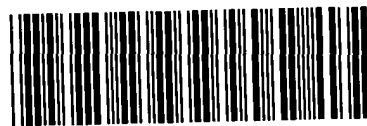


MEGGITT INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2013

TUESDAY



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MEGGITT INTERNATIONAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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MEGGITT INTERNATIONAL LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M L Thomas
D R Webb
P E Green
S G Young

Company secretary

M L Thomas

Registered office

Atlantic House
Aviation Park West
Bournemouth International Airport
Christchurch
Dorset
BH23 6EW

Independent auditor

PricewaterhouseCoopers LLP
Chartered Accountants
and Statutory Auditors
One Reading Central
23 Forbury Road
Reading
Berkshire
RG1 3JH

MEGGITT INTERNATIONAL LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an intermediate parent company owning shares in certain subsidiaries of Meggitt PLC, its ultimate parent company. In addition to its activity as an intermediate parent company, it receives royalty income from a fellow subsidiary of Meggitt PLC.

The directors are hopeful that 2014 will prove to be a successful year for the company's subsidiaries.

KEY PERFORMANCE INDICATORS

The company's directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to minimal risks. The key business risks, both external and internal, are fully discussed, in context of the Meggitt PLC group as a whole, on pages 15 to 17 of the group's annual report which does not form part of this report.

Signed on behalf of the directors



M L Thomas
Company Secretary

Approved by the directors on 30 June 2014

MEGGITT INTERNATIONAL LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors have pleasure in presenting their annual report and the financial statements of the company for the year ended 31 December 2013.

GOING CONCERN

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the immediate parent company.

RESULTS AND DIVIDENDS

The profit for the year amounted to £16,120,000 (2012: £7,227,000). Particulars of dividends paid are detailed in note 10 to the financial statements.

DIRECTORS

The directors who served the company during the year and up to the date of signing the financial statements were as follows:

| | |
|------------|-----------------------------|
| P E Green | |
| S G Young | |
| M L Thomas | (Appointed 2 December 2013) |
| D R Webb | (Appointed 2 December 2013) |
| T Twigger | (Resigned 1 May 2013) |
| M L Young | (Resigned 2 December 2013) |

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

The directors have the benefit of qualifying third-party indemnity provisions for the purposes of Section 236 of the Companies Act 2006 pursuant to the Articles of Association of the Company approved by the shareholders on 4 June 2010.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

MEGGITT INTERNATIONAL LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

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.

STRATEGIC REPORT

Certain laws and regulations require that specific information should be included in the Directors' report. The Principal Activities and Business Review and Principle Risks and Uncertainties are set out in the Strategic Report on page 2.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of these financial statements confirms that in so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of directors on 30 June 2014 and signed by order of the board:



M L Thomas
Company Secretary

MEGGITT INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MEGGITT INTERNATIONAL LIMITED

YEAR ENDED 31 DECEMBER 2013

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Meggitt International Limited, comprise:

- Balance sheet as at 31 December 2013;
- Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MEGGITT INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MEGGITT INTERNATIONAL LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2013

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

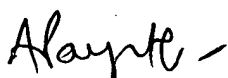
RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Andrew Paynter (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

1 July 2014

MEGGITT INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

| | Note | 2013 £000 | 2012 £000 |
|--|------|----------------|----------------|
| Administrative expenses | | (1,809) | (2,662) |
| Other operating income | 2 | 284 | 400 |
| OPERATING LOSS | 3 | (1,525) | (2,262) |
| Income from shares in group undertakings | 5 | 25,591 | 21,884 |
| Interest receivable and similar income | 6 | 1,145 | 1,918 |
| Amounts written off/back to group balances | 7 | (75) | (315) |
| Interest payable and similar charges | 8 | (13,193) | (19,732) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 11,943 | 1,493 |
| Tax on profit on ordinary activities | 9 | 4,177 | 5,734 |
| PROFIT FOR THE FINANCIAL YEAR | 18 | 16,120 | 7,227 |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the years as set out above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activity before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes on pages 9 to 16 form part of these financial statements.

