Cobham Limited

Annual report and financial statements

for the year ended 31 December 2024

Registered number 00030470

Cobham Limited

Annual report and financial statements

for the year ended 31 December 2024

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Cobham Limited

Strategic report for the year ended 31 December 2024

Business review

The results for the year and financial position at the year end are set out in the financial statements on pages 11 to 31.

The company is an intermediate holding company within the AI Convoy (Luxembourg) S.à r.l. group; hereafter referred to as the Group. The Group comprises AI Convoy (Luxembourg) S.à r.l. and its direct and indirect subsidiaries, details of which can be found in the consolidated financial statements which can be obtained from the registered office at 2-4 rue Beck, Luxembourg, LU 1222.

The principal activity of the company is the provision of finance and investment related services to the Group, together with acting as a cost centre for central resources.

Key performance indicators

As an intermediate holding company performance is assessed on a Group wide basis. Results during the year were in line with expectations.

Future developments and events after the balance sheet date

On 3 April 2025 an agreement was signed to sell the SATCOM business, comprising of the Company's subsidiary Thrane & Thrane A/S.

Following consideration of the proceeds from the divestments and any other impairment indicators, the Company fully impaired the investment in Thrane & Thrane A/S and wrote off outstanding intercompany receivables from Thrane & Thrane A/s amounting to £2.4m.

Non-financial information statement

The Company takes a strategic approach to corporate responsibility and sustainability (CR&S), recognising that long-term success is not just about generating shareholder value but also about creating value for all the Group's stakeholders. Managing external impacts, capitalising on opportunities and conducting business in a responsible and sustainable way helps mitigate the Group principal risks and strengthen business relationships.

Many of the Group's products and services provide important environmental and social benefits. This may be through enhancing aviator survival, minimalizing environmental impact from operations or providing reliable communications in challenging environments.

The decisions and behaviours demonstrated by acting ethically, managing impacts, implementing innovative solutions and engendering positive business relationships also promote and enhance the Company culture and reputation.

Safety, health and environmental matters

Whilst the Company is an intermediate holding company ensuring the health and safety of the Group's people is a core value. As a diverse organisation, employees are frequently required to work in different environments, and manage a range of risks. The Group aims to eliminate occupational injury and illness through a Zero harm strategy, with a focus on continuous improvement in safety performance. The Group also aims to continually improve environmental management to ensure efficient use of resources and minimal impacts.

Safety, health and environmental matters (continued)

A Safety, Health and Environment (SHE) policy underpins the Group's commitment to ensuring safety and health of employees and to minimising environmental impacts. It commits to continually improving management systems, standards and performance whilst developing a culture of individual responsibility.

Climate change

The Group is committed to addressing concerns about climate change and the environment. Reducing emissions creates efficiencies, drives innovation, helps manage long term risk and improves competitiveness.

Employees

The Group aims to empower a diverse workforce and build an inclusive work environment. A diverse workforce is important because people from different backgrounds and cultures think differently, helping to foster innovation and improve decision-making. Recruiting people from a range of different backgrounds can be challenging especially as there is a diminishing talent pool as the number of Science, Technology, Engineering and Maths (STEM) graduates in the UK and US decreases.

The Group is committed to providing all its employees with equal opportunities in a workplace free from discrimination, taking action to improve gender and age diversity across the workforce. Recruitment efforts aim to replenish the talent pipeline and ensure that STEM graduates consider the Group to be an employer of choice. Recruitment, selection and career development are based on competence and job requirements, irrespective of race, sex, sexual orientation, religion or disability. Applications for employment from persons with a disability are welcomed and given full and fair consideration. With regard to employees who become disabled, the Group policy is to ensure that they remain in employment and career development wherever practicable.

Further details of the Group's approach to employee engagement can be found in the AI Convoy (Luxembourg) S.à r.l. consolidated financial statements.

Social matters

The businesses in the Group are committed to helping strengthen the communities in which they operate through local initiatives such as fundraising and donating time, expertise and products. Each of the businesses are encouraged to engage in community involvement strategies which align with our business strategy and reinforce our focus on STEM education; ex-services personnel; causes in the communities surrounding Group sites; and disaster relief appeals.

The Group is committed to acting ethically, inspiring employees, producing innovate solutions and managing environmental and social impacts directly, and through business relationships.

Anti-corruption and anti-bribery matters

The Group's culture is to act ethically and with integrity at all times, protecting the Group's reputation, shareholders, stakeholders and employees.

The Group has a reputation founded on trust, integrity and of 'doing the right thing'. To protect that reputation and to help ensure business is conducted fairly and honestly, global standards of behaviour have been adopted as set out in the Code of Business Conduct (COBC). This emphasises the importance that each employee plays in building trust – with each other, customers and partners – to ensure every Group employee conducts business to the same high standards of business ethics. The COBC includes a section on bribery and corruption and sets out a zero tolerance policy to both.

As the COBC cannot cover every eventuality or challenge employees may face, it is created as a resource for them to use when guidance is needed, to help them make informed decisions. The Group offers a confidential helpline for employees, or others, to ask questions or raise concerns they may have, anonymously if they so wish. It also offers other alternate resources to employees, so they can raise a concern in a way they feel most comfortable.

Cobham Limited

Strategic report for the year ended 31 December 2024 (continued)

Respect for human rights

Human rights are an important issue for the Group. There are growing requirements to comply with legislation and to respond to customer information requests on human rights issues such as modern slavery and conflict minerals.

The Group supports the principles contained in the Universal Declaration of Human Rights and seeks to reflect these in the context of its business activities. The Group also respects the rights of its employees in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. The Group demonstrates its support and respect for human rights through the principles and policies contained in the COBC, the Corporate Framework and the Group's policies and processes.

The Group opposes modern slavery and human trafficking in all its forms and is committed to acting ethically and with integrity in all business dealings and relationships.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

As an intermediate holding company, the key business risks and uncertainties affecting the company are normally considered to be those that relate to the Group as a whole. The ongoing armed conflict in the Ukraine and in other parts of the world have not had a material impact on the Group or the Company to date, although management continue to keep this situation under review.

Climate-related issues are considered in terms of how they may impact on these principal risks. These considerations cover both the risk of physical disruption to the business from climate change, and the risk of opportunities as the global economy transitions to significantly lower carbon emissions. In the current period it has been concluded that climate related risks did not rise to the level of a principal risk.

There may be other risks of uncertainties that could emerge in the future, however, the Group's ongoing commitment to risk management will seek to address and mitigate the future risks, as and when they become apparent.

More information on the principal risks, in the context of the Group as a whole, are provided within the AI Convoy (Luxembourg) S.à r.l 2024 Annual Report and Accounts which does not form part of this report.

