12 months from the signing of the 2021 financial statements. Consequently, the financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the period up to 30 September 2023.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue in respect of long term contracts represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Revenue in respect of long term contracts is calculated as that proportion of total contract value with costs incurred to date bear to total expected costs for that contract.

Research and development expenditure

Research and development expenditure is charged to the statement of comprehensive income as incurred.

Tangible fixed assets

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

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

Freehold buildings	between 10 and 50 years
Long leasehold land and buildings	over the period of the lease
Plant and equipment	usually 10 years

No depreciation is charged on freehold land.

Assets under construction are not depreciated until they are deemed to be in use.

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

Fixed asset investments

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

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

Stocks

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

At each reporting date, an assessment is made to identify any old, excessive, obsolete, and slow moving or damaged stocks. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Provisions

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

Retirement benefits

The company operates a Group Personal Pension Plan. The amount charged to the statement of comprehensive income represents the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The company participates in the TransDigm Group, Inc. share-based payment arrangement granted to its employees. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in the group consolidated financial statements. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution.

Leases

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

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies (Continued)

Government grants

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

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

The company received a discretionary cash grant of £131,667 (2020: £360,927) from the government as part of the Coronavirus Job Retention Scheme (CJRS) which compensates employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). The grant is conditional upon the employees being employed and on the company PAYE payroll and the employee cannot do any work for their employer that makes money or provides services for their employer or any organisation linked or associated with their employer. There are no unfulfilled conditions or contingencies attached to the grant and the company has received no other forms of government assistance.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to income statement, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

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

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

The directors have considered whether any critical estimates or judgements have been made in the preparation of these financial statements and they believe there are none to note.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****3 Turnover and other revenue**

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

	2021	2020
	£'000	£'000
Turnover analysed by class of business		
Sale of goods	30,747	32,491
Provision of services	5,436	5,006
	<u>36,183</u>	<u>37,497</u>
Other revenue		
Interest income	4,375	4,269
Royalty income	154	154
Income from shares in group undertakings	46,600	-
Grants received	132	660
	<u>46,800</u>	<u>4,983</u>
Turnover analysed by geographical market		
United Kingdom	20,659	27,305
Rest of Europe	11,856	8,072
North America	2,178	1,499
Rest of World	1,490	621
	<u>36,183</u>	<u>37,497</u>

Royalty income and Grants received have been netted off Other operating expenses (net) in the Statement of Comprehensive Income.

4 Employees

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

	2021	2020
	Number	Number
Production and sales	260	273
Management and administration	17	20
	<u>277</u>	<u>293</u>

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****4 Employees (Continued)**

Their aggregate remuneration comprised:

	2021	2020
	£'000	£'000
Wages and salaries	8,841	9,372
Social security costs	859	908
Pension costs	517	554
	<u>10,217</u>	<u>10,834</u>

5 Operating profit

	2021	2020
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	1,747	793
Research and development costs	571	886
Government grants	(155)	(685)
Fees payable to the company's auditor for the audit of the company's financial statements	68	68
Depreciation of owned tangible fixed assets	831	737
Profit on disposal of tangible fixed assets	(5)	-
Share-based payments	48	86
Operating lease charges	299	279
	<u>7,716</u>	<u>7,721</u>

6 Directors' remuneration

	2021	2020
	£'000	£'000
Remuneration for qualifying services	729	5,705
Company pension contributions to defined contribution schemes	27	24
	<u>756</u>	<u>5,729</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020: 4).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 4 (2020: 4).

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****6 Directors' remuneration (Continued)**

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

	2021	2020
	£'000	£'000
Remuneration for qualifying services	352	3,066
Company pension contributions to defined contribution schemes	9	2
	<u> </u>	<u> </u>

The highest paid director has been entitled to receive shares under a long term incentive scheme during the year.

7 Share-based payment transactions

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

The company participates in a group share based payment plan, and recognises and measures its share based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The allocation is based on the number of shares granted to this company as a percentage of the total shares granted in the group plan.