MEGGITT INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2013

| | Note | 2013 £000 | 2012 £000 |
|---|------|------------------|------------------|
| FIXED ASSETS | | | |
| Intangible assets | 11 | 7,408 | 8,386 |
| Investments | 12 | 957,536 | 947,568 |
| | | <u>964,944</u> | <u>955,954</u> |
| CURRENT ASSETS | | | |
| Debtors | 13 | 3,163 | 3,947 |
| CREDITORS: Amounts falling due within one year | 15 | (598,342) | (604,484) |
| NET CURRENT LIABILITIES | | <u>(595,179)</u> | <u>(600,537)</u> |
| NET ASSETS | | <u>369,765</u> | <u>355,417</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 17 | 860 | 860 |
| Share premium account | 18 | 93,451 | 93,451 |
| Other reserves | 18 | 230,218 | 230,218 |
| Profit and loss account | 18 | 45,236 | 30,888 |
| TOTAL SHAREHOLDER'S FUNDS | 19 | <u>369,765</u> | <u>355,417</u> |

These financial statements on pages 7 to 16 were approved by the board of directors on 30 June 2014, and are signed on its behalf by:



P E Green
Director

Company Registration Number: 02762956

The notes on pages 9 to 16 form part of these financial statements.

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the immediate parent company.

Royalty income

Royalty income is included on a receivable basis calculated on sales of valves arising during each accounting period as reported by the licensee.

Cash flow statement

As a wholly owned subsidiary of Meggitt PLC, a UK registered company, Meggitt International Limited has taken advantage of the exemption under the terms of FRS 1 (Revised 1996) 'Cash flow statements', from the requirement to produce a cash flow statement. A consolidated cash flow statement is included in the Meggitt PLC group financial statements which are publicly available.

Goodwill

Under the accounting standard FRS10 'Goodwill and intangible assets', goodwill arising on the acquisition of subsidiaries after 1 January 1998 has been capitalised and is being amortised over its useful life with a maximum of 20 years. Provision is made for any impairment. In accordance with the Group's accounting policy prior to FRS10, goodwill arising on acquisitions prior to 1 January 1998 has been written off to reserves, and is not significant. Such goodwill will be charged to the profit and loss account on any subsequent disposals of the businesses to which it relates.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|----------|---|
| Goodwill | - straight line over useful life (maximum 20 years) |
|----------|---|

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES *(continued)*

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full without discounting on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation is not provided on timing differences arising from the sale or revaluation of fixed assets unless, at the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will qualify for rollover relief.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date. All differences are dealt with through the Profit and Loss Account.

Investments

Investments held as fixed assets are stated at cost less provision for impairment. An impairment review is performed annually.

Group financial statements

The company is a wholly-owned subsidiary of Meggitt PLC and is included in the consolidated financial statements of Meggitt PLC which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of Part 15 of the Companies Act 2006. Accordingly the information presented in the financial statements relates to the company as an individual entity.

Intercompany

Intercompany balances are initially recognised at historical cost. Intercompany balances are reviewed for recoverability on an annual basis with impairment recognised where the recoverability of an intercompany balance is deemed unlikely.

2. OTHER OPERATING INCOME

| | 2013 £000 | 2012 £000 |
|----------------|--------------|--------------|
| Royalty income | <u>284</u> | <u>400</u> |

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

3. OPERATING LOSS

Operating loss is stated after charging:

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Amortisation of goodwill (note 11) | 869 | 856 |
| Net loss on foreign currency translation | 940 | 1,806 |

Audit fees are borne by Meggitt PLC who makes no recharge to the company, as it is not possible to make an accurate apportionment of the fees in respect of each of the subsidiaries.

4. EMPLOYEE INFORMATION

The company has no employees (2012: none).

Directors' remuneration from the company was £nil (2012: £nil).

The directors in office at the year end do not receive remuneration or retirement benefits from the company, however retirement benefits are accruing to those directors under separate defined benefit pension schemes to which contributions are made by fellow group undertakings.

Four of the directors exercised options in the shares of the ultimate holding company, Meggitt PLC, during the year (2012: two).