Post-acquisition Commitments and Undertakings

Following the acquisition of the Cobham Group by Funds managed by Advent International Corporation, the Company made a number of commitments and undertakings to the UK Government. All of these commitments and undertakings have been satisfied in full during the year.

Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate cash flow risk and foreign currency exchange rate risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company.

During the year, the directors have followed the financial risk management policies of the Group, as set by the board of directors of AI Convoy (Luxembourg) S.à r.l. The Group has a written treasury policy and risk management programme that seeks to limit the adverse effects on the financial performance of the Group, which is applied by the Company. This includes the use of foreign currency financial instruments, debt and other instruments. The Company does not trade in financial instruments.

Credit risk

The Company performs appropriate credit checks before any agreements are signed. The Company also monitors existing intercompany loans and other receivables on an ongoing basis and takes appropriate action where necessary to minimise any potential credit risk. Cash and bank balances are held with banks that have been assigned satisfactory credit ratings by international credit rating agencies.

Cobham Limited

Strategic report for the year ended 31 December 2024 (continued)

Financial risk management (continued)

Liquidity risk

The Company retains sufficient cash to ensure it has available funds for operations and planned expansions, and has access to overdraft facilities under a group banking arrangement as required. The Company also has access to longer term funding from its parent undertaking if required.

Interest rate cash flow risk

The Company has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include only cash/bank balances and intercompany receivables, all of which earn interest at a floating rate. The Company does not use derivative financial instruments to manage interest rate costs.

Foreign currency exchange rate risk

The Company has a policy to minimise foreign currency exchange rate risk through the regular monitoring of foreign currency flows and putting in place, where appropriate, forward currency exchange rate contracts with its parent undertaking.

Section 172 Statement

As an intermediate holding Company providing finance to, and holding investments in, other companies within the Group, the Company's success is dependent on the ability of its subsidiaries to generate and preserve value. Therefore, during the year, the directors have had regard to the best long term interests of the Group as a whole when making decisions regarding the financing of investments held by the Company.

The directors of the Company perform their duties in accordance with s172 of the Companies Act 2006, acting in good faith to promote the success of the company as well as the Group as a whole for the benefit of its members as a whole and having regard to the following matters:

- 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 between members of the company.

Customers, suppliers and employees

The Company provides finance to, and holds investments in, other companies within the Group. As such it has a small number of employees, a small number of customers external to the Group and only a small number of external suppliers. However, the Company continues to engage with the Group undertakings and adheres to the Group policies with regards to engagement with key stakeholders including customers, suppliers and employees of the Group. Further details on the Group's policies relating to such matters can be found within the AI Convoy (Luxembourg) S.à r.l (a company incorporated in Luxembourg) consolidated financial statements which can be obtained from the registered office at 2-4 rue Beck, Luxembourg, LU 1222.

By order of the board

Signed by:
Sven LEWIS
95C9A52CA559449...

S E Lewis
Director
21 May 2025

Cobham Limited

Directors' report for the year ended 31 December 2024

The directors have pleasure in submitting their report, together with the audited financial statements of Cobham Limited (the Company) for the year ended 31 December 2024. The Company is a private company limited by shares and incorporated, registered and domiciled in England, number 00030470. The address of the registered office is 41-43 Basepoint Business Centre, Aviation Business Park, Enterprise Close, Christchurch, Dorset, BH23 6NX.

The Company is a wholly owned subsidiary of Cobham Group Limited, following the transfer of its ownership from AI Convoy Bidco Limited to Cobham Group Limited on 23 October 2024.

The Company acts as an intermediate holding company, including (but not limited to) provision of finance and investment related services to the Group, together with acting as a cost centre for central resources.

Results and dividends

The Company's results for the year are set out in the income statement on page 11 showing a profit after tax of £373.9m (2023: £115.6m), driven by dividend income of £684.4m (2023: £180.7m) and profit on disposal of investments of £520.4m (2023: loss of £8.5m), and offset by an impairment charge of £864.8m (2023: £59.0m) related to its investments.

During the year, the Company realised a profit on disposal of £520.2m from the sale of its subsidiary Cobham Aerospace SAS, and an aggregate profit of £0.2m from the divestment of indirect subsidiary undertakings due to divestment related insurance premiums being refunded to the Company. At 31 December 2024, the Company had net assets of £57.7m (2023: £1,156.1m), with the reduction driven by the disposal or impairment of its investments, and elimination of the intercompany receivables in the year. Dividends of £1,519.4m (2023: nil) were paid during the year as set out in note 11.

Future developments and events after the balance sheet date

On 3 April 2025 an agreement was signed to sell the SATCOM business, comprising the Company's subsidiary Thrane & Thrane A/S.

Following consideration of the proceeds from the divestments and any other impairment indicators, the Company fully impaired the investment in Thrane & Thrane A/S and wrote off outstanding intercompany receivables from Thrane & Thrane A/S amounting to £2.4m.

Directors

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

G J Bagwell
S Malani
M Marshall
S E Lewis
M H Clements

Cobham Limited

Directors' report for the year ended 31 December 2024 (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101) and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Streamlined Energy and Carbon Reporting (SECR)

The Company is exempt from the Streamlined Energy and Carbon Reporting (SI 2018 No. 1155) regulations as total energy use was less than 40,000 kWh over the reporting year.

Going concern

Russia invaded Ukraine on 24 February 2022 and the two countries have been in active armed conflict since. The ongoing conflict has not had a material impact on the Group or the Company to date. In addition, there are a number of conflicts around the world that are having an impact on global stability including on the commercial shipping trade routes.

Within the context of these uncertainties, the directors have reviewed forecast profits and cash flows which includes factoring in risks associated with the Group's principal risks, and examined the funding available to the Group and its subsidiary undertakings. At the year end, the Group had considerable financial resources with liquidity available on the Balance Sheet from its cash resources, with $67m cash balances net of overdrafts. The Group also had unutilised credit facilities of $20m, although the Group elected to cancel the credit facility in April 2025. Neither the Company nor the Group has external debt financing. These financing arrangements have been considered by the directors within the going concern assessment.

The directors have also referred to the Group's financial and strategic plan and the Group's stress testing on forecasts to 31 December 2026 with a focus on its cash position. The stress tests have included assuming a severe but plausible scenario with a 25% reduction in operational cash flow over the period to 31 December 2026. In these cases, the Group would be able to continue to operate and settle liabilities as they fall due until 31 December 2026.

Going concern (continued)

The Company has a substantial net asset position, as well as access to considerable financial resources which include funding from AI Convoy (Luxembourg) S.à r.l. The Company has also received a letter of support from AI Convoy (Luxembourg) S.à r.l. Therefore, the directors consider the going concern position of the Group to be well placed to manage its business risks successfully despite the current uncertain economic outlook.

