Registered No 1171948

Moog Controls Limited

Report and Financial Statements

30 September 2009

Directors
S A Huckvale
M J McLaren (Non Executive)
N P Cottell
S Eranki
P Garrad
S Hawkins

Secretary
P Garrad

Auditors
Ernst & Young LLP
One Bridewell Street
Bristol
BS1 2AA

Bankers
HSBC
3 Rivergate
Bristol
BS1 6ER

Solicitors
Willans
28-29 Imperial Square
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Registered Office
Ashchurch
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GL20 8NA

Directors' report (continued)

The directors present their report and financial statements of the company for the year ended 30 September 2009

Results and dividends

The profit for the year after taxation amounted to £2,231,000 (2008 £1,206,000)

The directors do not propose the payment of a dividend (2008 £nil)

Principal activities & business review

The principal activity of the company is that of the manufacture of electro-hydraulic servo control mechanisms for use in aerospace and industrial applications The product lines consist of servo valves and servo actuators with related electronics and the repair and servicing of these product lines

The increase in trading is due to the general increase in the European Aerospace sector activity Prospects within this sector remain fairly buoyant at current levels of activity We expect to retain our market position in both the Aerospace and Industrial sectors

On 26th February 2009, Moog Controls Ltd acquired Fernau Ltd, a company based in Luton engaged in the sale and manufacture of air traffic management equipment and navigational aids Its sales for the year were approximately £10 million

On 14th September 2009, Moog Controls Ltd set up a subsidiary, Moog Wolverhampton Ltd , for the purpose of acquiring the trade and assets of the GE Aviations Systems flight control actuation business This acquisition took place on 28th September 2009 The business, located in Wolverhampton, designs and manufactures flight control actuation for a number of commercial and military programs Its sales for 2009 were approximately $100 million

Principal risks and uncertainties

The principal risk and uncertainty is the more difficult economic trading environment being encountered in the UK The aerospace industry will be affected by the volume of air traffic reducing as companies and individuals look to control costs The company's Aerospace segment products are mainly on more fuel efficient aircraft reducing the risk that a market downturn will affect the company The company's Industrial segment is increasing its product and service portfolio to maintain sales year on year

Research and development

The company has continued research and development into both existing and new products in the fields of technology in which the company presently operates Costs of £1,019,000 (2008 £2,312,000) attributable to research and development have been written off in the year

Future developments

In support of its strategic plans, MCL's objective is to be recognised by customers as a competitive and world class provider of customised motion control solutions and to be renowned for innovative engineering, talented people, quality products, services and solutions Future developments include Aerospace programs on Boeing 787 and Airbus A350 and Industrial projects providing customised solutions, both divisions offering an ever widening portfolio of products and services

Directors' report (continued)

Directors

The directors who held office during the year were

S A Huckvale
M J McLaren
N P Cottell
S Eranki
P Garrad (Resigned 31/12/2008) (Appointed 9/3/09)
S Hawkins (Appointed 13/10/2008)

Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with At 30 September 2009, the company had an average of 40 days (2008 39 days) purchases outstanding in trade creditors

Disabled employees

The company gives full consideration to applicants for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person Where existing employees become disabled, it is the company's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever possible

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through newsletters and publications in which employees have been encouraged to present their suggestions and views Employees are regularly provided with a wide range of information concerning the performance and prospects of the business in which they are involved by means of employee meetings, which allow a free flow of information and ideas

Political and charitable contributions

During the year, the company made various charitable contributions totalling £1,000 (2008 £9,000)

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1 Having made enquiries of fellow directors and of the company's auditors, each of these directors confirm that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information

Director's report (continued)

Auditors

In accordance with s 485 of the Companies Act 2006 a resolution is to be prepared at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditors of the Company

By order of the Board

Director

Date 16/4/10

Statement of directors' responsibilities in respect of the financial statements

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 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 for that period In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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 MOOG CONTROLS LIMITED (continued)

We have audited the financial statements of Moog Controls Limited for the year ended 30 September 2009 which comprise the Profit and Loss Account, Balance Sheet, Statement of Recognised Gains and Losses and the related Notes to the Accounts numbered 1 to 21 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards