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

| | 2013 £000 | 2012 £000 |
|--------------------------------|--------------|--------------|
| Income from group undertakings | 25,591 | 21,884 |

6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2013 £000 | 2012 £000 |
|----------------------------------|--------------|--------------|
| Interest from group undertakings | 1,145 | 1,918 |

7. AMOUNTS WRITTEN OFF/BACK TO GROUP BALANCES

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Amount written back to intercompany balances | (453) | (36) |
| Impairment of fixed asset investments | 528 | 351 |
| | 75 | 315 |

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2013 £000 | 2012 £000 |
|---|---------------|---------------|
| Interest payable on loans from group undertakings | <u>13,193</u> | <u>19,732</u> |

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of tax credit in the year

| | 2013 £000 | 2012 £000 |
|--|----------------|----------------|
| Current tax: | | |
| In respect of the year: | | |
| UK Corporation tax based on the results for the year at 23.25% (2012 - 24.50%) | (4,257) | (5,631) |
| Over/under provision in prior year | <u>79</u> | <u>-</u> |
| Total current tax | <u>(4,178)</u> | <u>(5,631)</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | <u>1</u> | <u>(103)</u> |
| Tax on profit on ordinary activities | <u>(4,177)</u> | <u>(5,734)</u> |

(b) Factors affecting current tax credit

The tax assessed on the profit on ordinary activities for the year is lower than (2012: lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012 - 24.50%).

| | 2013 £000 | 2012 £000 |
|--|----------------|----------------|
| Profit on ordinary activities before taxation | <u>11,943</u> | <u>1,493</u> |
| Profit on ordinary activities multiplied by the standard rate in the UK of 23.25% (2012: 24.50%) | 2,777 | 366 |
| Permanent differences | (7,033) | (6,100) |
| Timing differences | (1) | 103 |
| Adjustments to tax charge in respect of previous periods | <u>79</u> | <u>-</u> |
| Total current tax (note 9(a)) | <u>(4,178)</u> | <u>(5,631)</u> |

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

9. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(c) Factors that may affect future tax charges

The Finance Act 2012, included legislation to reduce the main rate of corporation tax in the UK to 23% with effect from 1 April 2013. The Finance Act 2013, included legislation to further reduce the main rate of corporation tax in the UK to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. As these changes were substantively enacted during the year, they have been reflected in the financial statements.

10. DIVIDENDS

| | 2013 £000 | 2012 £000 |
|------------------------------|--------------|--------------|
| Paid during the year: | | |
| Dividends on ordinary shares | <u>1,772</u> | <u>9,832</u> |

On 6 December 2013 the directors approved the payment of an interim dividend of £2.06 per £1 ordinary share totalling £1,772,000 (2012: £11.43 per £1 ordinary share totalling £9,832,000).

11. INTANGIBLE FIXED ASSETS

| | Goodwill £000 |
|----------------------------|----------------------|
| COST | |
| At 1 January 2013 | 16,771 |
| Exchange rate adjustment | (311) |
| At 31 December 2013 | <u>16,460</u> |
| AMORTISATION | |
| At 1 January 2013 | 8,385 |
| Charge for the year | 869 |
| Exchange rate adjustment | (202) |
| At 31 December 2013 | <u>9,052</u> |
| NET BOOK VALUE | |
| At 31 December 2013 | <u>7,408</u> |
| At 31 December 2012 | <u>8,386</u> |

MEGGITT INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

12. INVESTMENTS

| | Shares in subsidiary companies £000 |
|-------------------------|--|
| Cost | |
| At 1 January 2013 | 973,660 |
| Exchange adjustment | 1,193 |
| Additions | 8,887 |
| At 31 December 2013 | <u>983,740</u> |
| Amounts provided | |
| At 1 January 2013 | 26,092 |
| Impairment for the year | 528 |
| Release | (416) |
| At 31 December 2013 | <u>26,204</u> |
| Net book value | |
| At 31 December 2013 | <u>957,536</u> |
| At 1 January 2013 | <u>947,568</u> |

The provision for impairment has been adjusted to reflect the investments in subsidiaries at their recoverable amounts. In the opinion of the directors, the aggregate value of the investments in subsidiary undertakings is not less than the amounts at which these investments are carried on the balance sheet.