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until 31 December 2026. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Stakeholder engagement

The directors have a duty to foster the Company's business relationships with suppliers, customers and others, and take stakeholders into account when considering the principal decisions taken by the company during the financial year. The Company provides finance to, and holds investments in, other companies within the Group. As such it has a small number of employees, small number of customers external to the Group and only a small number of external suppliers. As a consequence, during the year, the directors have therefore had regard to the best interests of the Group and its stakeholders as a whole when making decisions regarding the financing and investments held by the Company. More information is provided within the section 172 statement within the strategic report on page 4.

Independent auditors

Ernst & Young LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Disclosure of information to auditors

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

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

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

By order of the board

Signed by:
Sven LEWIS
95C9A52CA559449...

S E Lewis
Director
21 May 2025

Independent auditor's report to the members of Cobham Limited

Opinion

We have audited the financial statements of Cobham Limited for the year ended 31 December 2024 which comprise the Income statement and statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)."

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2024 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 a period from when the financial statements are authorised for issue, to 31 December 2026.

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

Other information

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

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Cobham Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 6, 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.

Independent auditor's report to the members of Cobham Limited (continued)

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom.
- We understood how Cobham Limited is complying with those frameworks by holding enquiries with those charged with governance and management and reading of the Board minutes to identify any non-compliance with laws and regulations. We understood the potential incentive and ability to override the controls. We considered management's attitude and tone from the top to embed 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. We further understood the adoption of accounting standards and considered the compliance with the above laws.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by including how fraud might occur by obtaining and reading internal policies, holding enquiries of management and those charged with governance as to any fraud risk framework within the entity. We considered the controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those controls. Our procedures involved enquiry of management and those charged with governance as to any fraud risk framework within the entity, including whether a formal fraud risk assessment is completed. In relation to management override, we selected a sample of journal entries to test based on specific criteria applied to the entire population.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria, and ensuring that dividend payments complied with the relevant accounting and legal requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Carl Stone (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

21 May 2025

Cobham Limited

Income statement and statement of comprehensive income for the year ended 31 December 2024

£m	Note	2024	2023
Revenue	2	**7.0**	9.8
Investment income	3	**684.4**	180.7
Profit/(loss) on disposal of investments	4	**520.4**	(8.5)
Administrative expenses	5	**(22.0)**	(15.7)
Impairment of investments in subsidiaries	13	**(864.8)**	(59.0)
Operating profit		**325.0**	107.3
Finance income	7	**12.3**	11.2
Finance costs	7	**(4.6)**	(9.8)
Other income	8	**8.4**	3.3
Profit before taxation		**341.1**	112.0
Tax on profit	9	**32.8**	3.6
Profit after taxation		**373.9**	115.6

All the Company's activities are classed as continuing.

£m	2024	2023
Profit after taxation	**373.9**	115.6
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit retirement benefit obligations	**(3.6)**	(7.9)
Tax effects for remeasurements of defined benefit retirement benefit obligations	**0.9**	1.9
Other comprehensive expense	**(2.7)**	(6.0)
Total comprehensive income	**371.2**	109.6

Cobham Limited

Balance sheet as at 31 December 2024

£m	Note	2024	2023
Assets			
Non-current assets			
Intangible assets	12	-	0.1
Investments in Group undertakings	13	-	843.3
Property, plant and equipment	15	-	0.6
Retirement benefit assets	22	**13.2**	16.5
Deferred tax asset	21	-	4.1
		13.2	864.6
Current assets			
Assets classified as held for sale	14	-	277.3
Derivative financial instruments	20	-	0.5
Trade and other receivables	16	**44.0**	201.3
Cash and cash equivalents	18	**27.9**	23.4
		71.9	502.5
Liabilities			
Current liabilities			
Borrowings	17	**(19.4)**	(86.7)
Trade and other payables	19	**(4.7)**	(119.6)
Derivative financial instruments	20	-	(0.5)
		(24.1)	(206.8)
Non-current liabilities			
Borrowings	17	-	(0.1)
Deferred tax liability	21	**(3.3)**	(4.1)
		(3.3)	(4.2)
Net assets		**57.7**	1,156.1
Equity			
Share capital	23	-	61.7
Retained earnings	23	**57.7**	1,094.4
Total equity		**57.7**	1,156.1

The financial statements on pages 11 to 31 were approved by the board on 21 May 2025 and were signed on its behalf by:

Signed by:
Sven LEWIS
95C9A52CA559449...

S E Lewis
Director

Cobham Limited

Statement of changes in equity for the year ended 31 December 2024

£m	Share capital	Share premium	Retained earnings	Total equity
At 1 January 2023	61.7	-	984.8	1,046.5
Profit after taxation	-	-	115.6	115.6
Other comprehensive expense	-	-	(6.0)	(6.0)
Total comprehensive income	-	-	109.6	109.6
At 31 December 2023	61.7	-	1,094.4	1,156.1
At 1 January 2024	**61.7**	**-**	**1,094.4**	**1,156.1**
Profit after taxation	**-**	**-**	**373.9**	**373.9**
Other comprehensive expense	**-**	**-**	**(2.7)**	**(2.7)**
Total comprehensive income	**-**	**-**	**371.2**	**371.2**
Issue of shares (note 23)	**-**	**49.8**	**-**	**49.8**
Capital reduction (note 23)	**(61.7)**	**(49.8)**	**111.5**	**-**
Dividends (note 11)	**-**	**-**	**(1,519.4)**	**(1,519.4)**
At 31 December 2024	**-**	**-**	**57.7**	**57.7**

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024

1. Statement of accounting policies

Basis of preparation

The financial statements for the year ended 31 December 2024 have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101).

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

The functional currency of the Company as well as the presentation currency used in these accounts is Sterling.

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

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

- a cash flow statement and related notes (IAS 7, Statement of Cash Flows and paragraphs 10(d) and 111 of IAS 1, Presentation of Financial Statements);
- Paragraph 38 of IAS 1, Presentation of Financial Statements comparative period reconciliations in respect of paragraph 79(a)(iv) of IAS 1 (number of shares outstanding);
- additional comparative information as required by paragraphs 38A to 38D of IAS 1, Presentation of Financial Statements
- capital management disclosures required by paragraphs 134 to 136 of IAS 1;
- the requirements of paragraphs 30 and 31 of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors concerning the effects of new but not yet effective IFRSs;
- details of compensation of key management personnel required by paragraphs 17 and 18A of IAS 24, Related Party Disclosures; and
- the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a Group.

In addition, as the consolidated financial statements of AI Convoy (Luxembourg) S.à r.l. include the equivalent disclosures, the following exemption under FRS 101 has also been taken:

- Financial instrument information required by IFRS 7, Financial Instruments: Disclosures and paragraphs 91 to 99 of IFRS 13, Fair value measurement except those which are relevant for the financial instruments which are held at fair value are and neither held as part of a trading portfolio or derivatives.