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 auditors 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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and Internatonal Standards On Auditing (UK and Ireland) These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts

Opinion on financial statements

In our opinion the financial statement

- give a true and fair, of the state of the company's affairs as at 30 September 2009 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and the Companies Act 1985, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Statement of directors' responsibilities in respect of the financial statements

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting record 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 or 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

Ernst & Young LLP

Paul Mapleston (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, (Statutory Auditor)
Bristol

Date 20/4/10

Profit and loss account

for the year ended 30 September 2009

	Notes	*2009* *£000*	*2008* *£000*
Turnover	2	41,463	39,815
Cost of sales		(30,525)	(28,645)
Gross profit		10,938	11,170
Administrative expenses		(6,636)	(8,763)
Other operating expenses		(268)	(337)
Operating profit	4	4,034	2,070
Other interest receivable and similar income		-	2
Interest payable and similar charges	5	(798)	(383)
Profit on ordinary activities before taxation		3,236	1,689
Tax on profit on ordinary activities	6	(1,005)	(483)
Profit on ordinary activities after taxation		2,231	1,206
Retained profit for the year	17	2,231	1,206

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

None of the company's activities were discontinued during the current or previous year

Statement of total recognised gains and losses

for the year ended 30 September 2009

		2009 *£000*	*2008* *£000*
Profit for the financial year		2,231	1,206
Actuarial loss recognised on pension scheme	13e	(4,109)	(793)
Movement in current taxation in respect of pension scheme liabilities		1,151	222
Total recognised (loss)/gain		(727)	635

Balance sheet

at 30 September 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Tangible assets	7	4,606	5,008
Investments	8	29,292	6,294
		33,898	11,302
Current assets			
Cash		268	-
Stocks	9	8,744	10,187
Debtors	10	9,938	10,341
		18,950	20,528
Creditors amounts falling due within one year	11	(8,398)	(11,421)
Net current assets		10,552	9,107
Total assets less current liabilities		44,450	20,409
Provisions for liabilities and charges	12	(601)	(532)
Net assets excluding pension liability		43,849	19,877
Pension scheme (liabilities)/assets	13	(1,976)	454
Creditors amounts falling due after one year	14	(22,269)	-
Net assets		19,604	20,331
Capital and reserves			
Called up share capital	15	2,250	2,250
Share premium account	16	370	370
Profit and loss account	16	16,984	17,711
Equity shareholders' funds		19,604	20,331

Approved by the Board

Director

Date 16/4/10

Notes to the financial statements

at 30 September 2009

1. Accounting policies

A summary of the pnncipal accountıng polıcıes, all of whıch have been applıed consıstently throughout the year and the precedıng year ıs set out below

Basis of preparation

The financıal statements have been prepared under the hıstorıcal cost conventıon and ın accordance wıth applıcable accountant standards The company does not prepare group financıal statements as ıt ıs exempt from doıng so by sectıon 401 of the Companıes Act 2006, by vırtue of the company beıng wholly owned by Moog Inc

Fixed assets

All fixed assets are ınıtıally recorded at cost

Depreciation

Depreciatıon ıs provıded on all tangıble fixed assets, at rates calculated to write off the cost, less estımated resıdual values based on prıces at the date of acquısıtıon, of each asset over ıts expected useful lıfe, as follows

Freehold buıldıngs	- over 40 years
Short leasehold	- over 25 years
Plant and machınery	- over 8 years
Fıxtures and fittıngs, tools and equıpment	- over 2-3 years

The carryıng value of tangıble fixed assets are revıewed for ımpaırment when events or changes ın cırcumstances ındıcate the carryıng value may not be recoverable

Stocks

Stocks are stated at the lower of cost and net realızable value Cost ıncludes all costs ıncurred ın brıngıng each product to ıts present locatıon and condıtıon, as follows

Raw materıals, consumables and goods for resale	- purchase cost on a first ın, first out basıs
Work ın progress and finıshed goods	- cost of dırect materıals and labour plus attrıbutable overheads based on a normal level of actıvıty