The following is a listing of significant subsidiary companies at 31 December 2013:

Meggitt Asia Pacific Pte Limited - Singapore
Meggitt Holdings Canada Inc - Canada
Meggitt Holdings (France) SNC - France
Piher Sensors & Controls SA - Spain
Endevco Vertriebs GmbH - Germany
Piher International GmbH - Germany
Meggitt BV - Netherlands
Piher International Nederland BV (in liquidation) - Netherlands
Meggitt Holdings (USA) Inc - USA
Meggitt SA - Switzerland
Vibro-Meter Limited
Meggitt GmbH - Germany
Vibro-Meter Singapore Pte Ltd (in liquidation) - Singapore
Meggitt France SAS - France
Meggitt A/S - Denmark
Meggitt Aircraft Braking Systems Corporation - USA
Meggitt Training Systems Inc - USA
Meggitt (Orange County) Inc - USA
Meggitt (Xiamen) Sensors & Controls Co Ltd - China

The ordinary shares of all subsidiaries are wholly owned by Meggitt International Limited. Companies are incorporated in the countries shown. Details of the activities of the principal subsidiaries are set out in the Report and Accounts of Meggitt PLC.

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

13. DEBTORS

| | 2013 £000 | 2012 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 5 | 389 |
| Corporation tax repayable | 2,708 | 3,107 |
| Deferred taxation (note 14) | 450 | 451 |
| | <u>3,163</u> | <u>3,947</u> |

14. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

| | 2013 £000 | 2012 £000 |
|-------------------------------|--------------|--------------|
| Included in debtors (note 13) | <u>450</u> | <u>451</u> |

The movement in the deferred taxation account during the year was:

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Balance at 1 January 2013 | 451 | 348 |
| Profit and loss account movement arising during the year (note 9) | (1) | 103 |
| Balance at 31 December 2013 | <u>450</u> | <u>451</u> |

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Excess of depreciation over taxation allowances | 450 | 451 |
| | <u>450</u> | <u>451</u> |

15. CREDITORS: Amounts falling due within one year

| | 2013 £000 | 2012 £000 |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | <u>598,342</u> | <u>604,484</u> |

The bank account of Meggitt International Limited is in the name 'Meggitt PLC - Re Meggitt International Limited'. The legal title to this account rests with Meggitt PLC and thus rather than show a cash or overdraft balance at the year end it is shown as an inter-company trading balance. Amounts owed by group companies are interest bearing, unsecured and have no fixed date for repayment.

Amounts owed to group companies are interest bearing, unsecured and have no fixed date for repayment.

MEGGITT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Meggitt PLC, whose financial statements are publicly available.

17. CALLED-UP SHARE CAPITAL

Allotted, called up and fully paid:

| | 2013 No | £000 | 2012 No | £000 |
|----------------------------|------------|------|------------|------|
| Ordinary shares of £1 each | 860,290 | 860 | 860,290 | 860 |

18. RESERVES

| | Share premium account £000 | Other reserves £000 | Revaluation reserve £000 | Profit and loss account £000 |
|--------------------------------|-------------------------------------|---------------------------|--------------------------------|------------------------------------|
| Balance at 1 January 2013 | 93,451 | 113,520 | 116,698 | 30,888 |
| Profit for the year | — | — | — | 16,120 |
| Equity dividends | — | — | — | (1,772) |
| Balance at 31 December 2013 | 93,451 | 113,520 | 116,698 | 45,236 |

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Profit for the financial year | 16,120 | 7,227 |
| Equity dividends | (1,772) | (9,832) |
| Net addition/(reduction) to shareholder's funds | 14,348 | (2,605) |
| Opening shareholder's funds | 355,417 | 358,022 |
| Closing shareholder's funds | 369,765 | 355,417 |

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Meggitt International Holdings Limited. The ultimate parent undertaking and controlling party is Meggitt PLC, a company incorporated in the United Kingdom. Meggitt PLC is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Meggitt PLC are available from Atlantic House, Aviation Park West, Bournemouth International Airport, Christchurch, Dorset, BH23 6EW.