The financial statements contain information about Cobham Limited as an individual company and do not contain consolidated financial information as the parent undertaking of a Group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it, and its subsidiary undertakings, are included by full consolidation in the consolidated financial statements of AI Convoy (Luxembourg) S.à r.l, which can be obtained from 2-4 rue Beck, Luxembourg, LU 1222.

Going concern

Russia invaded Ukraine on 24 February 2022 and the two countries have been in active armed conflict since. The ongoing conflict has not had a material impact on the Group or the Company to date. In addition, there are a number of conflicts around the world that are having an impact on global stability including on the commercial shipping trade routes.

1. Statement of accounting policies (continued)

Going concern (continued)

Within the context of these uncertainties, the directors have reviewed forecast profits and cash flows which includes factoring in risks associated with the Group's principal risks, and examined the funding available to the Group and its subsidiary undertakings. At the year end, the Group had considerable financial resources with liquidity available on the Balance Sheet from its cash resources, with $67m cash balances net of overdrafts. The Group also had unutilised credit facilities of $20m, although the Group elected to cancel the credit facility in April 2025. Neither the Company nor the Group has external debt financing. These financing arrangements have been considered by the directors within the going concern assessment.

The directors have also referred to the Group's financial and strategic plan and the Group's stress testing on forecasts to 31 December 2026 with a focus on its cash position. The stress tests have included assuming a severe but plausible scenario with a 25% reduction in operational cash flow over the period to 31 December 2026. In these cases, the Group would be able to continue to operate and settle liabilities as they fall due until 31 December 2026.

The Company has a substantial net asset position, as well as access to considerable financial resources which include funding from AI Convoy (Luxembourg) S.à r.l. The Company has also received a letter of support from AI Convoy (Luxembourg) S.à r.l. Therefore, the directors consider the going concern position of the Group to be well placed to manage its business risks successfully despite the current uncertain economic outlook.

On this basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until 31 December 2026. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Management judgement and estimation uncertainty

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

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

<u>Significant judgements in applying accounting policies</u>

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

Cobham Limited

Notes to the financial statements
for the year ended 31 December 2024 (continued)

1. Statement of accounting policies (continued)

Management judgement and estimation uncertainty (continued)

Assumptions and estimation uncertainties

Management considers that there are a number of assumptions concerning the future and other major sources of estimation uncertainty at the balance sheet date, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Information concerning these assumptions and estimation uncertainties is provided as follows:

a. *Carrying value of investments (note 13)*

A review of the carrying value of investments is completed as required to ensure that they are not impaired. This requires an estimate of the expected future cash flows from subsidiary undertakings and also a suitable discount rate in order to calculate the present value of those cash flows.

Estimating value in use requires the Company to make an estimate of the expected future cash flows and also to choose a suitable discount rate in order to calculate the present value of those cash flows. This is considered to be a source of estimation uncertainty at the balance sheet date, which may have a significant risk of causing a material adjustment to the carrying amount of investments within the next financial year.

The company has used the same model as that used in the assessment of the carrying value of goodwill by the intermediate parent undertaking, AI Convoy (Luxembourg) S.à r.l, as this covers the same subsidiary undertakings.

- Growth rates assumed after the five year plan period are based on long term GDP projections of the primary market for each subsidiary undertaking. The long-term projections used is 1.4%;

- Cash flows are discounted using the Group's WACC, adjusted for country, cash flow and currency risks in the principal territories in which the subsidiaries operate. The pre-tax discount rate used is 11.6%; and

- Cash flows include the impact of working capital and fixed asset requirements.

b. *Pension assets and liabilities (note 22)*

Assumptions are made in assessing the costs and present value of the pension assets and liabilities, which include the discount rate, inflation and mortality rates.

In June 2023, the High Court ruled that amendments to benefits in pension schemes that were contracted out on the reference scheme test basis between 6 April 1997 and 5 April 2016 are void if they were made without written confirmation from the scheme actuary that the scheme would continue to meet the reference scheme test (commonly referred to as a "section 37 certificate"). Part of the High Court case by Virgin Media vs NTL Pension Trustees was appealed – in a unanimous decision handed down on 25 July 2024, the Court of Appeal dismissed the appeal and upheld the High Court ruling.

An assessment of the High Court ruling has been undertaken by the Trustees of the Cobham Pension Plan ("CPP") and this assessment has been reviewed by the Company to ensure any implications for the CPP and the Company are fully understood. The assessment included the Trustees and their legal advisors reviewing relevant supporting documentation to ensure appropriate s37 compliance. The Company has also obtained their own external legal advice to assess the adequacy of process the Trustees had undertaken. As a result of these procedures performed, the Directors are of the view that the s37 requirements have been sufficiently complied with. On this basis, for the purposes of these accounts, no revisions to the pensions-related information within this annual report has been reflected because of the High Court ruling.

Principal accounting policies

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

1. Statement of accounting policies (continued)

Revenue

Revenue relates to management and brand charges to Group undertakings, and excludes value added tax and other sales taxes.

Revenue is accounted for in accordance with IFRS 15, Revenue from Contracts with Customers, using a five-step approach to revenue recognition. Revenue is generated from providing services to customers and is recognised over time as the services are enjoyed.

Investment income

Dividend income is recognised when the shareholders' right to receive payment has been established.

Finance income and costs

Finance income and costs are recognised using the effective interest method.

Current and deferred taxation

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

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

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

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Pension costs, assets and liabilities

The Company contributes to the Cobham Pension Plan (CPP), a multi-employer defined benefit pension scheme operated by Cobham Limited, the assets of which are held separately in trustee administered funds. The assets and liabilities of the CPP have been allocated to the contributing companies based on the proportional number of members. The Company also contributes to a defined contribution scheme operated by Cobham Limited.

For the defined benefit scheme, current service costs and costs related to the administration of the scheme are charged to operating profit. Past service costs are recognised in the income statement. The interest on net assets or liabilities is shown within finance income and costs. Actuarial remeasurements are recognised immediately in OCI.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting net defined benefit asset or liability is presented separately on the balance sheet.

For the defined contribution scheme, contributions are charged to the income statement as they fall due.

Assumptions are made in assessing the costs and present value of the pension assets and liabilities, which include the discount rate, inflation and mortality rates.

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1. Statement of accounting policies (continued)

Dividends

Dividends payable are recognised as a liability in the period in which they are fully authorised.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. These comprise Software and other assets which are amortised on a straight line basis over the asset's estimated useful life of 2 to 10 years. Amortisation is included within administrative expenses in the Income Statement.

Investments in Group undertakings

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

The carrying amounts of the investments are reviewed at least annually to determine whether there is any indication of impairment.