Net realısable value ıs based on estımated sellıng prıce less any further costs expected to be ıncurred to completıon and dısposal

Long term contracts

Profit on long term contracts ıs taken as the work ıs carrıed out ıf the final outcome can be assessed wıth reasonable certaınty The profit ıncluded ıs calculated on a prudent basıs to reflect the proportıon of the work carrıed out at the year end, by recordıng turnover and related costs (as defined ın Stocks above) as contract actıvıty progresses Turnover applıcable to long term contracts represents the value of work completed durıng the year, calculated wıth reference to the total expected value of the contracts Revenues derıved from varıatıons on contracts are recognısed only when they have been accepted by the customer Full provısıon ıs made for losses on all contracts ın the year ın whıch they are first foreseen

Notes to the financial statements

at 30 September 2009

1. Accounting policies (continued)

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life of twenty years It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Research and development

Research and development expenditure is written off as incurred

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves

Notes to the financial statements

at 30 September 2009

1. Accounting policies (continued)

Pensions and other post-retirement benefits

The company operates a defined benefit and a defined contribution pension scheme, both of which require contributions to be made to separately administered funds

Defined benefits scheme

The defined benefits scheme provides benefits based on each employee's final pensionable pay Contributions to the defined benefits scheme are charged in the profit and loss account so as to spread the cost of pensions over the employees' working lives within the company The regular cost is attributed to individual years using the projected unit method Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs Differences between the amounts funded and the amount charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet

Defined contributions scheme

Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Lease and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balances sheet and are depreciated over their useful lives The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Related parties

The company is exempt from the requirement of Financial Reporting Standard No 8 to disclose transactions between group companies as all subsidiaries have 90% or more of their voting rights controlled within the group and the consolidated financial statements of the group are publicly available

Cash flow statement

A cash flow statement has not been prepared because the company is a wholly owned subsidiary of Moog Inc, within whose consolidated cash flow statement the cash flows of the company are included

Notes to the financial statements

at 30 September 2009

2 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and the value of long term contract work done

Turnover attributable to continuing activities, relates to the manufacture of electro-hydraulic servo control mechanisms for use in aerospace and industrial applications

An analysis of turnover by geographical market is given below

	2009	*2008*
	£000	*£000*
United Kingdom	18,353	19,289
Rest of Europe	17,453	15,116
USA	2,272	1,599
Other	3,385	3,811
	41,463	39,815

3. Staff costs

	2009	*2008*
	£000	*£000*
Wages and salaries	11,029	11,138
Social security costs	1,158	1,228
Other pension costs	811	801
	12,998	13,167

The monthly average number of employees (including directors) during the year was as follows

	2009	*2008*
	No	*No*
Administration and management	190	185
Production	176	199
	366	384

Directors' emoluments

	2009	*2008*
	£000	*£000*
Emoluments	376	275
Company contributions paid to money purchase pension schemes	19	20

Notes to the financial statements

at 30 September 2009

3. Staff costs (continued)

Three directors are remunerated by the company (2008 3) The other directors are remunerated by other group companies for any services to the company

The amounts in respect of the highest paid director are as follows

	2009	*2008*
	£000	*£000*
Emoluments	142	127
Company contributions paid to money purchase pension schemes	7	10

All directors remunerated by the company are members of the defined contribution scheme

4. Operating profit

This is stated after charging

	2009	*2008*
	£000	*£000*
Auditors' remuneration - audit services - UK	58	50
- non audit services - UK	10	37
Research and development expenditure written off	1,019	2,312
Operating lease rentals - land and buildings	505	450
- plant and machinery	215	231
Depreciation of owned asset (note 7)	942	940

The non audit services in the current and prior period are in relation to tax services

5. Interest payable and similar charges

	2009	*2008*
	£000	*£000*
Bank loans, overdrafts and other loans		
Repayable within five years, not by instalments	798	383

Notes to the financial statements

at 30 September 2009

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2009	2008
	£000	£000
Current tax:		
UK corporation tax	994	312
Total current tax (note 6b)	994	312
Deferred tax	11	171
Tax on profit on ordinary activities	1,005	483