8 Interest receivable and similar income

	2021	2020
	£'000	£'000
Interest income		
Interest on bank deposits	-	5
Interest receivable from group companies	4,375	4,264
	<u> </u>	<u> </u>
Total interest revenue	4,375	4,269
Income from fixed asset investments		
Income from shares in group undertakings	46,600	-
	<u> </u>	<u> </u>
Total income	<u>50,975</u>	<u>4,269</u>

9 Amount written off investments

	2021	2020
	£'000	£'000
Impairment of fixed asset investments	(43,600)	-
	<u> </u>	<u> </u>

As a result of the TransDigm group finance restructuring that took place in March 2021, IrvingQ's investment in Edlaw Limited was impaired following a dividend that was paid by Edlaw Limited of £46.6m.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****10 Taxation**

	2021	2020
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	26	1,166
Adjustments in respect of prior periods	(1,112)	(3,170)
Total current tax	<u>(1,086)</u>	<u>(2,004)</u>
Deferred tax		
Origination and reversal of timing differences	(18)	213
Changes in tax rates	(56)	(22)
Adjustment in respect of prior periods	(192)	-
Total deferred tax	<u>(266)</u>	<u>191</u>
Total tax credit	<u><u>(1,352)</u></u>	<u><u>(1,813)</u></u>

The charge for the year can be reconciled to the statement of comprehensive income as follows:

	2021	2020
	£'000	£'000
Profit before taxation	<u>12,959</u>	<u>10,818</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	2,462	2,055
Tax effect of expenses that are not deductible in determining taxable profit	8,389	16
Tax effect of income not taxable in determining taxable profit	(12)	(8)
Adjustments in respect of prior years	(1,304)	(3,170)
Effect of change in corporation tax rate	(56)	-
Group relief not paid for	(1,883)	-
Permanent capital allowances in excess of depreciation	-	63
Research and development tax credit	-	29
Other permanent differences	(77)	(879)
Non taxable dividend income	(8,854)	-
Deferred tax not recognised	(17)	10
Effect of change in local deferred tax rate	-	(20)
Other differences	-	(56)
Unamortised taxable capital grants	-	147
Taxation credit for the year	<u><u>(1,352)</u></u>	<u><u>(1,813)</u></u>

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Taxation (Continued)

Other permanent differences of £77,000 (2020: £879,000) relate to the company's share scheme (note 7).

Adjustments in respect of prior periods have primarily arisen as finalisation of group relief claims of £5.3m in 2021 and £14.5m in 2020.

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK fiscal statement on 23 September 2022 included measures to target annual economic growth of 2.5%, encourage investment, higher wages and increased consumer spending. These measures included the cancellation of the planned increase in the corporation tax rate to 25%. The cancellation was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's/group's deferred tax balances.

11 Tangible fixed assets

	Freehold buildings	Long leasehold land and buildings	Assets under construction	Plant and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2020	5,518	1,917	-	9,289	16,724
Additions	61	-	58	250	369
Disposals	-	-	-	(174)	(174)
At 30 September 2021	5,579	1,917	58	9,365	16,919
Depreciation and impairment					
At 1 October 2020	2,087	1,639	-	6,997	10,723
Depreciation charged in the year	276	59	-	496	831
Eliminated in respect of disposals	-	-	-	(166)	(166)
At 30 September 2021	2,363	1,698	-	7,327	11,388
Carrying amount					
At 30 September 2021	3,216	219	58	2,038	5,531
At 30 September 2020	3,431	278	-	2,292	6,001

12 Fixed asset investments

	Notes	2021 £'000	2020 £'000
Investments in subsidiaries	13	713	44,313

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****12 Fixed asset investments (Continued)****Movements in fixed asset investments**

	Shares in group undertakings £'000
Cost or valuation	
At 1 October 2020 & 30 September 2021	44,313
Impairment	
At 1 October 2020	-
Impairment	43,600
At 30 September 2021	43,600
Carrying amount	
At 30 September 2021	713
At 30 September 2020	44,313

As a result of the TransDigm group finance restructuring that took place in March 2021, IrvinGQ's investment in Edlaw Limited was impaired following a dividend that was paid by Edlaw Limited of £46.6m.

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Airborne Systems Pension Trust Limited	a)	Dormant	Ordinary	100.00	-
Aircraft Materials Limited	a)	Dormant	Ordinary	100.00	-
Edlaw Limited	a)	Investments	Ordinary	100.00	-
Irvin Aerospace Limited	a)	Dormant	Ordinary	-	100.00
IrvinGQ France	b)	Parachutes and aerial delivery solutions	Ordinary	99.98	-

a) Bettws Road, Llangeinor, Bridgend, Mid Glamorgan, CF32 8PL

b) 5 T Impasse Alfred Sauvy, 31270, Cugnaux, France

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****14 Stocks**

	2021	2020
	£'000	£'000
Raw materials and consumables	2,786	3,253
Work in progress	3,145	4,244
Finished goods and goods for resale	146	14
	<u>6,077</u>	<u>7,511</u>

During the year an impairment to stock of £201,000 (2020: £323,000) has been recognised in profit or loss.