Where there is an indication of impairment, the recoverable amount is estimated. This is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. This is prepared with reference to cash flow forecasts prepared by management and reviewed by the Board which cover the period to 31 December 2029. The growth rates used after this year are based on long term GDP projections of the primary market for each investment.

Assets classified as held for sale

Assets are classified as Held for Sale where actions to complete the sale have been initiated and the sale is expected to be completed within one year from the date of initial classification. Furthermore, a potential buyer has been identified and negotiations at the reporting date are at an advanced stage. The assets are available for immediate sale and can be sold to a potential buyer in their current condition. Held for sale assets are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset.

Property, plant and equipment

Fixtures and fittings are reported within property, plant and equipment on the Balance Sheet. Fixtures and fittings are depreciated on a straight line basis over the estimated useful economic life of the asset which is typically 5 years.

Right-of-use assets

Right-of-use assets are reported within property, plant and equipment on the Balance Sheet.

The initial cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, expected asset restoration costs and lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is depreciated on a straight line basis over the shorter of the lease term and the useful economic life of the asset. The right-of-use asset is tested for impairment where appropriate.

Financial instruments

Financial instruments are accounted for in accordance with IFRS 9, Financial Instruments and financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. They are initially recognised at fair value at trade date.

All financial assets and liabilities are classified as current or non-current dependent upon the maturity date of the instruments. Financial assets and liabilities are presented on an offset basis when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis.

1. Statement of accounting policies (continued)

Financial instruments (continued)

Financial assets

On initial recognition, financial assets are classified as being subsequently measured at either amortised cost or fair value dependent upon the Company's business model for managing the asset and its cash flow characteristics. Financial assets are not reclassified following initial recognition unless the Company changes its business model for managing financial assets.

Financial assets are deemed to be held under one of three business models:

1. Hold to collect – where the business objective is to hold the asset to collect the contractual cash flows;
2. Hold to collect and sell - where the business objective is to hold the asset to collect the contractual cash flows and to sell the financial assets; and
3. Other

Unless specifically designated to be held at fair value through profit or loss, a financial asset is measured at amortised cost if it is held within a hold to collect business model and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets held within a hold to collect and sell business model.

All other financial assets are held at fair value though profit or loss.

Amortised cost is measured using the effective interest method. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance against financial assets for expected credit losses taking into account changes in the level of credit risk. Where credit risk is considered to be low, the loss allowance is limited to expected losses arising from default events that are possible within 12 months from the balance sheet date.

Impairments are charged to administrative expenses in the Income Statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with an original maturity of three months or less.

Financial liabilities

Subsequent to initial recognition, financial liabilities are classified as measured at fair value through profit or loss, or at amortised cost using the effective interest method.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of direct issue costs and subsequently held at amortised cost using the effective interest rate method.

Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the effective interest rate. Borrowing costs, based on the effective interest rate is recognised in the Income Statement.

Trade and other receivables

Trade and other receivables are stated at their amortised cost, net of impairment loss allowances. Where there is clear evidence that the receivable will not be recovered, and generally where receivables are in excess of 12 months old, the balance is written off in full.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently at amortised cost using the effective interest method.

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

1. Statement of accounting policies (continued)

Foreign currencies

The functional currency of the Company is Sterling.

Transactions in currencies other than sterling are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in non-functional currencies are retranslated at the exchange rate of ruling at the balance sheet date.

Non-monetary items (such as investments) that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency (such as some derivative financial instruments) are translated using the exchange rates at the date when the fair value was determined.

All exchange differences are recognised in the income statement.

Lease obligations

Lease obligations are recognised at lease inception equal to the discounted lease payments under the lease. The lease payments also include extension options, where reasonably certain to be exercised by the Company. The lease obligation is subsequently measured using the effective interest method, with the liability increasing to reflect the accretion of interest and reduced by lease payments made, with interest charged to finance coasts. In addition, the carrying amount of lease obligations is re-measured if there is a modification, for example a change in the lease term or non-fixed lease payments.

The option not to apply IFRS 16 to leases with a term of 12 months or less and low value leases has been taken.

Share capital

Ordinary share capital is classified as equity.

Preference share capital is classified as a liability if it is redeemable at a specific date or at the option of the preference shareholders or if dividend payments are not discretionary.

Segmental reporting

As an intermediate holding company the Company does not itself classify operations into segments and performance is reviewed at Group level. Detailed segmental disclosures are included in the Group consolidated financial statements of AI Convoy (Luxembourg) S.à r.l, which can be obtained from 2-4 rue Beck, Luxembourg, LU 1222.

2. Revenue

£m	2024	2023
Management and brand fee income	**7.0**	9.8

All revenue arises in the UK.

3. Investment income

£m	2024	2023
Dividends received from fellow subsidiary undertakings	**684.4**	180.7

During the year, the Company received £580.2m from its subsidiary Lockman Investments Ltd ($90.3m in cash and the remainder settled by assignment of intercompany balances) and £104.2m from its subsidiary Lockman Properties Ltd (€45.3m in cash and the remainder settled by assignment of intercompany balances) prior to the commencement of its voluntary liquidation.

Notes to the financial statements for the year ended 31 December 2024 (continued)

4. Profit/(loss) on disposal of investments

£m	2024	2023
Profit/(loss) on disposal of investments	**520.4**	(8.5)

During the year, the Company realised a profit on disposal of £520.2m from the sale of its subsidiary Cobham Aerospace SAS, and an aggregate profit of £0.2m from the divestment of indirect subsidiary undertakings due to divestment related insurance premiums being refunded to the Company.

5. Administrative expenses

£m	2024	2023
Other expenses	**21.3**	14.8
Amortisation (note 12)	**0.1**	0.2
Depreciation (note 15)		
- Owned assets	**0.5**	0.5
- Right-of-use assets	**0.1**	0.2
	22.0	15.7

6. Employees and Directors' emoluments

Employees

The monthly average number of employees, including Directors, during the year was 28 (2023: 30). All staff were employed in administrative functions. Costs for these employees were as follows:

£m	2024	2023
Wages and salaries	**6.4**	4.6
Social security costs	**0.4**	0.4
Pension costs	**0.3**	0.3
	7.1	5.3

Directors' emoluments

The emoluments of the Directors employed by the Company are:

£m	2024	2023
Aggregate emoluments	**1.2**	1.2
Aggregate amounts paid in respect of money purchase pension schemes	-	-
Amounts receivable under long-term incentive schemes	-	-
Amounts paid to directors for loss of office	-	-
	1.2	1.2

S Malani and M Marshall are employed by Advent International, and receive emoluments directly from Advent. G Bagwell and S E Lewis also act as director for a number of legal entities within the Group. The director's emoluments have been disclosed above where an appropriate apportionment of the director's qualifying services can be determined for the entity.