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 29%) The differences are reconciled below

	2009	2008
	£000	£000
Profit on ordinary activities before tax	3,236	1,689
Profit on ordinary activities multiplied by standard rate of tax in the UK of 28%	906	490
Effects of		
Expenses not deductible for tax purposes	227	-
Decelerated capital allowances	16	9
Other timing differences	(155)	(187)
Total current tax (note 6a)	994	312

Notes to the financial statements

at 30 September 2009

7. Tangible fixed assets

	Freehold land and buildings £000	Short leasehold £000	Plant and equipment £000	Fixtures, fittings, tools and equipment £000	Assets in the course of construction £000	Total £000
Cost						
At 1 October 2008	774	808	8,586	2,080	273	12,521
Additions	-	-	372	98	70	540
At 30 September 2009	774	808	8,958	2,178	343	13,061
Depreciation						
At 1 October 2008	111	685	5,090	1,627	-	7,513
Charged in the year	19	20	709	194	-	942
At 30 September 2009	130	705	5,799	1,821	-	8,455
Net book value						
At 30 September 2009	644	103	3,159	357	343	4,606
At 1 October 2008	663	123	3,496	453	273	5,008

8. Investments

Investment in subsidiary undertakings, being cost and net book value

	2009 £000	2008 £000
Moog Norden	20	20
Moog OY	10	10
Moog Whitton Limited	4,018	4,018
Moog Components Group Limited	2,246	2,246
Fernau Limited	22,996	-
Moog Wolverhampton Limited	2	-
	29,292	6,294

Notes to the financial statements

at 30 September 2009

8. Investments (continued)

The company has the following wholly owned subsidiaries incorporated in Sweden, Finland and the UK respectively

Name of company	*Called up share capital*	*Country*	*Nature of business*
Moog Norden AB	200,000 Sw Kr	Sweden	Sales and repair facility for Industrial products on the Nordic territories
Moog OY	75,000 F Mk	Finland	Sales office for Industrial products in Finland
Moog Whitton Limited	80 GBP	UK	Dormant – transferred to Moog Controls Limited
Moog Components Group Limited	135,137 GBP	UK	Precision engineering and manufacture of electro mechanical devices
Fernau Limited	1,000,000 GBP	UK	Sales and manufacture of air traffic management equipment and navigational aids
Moog Wolverhampton Limited	100 GBP	UK	Sales and manufacture of flight control actuation products

9. Stocks

	2009	*2008*
	£000	*£000*
Raw materials	547	381
Work in progress	2,482	2,602
Finished goods	5,715	7,204
	8,744	10,187

10. Debtors

	2009	*2008*
	£000	*£000*
Trade debtors	8,162	8,371
Parent company and fellow subsidiaries	1,565	1,640
Prepayments and accrued income	211	149
Corporation tax	-	181
	9,938	10,341

Notes to the financial statements

at 30 September 2009

11. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Bank overdraft	-	380
Trade creditors	736	972
Amounts owed to parent company and fellow subsidiary undertakings	6,410	8,638
Corporation tax	15	-
Other taxation and social security	348	389
Accruals and deferred income	788	962
Other payables	101	80
	8,398	11,421

12. Provisions for liabilities and charges

	Contract loss and warranty £000	*Deferred taxation £000*	*Total £000*
At 1 October 2008	333	199	532
Charged to the profit and loss account in the year	431	11	442
Utilised in the year	(162)	(211)	(373)
At 30 September 2009	602	(1)	601

The contract loss and warranty provision is for product integrity rework and contract loss provisions The figure includes £294,000 for warranty returns in the forthcoming year based on current year actual The balance comprises customer-specific product integrity issues provisioned at factory cost

A deferred tax (asset)/liability is recognised at 28% in the financial statements as follows

	2009 £000	*2008 £000*
Difference between accumulated depreciation and capital allowances	75	89
Other timing differences	(76)	110
Deferred tax (asset)/liability	(1)	199

Notes to the financial statements

at 30 September 2009

13. Pension arrangements

The company operates a defined benefit and defined contribution pension schemes, both of which require contributions to be made to separately administered funds