15 Debtors

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	6,774	7,826
Corporation tax recoverable	6,242	3,065
Amounts owed by group undertakings	6,426	7,881
Other debtors	346	108
Prepayments and accrued income	2,272	550
	<u>22,060</u>	<u>19,430</u>
Deferred tax asset (note 19)	197	-
	<u>22,257</u>	<u>19,430</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	128,154	74,764
Deferred tax asset (note 19)	61	-
	<u>128,215</u>	<u>74,764</u>
Total debtors	<u>150,472</u>	<u>94,194</u>

There are no fixed repayment terms for the amounts owed by group undertakings. As the amounts relate to long term loans they have been classified as due after more than one year.

IrvinGQ has more than 20 loans in place with TransDigm with interest terms ranging from 0% to 7.5%. In 2022, TransDigm cleared the equivalent of \$17.5m of the loans and accompanying interest.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****16 Creditors: amounts falling due within one year**

	Notes	2021 £'000	2020 £'000
Trade creditors		1,362	2,531
Amounts owed to group undertakings		7,895	7,926
Taxation and social security		1,067	1,672
Government grants	20	25	25
Accruals and deferred income		2,310	1,804
		<u>12,659</u>	<u>13,958</u>

There are no fixed repayment terms for the amounts owed to group undertakings. As the amounts relate to trade balances they have been classified as due within one year.

The amounts owed to group undertakings are predominantly made up of SG&A and Insurance recharges from TransDigm, both of which attract 0% interest. In 2022 we have cleared \$5.6M of amounts owed to Transdigm.

17 Creditors: amounts falling due after more than one year

	Notes	2021 £'000	2020 £'000
Government grants	20	<u>747</u>	<u>772</u>

18 Provisions for liabilities

	Notes	2021 £'000	2020 £'000
Warranty provision		38	-
Dilapidation provision		60	-
		<u>98</u>	<u>-</u>
Deferred tax liabilities	19	-	8
		<u>98</u>	<u>8</u>

Movements on provisions apart from deferred tax liabilities:

	Warranty provision £'000	Dilapidation provision £'000	Total £'000
Additional provisions in the year	<u>38</u>	<u>60</u>	<u>98</u>

During the year the company set up two warranty provisions. The first provision relates to the corrosion of supplies, and the second relates to an issue with a bought in part. Both warranty provisions have been subsequently confirmed as being required by IrvinGQ management, with the costs expected to be incurred during the year ended 30 September 2022, and are in line with the amounts provided at 30 September 2021.

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****18 Provisions for liabilities (Continued)**

A provision for contractual dilapidation obligations has been made in the year.

19 Deferred taxation

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

	Liabilities 2021 £'000	Liabilities 2020 £'000	Assets 2021 £'000	Assets 2020 £'000
Balances:				
Fixed asset timing differences	-	27	23	-
Other timing differences	-	(19)	235	-
	<u>-</u>	<u>8</u>	<u>258</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>8</u></u>	<u><u>258</u></u>	<u><u>-</u></u>
Movements in the year:				2021 £'000
Liability at 1 October 2020				8
Credit to profit or loss				(266)
				<u>8</u>
Asset at 30 September 2021				<u>(258)</u>

20 Government grants

	2021 £'000	2020 £'000
Arising from government grants	<u>772</u>	<u>797</u>
	<u><u>772</u></u>	<u><u>797</u></u>
Deferred income is included in the financial statements as follows:		
Current liabilities	25	25
Non-current liabilities	747	772
	<u>772</u>	<u>797</u>
	<u><u>772</u></u>	<u><u>797</u></u>

IRVINGQ LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****21 Retirement benefit schemes**

	2021	2020
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	517	554

The company operates a group personal pension plan for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

	2021	2020	2021	2020
	Number	Number	£'000	£'000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	12,112,740	12,112,740	12,113	12,113

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

23 Reserves**Share premium**

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

24 Operating lease commitments**Lessee**

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

	2021	2020
	£'000	£'000
Within one year	219	282
Between one and five years	167	355
	<u>386</u>	<u>637</u>

25 Events after the reporting date

Since the year end a dividend of £37,250,000 has been declared in respect of the year ended 30 September 2022.

IRVINGQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

26 Ultimate controlling party

The immediate parent company is TransDigm European Holdings Limited, a company incorporated in England and Wales (registered office: Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB).

The directors consider the ultimate parent and controlling party to be TransDigm Group, Inc., a public company incorporated in the United States of America and listed on the NYSE. TransDigm Group, Inc. are the smallest and largest group to produce consolidated financial statements which include the results of IrvinGQ Limited. The consolidated financial statements are available from their registered office: The Tower at Erieview, 1301 East 9th St., Suite 3000, Cleveland, OH 44114.

IRVINGQ LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021
THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021		2020
	£'000	£'000	£'000
Turnover			
Sales of goods		36,183	37,497
Cost of sales			
Raw materials purchases	10,610		12,888
Direct costs	136		123
Carriage inwards and import duty	242		228
Wages and salaries	7,132		7,560
Social security costs	671		704
Staff recruitment costs	-		28
Staff welfare	4		3
Staff training	12		16
Staff pension costs defined contribution	427		456
Rent re operating leases	240		237
Rates	167		164
Cleaning	89		103
Power, light and heat	318		346
Premises insurance	3		2
Equipment repairs	236		199
Computer running costs	89		84
Software costs	6		10
Hire of equipment (not operating lease)	82		80
Leasing - plant and machinery	59		39
Motor running expenses	140		70
Travelling expenses	205		156
Professional subscriptions	29		33
Legal and professional fees	37		33
Insurances (not premises)	-		1
Printing and stationery	10		10
Telecommunications	19		21
Other office supplies	83		65
Sundry expenses	67		96
Health and safety	5		25
Depreciation	606		617
		<u>(21,724)</u>	<u>(24,397)</u>
Gross profit		14,459	13,100
Other operating income			
Government grants receivable and released	132		660
Royalties receivable	154		154
Exchange (losses)/gains	(1,594)		(946)
		<u>(1,308)</u>	<u>(132)</u>

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	£'000	2021 £'000	£'000	2020 £'000
Distribution costs				
Wages and salaries	700		747	
Social security costs	80		88	
Staff welfare	1		-	
Staff training	4		3	
Staff pension costs defined contribution	38		44	
Computer running costs	7		8	
Travelling expenses	44		101	
Professional subscriptions	9		17	
Legal and professional fees	215		245	
Advertising	20		70	
Telecommunications	10		10	
Other office supplies	-		1	
Depreciation	1		2	
		(1,129)		(1,336)

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021		2020
	£'000	£'000	£'000
Administrative expenses			
Wages and salaries	232		408
Social security costs	108		116
Staff welfare	52		97
Staff training	11		19
Staff pension costs defined contribution	25		30
Equity settled share based payment costs	48		86
Directors' remuneration	729		571
Directors' pension costs - defined contribution scheme	27		24
Royalties payable	2,321		-
Management charge	947		1,601
Canteen costs	1		53
Computer running costs	132		110
Software costs	18		46
Leasing - plant and machinery	-		3
Travelling expenses	20		41
Postage, courier and delivery charges	1		2
Professional subscriptions	9		15
Legal and professional fees	136		131
Audit fees	68		68
Bank charges	3		15
Bad and doubtful debts	7		(11)
Insurances (not premises)	260		174
Printing and stationery	23		12
Telecommunications	25		20
Research and development costs	571		886
Sundry expenses	290		626
Intercompany write off	111		-
Government grant	(23)		(25)
Depreciation	138		118
Loss on sale of tangible assets	(5)		-
(Profit)/loss on foreign exchange	153		(153)
		(6,438)	(5,083)
Operating profit		5,584	6,549

IRVINGQ LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	£'000	2021 £'000	£'000	2020 £'000
Interest receivable and similar income				
Interest receivable from group companies	4,375		4,264	
Bank interest received	-		5	
Dividends receivable from group companies	46,600		-	
		50,975		4,269
Other gains and losses				
Amounts written off fixed asset investments		(43,600)		-
Profit before taxation		<u>12,959</u>		<u>10,818</u>