Retirement benefits are not accruing under money purchase pension schemes as a result of the directors' employment elsewhere within the Group. During the year no Directors were entitled to receive shares under long term incentive plans.

Highest paid Director

£m	2024	2023
Total emoluments including amounts accruing under long-term incentive schemes and payments for loss of office	**0.6**	0.5

Notes to the financial statements for the year ended 31 December 2024 (continued)

7. Finance income and costs

£m	2024	2023
Third party interest income	**1.6**	3.1
Interest from fellow group companies	**4.6**	8.1
HMRC interest income	**6.1**	-
	12.3	11.2
Third party interest expense	**(1.6)**	(5.1)
Interest payable to fellow group companies	**(3.0)**	(4.7)
	(4.6)	(9.8)

HMRC interest income relates to interest arising on the UK State Aid refund which is recognised as per note 9.

8. Other income

£m	2024	2023
Foreign exchange gain	**5.8**	1.2
Other income including derivatives	**2.6**	2.1
	8.4	3.3

Notes to the financial statements for the year ended 31 December 2024 (continued)

9. Taxation

Tax included in Income Statement

£m	2024	2023
UK corporation tax on profit for the year	-	-
Adjustments in respect of prior years	**37.0**	5.5
Total current tax	**37.0**	5.5
Deferred tax charge for the year	**(4.2)**	(1.9)
Tax on profit	**32.8**	3.6

The tax on profit can be reconciled to the accounting result as follows:

£m	2024	2023
Profit before tax	**341.1**	112.0
Profit at the standard rate in the UK of 25% (2023: 23.5%)	**(85.3)**	(26.3)
Effects of:		
Investment income not taxable	**171.1**	42.5
Impact of tax treatment of divestments	**130.1**	(2.0)
Disallowed expenses	**(216.2)**	(14.5)
Adjustments in respect of prior years	**37.0**	5.5
Impact of deferred tax not recognised	**(3.3)**	-
Impact of other items	**(0.6)**	(1.6)
Total tax credit for the year	**32.8**	3.6

Tax included in OCI

£m	2024	2023
Items that will not be reclassified subsequently to profit or loss		
Actuarial loss/gain on retirement benefit obligations	**0.9**	1.9
	0.9	1.9

On 1 April 2024, the corporation tax rate changed from 19% to 25%. Hence the tax rate for the current year is 25% (2023: 23.5%), and all deferred tax assets and liabilities are calculated at 25%.

In 2021 the Company was required to settle a tax liability which arose out of the European Commission's (EC) State Aid investigations against the UK Government's CFC regime. In September 2024 the UK Government successfully appealed the EC's decision, as a result of which a refund of £37.0m of tax payments previously made has been recognised as at 31 December 2024, together with an estimated interest receivable of £6.1m (note 7). The refund for both the tax credit and the interest was received in March 2025.

10. Audit fees

Fees payable to the Company's auditors, Ernst & Young LLP, for the audit of the Company's financial statements were £67,500 (2023: £67,728).

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

11. Dividends

£m	2024	2023
Interim dividends paid in current year	**1,519.4**	-

On 5 Jan 2024, the first interim dividend of 0.93 pence per share (2,466,961,117 in total) was declared and paid in cash. On 4 April 2024, the second interim dividend of 36.90 pence per share (2,466,961,117 in total) was declared and paid, partly in cash (€71.9m and $1,014.7m) and partly in settlement of intercompany balances (€47.0m). On 16 April 2024, the third interim dividend of 2.03 pence per share (2,466,961,117 in total) was declared and paid in settlement of intercompany balances. On 4 September 2024, the fourth interim dividend of 21.69 pence per share (2,466,961,118 in total) was declared and paid in settlement of intercompany balances. On 21 October 2024, the fifth interim dividend of 0.04 pence per share (2,466,961,118 in total) was declared and paid in cash.

12. Intangible assets

£m	Software and other
Cost	
At 1 January 2024	1.8
Additions	-
Disposals	(1.8)
At 31 December 2024	-
Accumulated amortisation	
At 1 January 2024	1.7
Charge for the year	0.1
Disposals	(1.8)
At 31 December 2024	-
Net book amount	
At 31 December 2024	-
At 31 December 2023	0.1

13. Investments in Group undertakings

£m	Total
Cost	
At 1 January 2024	3,397.4
Additions	21.5
Disposals	-
Transfers (note 14)	(186.6)
At 31 December 2024	**3,232.3**
Accumulated impairment	
At 1 January 2024	2,554.1
Charge for the year	864.8
Transfers (note 14)	(186.6)
At 31 December 2024	**3,232.3**
Carrying amount	
At 31 December 2024	-
At 31 December 2023	843.3

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

13. Investments in Group undertakings (continued)

In April 2024, the Company contributed £21.5m to Thrane & Thrane A/S in cash for additional share capital.

A review of the value of the portfolio of investments held by the company has been undertaken. The investment in Lockman Investments Limited has been impaired by £574.4m (2023: £17.0m) during the year to a carrying value of nil. The investment in Lockman Properties Limited has been impaired by £103.8m (2023: nil) during the year to a carrying value of nil. The impairments were driven by the receipt of dividends from these investments during the year. For all of the above, the carrying value is considered to be the recoverable amount on a value in use basis.

On 3 April 2025 an agreement was signed to sell the Company's investment in Thrane & Thrane A/S. This resulted in the investment being written off to nil carrying value, with an impairment charge of £186.6m. For this investment, the carrying value is considered to be the recoverable amount on a fair value basis.

In the opinion of the directors the value of investments in subsidiary undertakings at 31 December 2024 is not less than the aggregate amount at which they are shown above, after taking into account the impairment charged in the year. This assessment is based on value in use with reference to discounted cash flow forecasts prepared by management and reviewed by the Board which cover the year to 31 December 2029. These cash flows are subject to key assumptions including the current and expected economic environment, future demand for product, growth rates and discount rates.

Sensitivity analysis has been performed on the carrying value of investments to a change in the key assumptions. If the expected future cash flows from subsidiary undertakings fell by 10% or if the discount rate was 1% higher, then no further impairment losses would arise.

A list of all subsidiaries is provided in note 28 to these accounts.

14. Assets classified as held for sale

On 3 April 2025 an agreement was signed to sell the Company's investment in Thrane & Thrane A/S, subject to regulatory approvals. As a result, the investment in Thrane & Thrane A/S was classified as held for sale as at 31 December 2024. The cost and accumulated impairment for this investment was transferred from Investments in Group undertakings (note 13) to Assets classified as held for sale. The investment is measured at nil, being the lower of value in use and fair value.