Defined contributions scheme

The pension costs are charged to the profit and loss as they become payable The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £583,000 (2008 £624,000) There were no outstanding or prepaid contributions at either the beginning or end of the financial year

Defined benefit scheme

a) Composition of the defined benefit scheme

The assets of the plan are held separately from those of the company and are invested in a managed fund The fund closed to new members in 1992

Pension contributions payable are determined following consultation with independent professionally qualified actuaries so as to spread the cost of pensions over employees' working lives with the group The contributions are determined by a qualified actuary on the basis of regular valuations

During the year, contributions of £932,000 from the company (2008 £1,535,000) and £58,000 from the company employees (2008 £60,000) were made to the plan during the year, the total contributions to the scheme being £990,000 (2008 £1,595,000) The company expects to contribute approximately £896,000 to the plan during the year to 30 September 2010

FRS 17 disclosures

The valuation used for FRS 17 disclosures has been based on the most recent actuarial valuation at 1 December 2007 and updated by Barnett Waddingham to take account of the requirements of FRS 17 in order to assess the liabilities of the scheme at 30 September 2009 Scheme assets are stated at their market values at the respective balance sheet dates

	2009	*2008*	*2007*	*2006*	*2005*
	%	%	%	%	%
Main financial assumptions					
Rate of salary increases	3 75	4 00	4 00	3 50	4 50
Rate of increase in pensions in payment	3 20	3 50	3 50	3 00	3 00
(inflation subject to a maximum of 5% per annum)					
Discount rate	5 50	7 30	5 80	5 00	5 00
Inflation assumption	3 25	3 50	3 50	3 00	3 00

The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes Equity returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on government bonds Bond returns are selected by reference to the yields on government and corporate debt as appropriate to the plan's holdings of these instruments

Main demographic assumptions

Mortality assumption (2009)	PNXA00 series tables with the long cohort projection subject to a minimum annual rate of improvement of 1 0% per annum

Notes to the financial statements

at 30 September 2009

13. Pension arrangements (continued)

b) The assets and liabilities in the scheme and the expected rates of return were

	Value 2009 £000	*Value 2008 £000*	*Value 2007 £000*	*Value 2006 £000*	*Value 2005 £000*
Long term rate of return expected	6 50%	7 00%	7 00%	6 50%	6 50%
Equities	10,073	8556	9,524	8,592	9,754
Bonds	6,202	4921	5,088	4,405	981
Cash	135	729	185	136	644
Total market value of assets	16,410	14,206	14,797	13,133	11,379
Present value of scheme liabilities	(19,155)	(13,576)	(14,861)	(15,508)	(15,519)
Pension liability before deferred tax	(2,745)	630	(64)	(2,375)	(4,140)
Related deferred tax asset at 28%	769	(176)	18	712	1,242
Net Pension(Liability)/prepayment	(1,976)	454	(46)	(1,663)	(2,898)

c) Amounts charged to operating profit

	2009 £000	*2008 £000*
Current service cost	228	252
Past service cost	-	-
Total operating charge	228	252

d) Amounts debited/(credited) to other finance income

	2009 £000	*2008 £000*
Expected return on pension scheme assets	1,013	1,067
Interest on pension scheme liabilities	(983)	(863)
Total other finance income	30	204

Notes to the financial statements

at 30 September 2009

13. Pension arrangements (continued)

e) Amounts recognised in the statement of the total recognised gains and losses (STRGL)

	2009	*2008*
	£000	*£000*
Actual return less expected return on pension scheme assets	673	(2,837)
Experience /(losses)/gain arising on scheme liabilities	(124)	1,675
Gain arising from changes in assumptions underlying the present value of scheme liabilities	(4,658)	369
Actual (loss)/gain recognised in the statement of total recognised gains and losses	(4,109)	(793)

The actual return on the plan's assets net of expenses over the year to 30 September 2009 was £1,686,000