15. Property, plant and equipment

£m	Fixtures, fittings and computer equipment	Right-of-use assets	Total
Cost			
At 1 January 2024	2.4	0.4	2.8
Additions	-	-	-
Disposals	(2.4)	(0.3)	(2.7)
At 31 December 2024	-	**0.1**	**0.1**
Accumulated depreciation			
At 1 January 2024	1.9	0.3	2.2
Charge for the year	0.5	0.1	0.6
Disposals	(2.4)	(0.3)	(2.7)
At 31 December 2024	-	**0.1**	**0.1**
Net book amount			
At 31 December 2024	-	-	-
At 31 December 2023	0.5	0.1	0.6

16. Trade and other receivables

Current assets

£m	2024	2023
Amounts owed by Group undertakings	-	199.6
HMRC receivable (note 9)	**43.1**	-
Prepayments and accrued income	**0.3**	1.7
Other receivables	**0.6**	-
	44.0	201.3

Amounts owed by Group undertakings in prior year were unsecured and repayable on demand. All such balances, excluding trading balances, were charged interests at rates of between 4% and 6.08007%.

17. Borrowings

Current liabilities

£m	2024	2023
Bank overdrafts	**19.4**	86.6
Lease obligations	-	0.1
	19.4	86.7

Bank overdrafts are repayable on demand and accrue interest at floating rates.

Non-current liabilities

£m	2024	2023
Lease obligations	-	0.1
	-	0.1

The contractual undiscounted and discounted cash flows for leases are as follows:

£m	2024	2023
Between one and two years	-	0.1
Between two and five years	-	0.1
	-	0.2

18. Cash and cash equivalents

Cash and cash equivalents of £27.9m (2023: £23.4m) comprise balances at banks which earn interest based on floating daily bank rates. Cash and cash equivalents on the Balance Sheet include £0.1m (2023: nil) restricted cash which is held for specific purposes and can only be accessed in certain situations.

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

19. Trade and other payables

£m	2024	2023
Trade payables	**0.2**	1.0
Amounts owed to Group undertakings	-	113.4
Deferred tax liability (note 21)	-	-
Other tax and social security	**0.1**	0.1
Accruals and deferred income	**4.4**	5.1
	4.7	119.6

Amounts owed to Group undertakings in prior year included £102.6m on which interest was charged at rates of between 4.0% and 4.488%. The remaining amount owed by Group undertakings was interest free. All amounts were unsecured and were repayable on demand.

20. Derivative financial instruments

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. The Company uses foreign exchange contracts to reduce these exposures and does not use derivative financial instruments for speculative purposes.

The fair values of derivative financial instruments are as follows, these are financial assets and financial liabilities measured at fair value through profit or loss:

£m	2024	2023
Current assets	-	0.5
Current liabilities	-	(0.5)
At 31 December	-	-

The movements in the fair values of derivative financial instruments during the year are as follows:

£m	
At 1 January 2023	(0.3)
Gain through Income Statement - not hedged	0.3
At 31 December 2023	-
Gain through Income Statement - not hedged	-
At 31 December 2024	-

The most significant assumptions in valuing the derivatives are the exchange rates for GBP: US$, GBP: DKK and GBP: EUR.

21. Deferred tax

The deferred tax balance consists of the following deferred tax (assets)/liabilities:

£m	2024	2023
Deferred tax asset – due in more than 12 months	-	(4.1)
Deferred tax liability – due within 12 months	-	-
Deferred tax liability – due in more than 12 months	**3.3**	4.1
At 31 December	**3.3**	-

The deferred tax balance can be analysed as follows:

£m	2024	2023
Unused tax losses	-	(4.1)
Retirement benefit obligations	**3.3**	4.1
	3.3	-

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Notes to the financial statements for the year ended 31 December 2024 (continued)

21. Deferred tax (continued)

The deferred tax asset balance relates to unused tax losses, recognised to the extent that it covers any deferred tax liability. Movements in the net deferred tax balance are as follows:

£m	2024	2023
At 1 January	-	-
Charge to Income Statement (note 9)	4.2	1.9
Credit to reserves (note 9)	(0.9)	(1.9)
At 31 December	3.3	-

22. Retirement benefit assets

Retirement benefit assets in the Balance Sheet comprise:

£m	2024	2023
Defined benefit scheme assets	473.7	534.9
Defined benefit obligations	(460.5)	(518.4)
	13.2	16.5

Defined benefit pension schemes

The Company operates and participates in the Cobham Pension Plan (CPP). The plan is a funded defined benefit scheme (where benefits are based on employees' length of service and average final salary) and assets are held in separate trustee administered funds. The plan has been closed to new members since 2003 and were closed to future accrual from 1 April 2016.

On 3 March 2025, the wind up of the Cobham Pension Plan was triggered.

At 31 December 2024, no (2023: £nil) contributions were outstanding.

Changes in the fair value of scheme assets are as follows:

£m	2024	2023
At 1 January	534.9	567.9
Interest	23.7	26.6
Scheme administration expenses	(0.4)	(3.0)
Actuarial (losses)/gains	(55.2)	2.5
Employer contributions	-	0.1
Assets distributed on settlements	-	(30.0)
Benefits paid	(29.3)	(29.2)
At 31 December	473.7	534.9

Changes in the present value of the defined benefit obligations are as follows:

£m	2024	2023
At 1 January	518.4	541.8
Past service cost	-	0.1
Interest cost	23.0	25.3
Experience gains arising on scheme liabilities	(0.3)	(12.0)
Actuarial gains/(losses) arising from changes in financial assumptions	(52.9)	34.9
Actuarial losses/(gains) arising from changes in demographic assumptions	1.6	(12.5)
Gains on settlements	-	(30.0)
Benefits paid	(29.3)	(29.2)
At 31 December	460.5	518.4

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

22. Retirement benefit assets (continued)

The actual loss on scheme assets was £31.5m (2023: gain £29.1m).

The actuarial loss for accounting purposes in 2023 reflects the purchase of a bulk annuity insurance policy in return for scheme investments. The actuarial liability used to value the insurance policy is on a more prudent basis than the liability calculated in accordance with IAS 19. The weighted average duration of the scheme liabilities is estimated to be 13 years.

The fair value of major categories of scheme assets, and as a percentage of total scheme assets, is as follows:

	2024	**2024**	2023	2023
	£m	**%**	£m	%
Insurance contracts	**451.0**	**95.2%**	509.0	95.2%
Credit based investments	**-**	**-**	12.8	2.4%
Other assets including cash	**19.2**	**4.1%**	9.3	1.7%
Government bonds	**3.5**	**0.7%**	3.8	0.7%
	473.7	**100.0%**	534.9	100.0%

Scheme assets do not include any of the Company's own financial instruments, nor any property occupied by, or other assets used by the Company.

Sensitivity analysis
As a result of the purchase of insurance policies during the year ended 31 December 2022, which now substantially mitigate the historic risks experienced by the Group, the net liabilities are not materially impacted by changes in the discount rate, inflation rate or life expectancy. The Company no longer expects to make contributions to the CPP.

Key assumptions (source of estimation uncertainty)

A number of assumptions are made in assessing the costs and present value of the pension assets and liabilities, which include the discount rate, inflation and mortality rates. These are considered to be major sources of estimation uncertainty as comparatively small changes in the assumptions used may have a significant effect on the Company's financial statements within the next financial year. The Company uses published indices and independent actuarial advice to select the values of critical assumptions.

The principal financial assumptions used for the purpose of the actuarial valuations were as follows:

	2024	2023
RPI inflation assumption (rate of increase in pensions in payment unless overridden by specific scheme rules)	**3.25%**	3.15%
CPI inflation assumption (rate of increase in deferred pensions)	**2.65%**	2.50%
Discount rate	**5.45%**	4.55%

The mortality assumptions used for the CPP are based upon actuarial tables which reflect actual recent mortality experience and also allow for future mortality improvements. The mortality tables used to estimate life expectancy are known as 'SAPS CMI 2023', adjusted to seek to remove the exceptional impact of the Covid-19 pandemic. In practical terms, this is demonstrated in the table below:

	Year of birth	Year age 65	Further life expectancy
Male	1959	2024	21.6 years
Female	1959	2024	24.2 years

At 31 December 2024, it has been assumed that members will commute on average 25% of their pension for cash at retirement.

Cobham Limited

Notes to the financial statements for the year ended 31 December 2024 (continued)

22. Retirement benefit assets (continued)

Defined contribution pension schemes

The Company also operates and participates in the Cobham Personal Pension Plan, a defined contribution scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension cost charged represents contributions payable by the Company to the funds and amounted to £0.3m (2023: £0.3m). No contributions were outstanding at the end of 2024 or 2023.

23. Share capital

	2024	2023
Equity	**£**	£m
2,409,734,342 (2023: 2,409,734,341) £0.0000000405357017061831 ordinary shares	**98**	60.2
57,226,776 (2023: 57,226,776) £0.0000000405357017061831 ordinary treasury shares	**2**	1.5
	100	61.7

6% second cumulative preference shares of £1 each for total value of £19,700 were classified as non-current borrowings in prior year.

On 31 May 2024, the Company issued one new ordinary share of £0.025 nominal value to AI Convoy Bidco Ltd for total consideration of £49.8m, with the excess over nominal value being recognised as share premium. On 22 August 2024, the Company reduced its issued share capital by: (i) reducing the nominal value of the 2,466,961,118 ordinary shares from £0.025 per share to £0.0000000405357017061831 per share, (ii) cancelling the 19,700 preference shares of £1 value each, and (iii) reducing the share premium account from £49.8m to nil. All the reductions were transferred to retained earnings as realised profits.

Retained earnings

Retained earnings includes all current year and prior period retained profits, adjusted for any share issue, capital reduction and dividends paid.

24. Ultimate parent undertaking

The Company's immediate parent undertaking is Cobham Group Limited.

The Company's intermediate parent undertaking is AI Convoy (Luxembourg) S.à r.l, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of the AI Convoy (Luxembourg) S.à r.l (a company incorporated in Luxembourg) consolidated financial statements can be obtained from the registered office at 2-4 rue Beck, Luxembourg, LU 1222.

At the date of approval of these accounts, the ultimate holding company is AI Cobham (Cayman) Limited and the ultimate controlling party is Advent Funds GPE IX.

25. Contingent liabilities and commitments

The Company makes provisions when it is probable there will be a cash outflow to settle liabilities and it can be reliably estimated. Contingent liabilities are potential future cash outflows which are less certain or cannot be measured reliably.

The Company has an agreement with Barclays Bank PLC that provides the Company access to bonds, guarantees, indemnities and standby letter of credit facility of GBP £18m and BACS facility of GBP £4.1m. The Company has contingent liabilities in respect of bank guarantees arising in the ordinary course of business entered into for, or on behalf of, certain Group undertakings. The guarantee is limited to lower of an amount equal to (i) the aggregate gross amount of all Indebtedness of the Group undertakings owing to the bank; and (ii) the Company's own aggregate credit balance. The Company considers the possibility of any cash outflow in relation to the guarantees to be remote.

The Company had no capital commitments at 31 December 2024 (2023: £nil).

26. Related party transactions

During the year, the Company entered into transactions, in the ordinary course of business, with related parties that are part of the AI Convoy (Luxembourg) S.à r.l Group or investees of the Group. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 from disclosing related party transactions with its wholly owned subsidiary undertakings.

Ultra Electronics Limited is a related party as both are indirect subsidiaries of the ultimate parent undertaking. The Company has certain shared costs with Ultra Electronics Limited including a small number of employees who spend some of their time working for Ultra Electronics Limited. Recharges to the Ultra Electronics Limited in the year ended 31 December 2024 amounted to £2.0m (2023: £3.9m) and recharges from Ultra Electronics Limited in the year ended 31 December 2024 amounted to £0.8m (2023: £0.1m). At 31 December 2024, no (2023: £0.1m) receivables from Ultra Electronics Limited were outstanding.

27. Events after the balance sheet date

On 3 April 2025 an agreement was signed to sell the SATCOM business, comprising of the Company's subsidiary Thrane & Thrane A/S.

Following consideration of the proceeds from the divestments and any other impairment indicators, the Company fully impaired the investment in Thrane & Thrane A/S and wrote off outstanding intercompany receivables from Thrane & Thrane A/s amounting to £2.4m.

28. Subsidiaries and other related undertakings

The investments held by the Company at 31 December 2024 are as set out in the table in the following page.

Name of undertaking	Registered office address and principal place of business
Aeroflex Test Solutions Ltd[1, 2]	London, England
FR Aviation Group Ltd[1, 2]	London, England
Lockman Electronic Holdings Ltd[1, 2]	London, England
Lockman Investments Limited[1]	Bristol, England
Lockman Properties Limited[1]	London, England
Sea Tel Inc.	CSC Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833, USA
Thrane & Thrane A/S[1]	Lundtoftegårdsvej 93 D, DK-2800 Kongens Lyngby, Denmark
Thrane & Thrane Norge A/S	Cort Adelers gate 16, 0254 Oslo, Norway

Full registered office addresses are:

London, England	3 Field Court, Grays Inn, London, WC1R 5EF
Bristol, England	The Pavilions, Bridgwater Road, Bristol, England, BS13 8FD

1 Shares in these companies are held directly by Cobham Limited. Shares in all other entities listed are indirectly held.

2 These companies are in liquidation.