The cumulative amount of actuarial gains and losses recognised in the STRGL to 30 September 2009 was (£3,370,000)

f) Movement in the financial position during the year

Analysis of movements in assets during the year

	2009	*2008*
	£000	*£000*
At 1 October 2008 - net of related deferred tax asset	14,206	14,797
Benefits paid	(472)	(592)
Expected return on assets	1,013	1,067
Recognised Actuarial gain/(loss) on assets	673	(2,837)
Employer contributions	932	1,535
Contributions by plan participants	58	60
Other income	-	176
At 30 September 2009 - net of related deferred tax asset	16,410	14,206

Analysis of movements in liabilities during the year

	2009	*2008*
	£000	*£000*
At 1 October 2008	13,576	14,861
Current service cost	228	252
Contributions by plan participants	58	60
Interest cost	983	863
Benefits paid	(472)	(592)
Other income	-	176
Recognised actuarial gain/(loss) on liabilities	4,782	(2,044)
At 30 September 2009	19,155	13,576

Notes to the financial statements

at 30 September 2009

13. Pension arrangements (continued)

g) History of amounts

	2009	*2008*	*2007*	*2006*	*2005*
Present value of plan liabilities	(19,155)	(13,576)	(14,861)	(15,508)	(15,519)
Fair value of plan assets	16,410	14,206	14,797	13,133	11,379
Surplus / (Deficit)	(2,745)	630	(64)	(2,375)	(4,140)
Experience gains/(losses) arising on plan liabilities					
- Amount (£000)	(124)	1,675	(73)	(173)	(1,213)
- % of the present value of plan liabilities	(0 6%)	12%	(0 5%)	(1%)	8%
Experience (losses) / gains arising on plan assets					
- Amount (£000)	673	(2,837)	337	403	1,445
- % of the fair value of plan assets	4%	(20%)	2%	3%	13%

The above figures make no allowance for deferred tax

14 Creditors: amounts falling due after one year

	2009	*2008*
	£000	*£000*
Promissory notes	22,269	-

On 26 February 2009, Moog Inc ,the parent company, issued interest-bearing promissory notes to Moog Controls Limited company to finance the acquisition of Fernau Avionics Limited These notes carry interest at a fixed rate of 4 5% per annum and are repayable in full by 26 February 2014

15. Called up share capital

	2009	*2008*
	£000	*£000*
Allotted, called up and fully paid		
Equity shares 2,250,000 (2008 2,250,000) ordinary shares of £1 each	2,250	2,250

Notes to the financial statements
at 30 September 2009

16. Reserves

	Share capital £000	*Share premium account £000*	*Profit and loss account £000*	*Total £000*
At 1 October 2008	2,250	370	17,711	20,331
Loss for the financial year	-	-	(727)	(727)
At 30 September 2009	2,250	370	16,984	19,604

17. Reconciliation of movements in shareholders' funds

	2009 £000	*2008 £000*
Profit for the financial year	2,231	1,206
Other recognised losses relating to the year	(2,958)	(571)
Net (decrease)/increase in shareholders' funds	(727)	635
Opening shareholders' funds	20,331	19,696
Closing shareholders' funds	19,604	20,331

18 Capital commitments

	2009 £000	*2008 £000*
Capital expenditure that has been contracted for but has not been provided for in the financial statements	122	39,819

Financial commitments

The annual commitments under non-cancelled operating leases are as follows

	2009		*2008*	
	Land and buildings £000	*Other £000*	*Land and buildings £000*	*Other £000*
Expiring between one and five years inclusive	800	278	92	195
Expiring in over five years	2,498	-	153	-
	3,298	278	245	195

Notes to the financial statements

at 30 September 2009

20. Contingent liabilities

There is a contingent liability in respect of a counter indemnity up to a maximum of £20,000 (2008 £20,000) in respect of deferment of duty allowable by HM Customs and Excise

21 Ultimate parent company

The ultimate holding company and ultimate controlling party undertaking is Moog Inc , a company incorporated in the United States of America

The largest and smallest group in which the results of the company are consolidated is the headed by Moog Inc

Copies of the Moog Inc financial statements may be obtained from Shareholder Relations, Moog Inc , East Aurora, New York, 14052-0018, USA