

COMPANY REGISTRATION NUMBER 02762956

**MEGGITT INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2014**

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**MEGGITT INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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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 2014

### 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 2015 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 24 to 26 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 12 June 2015

# **MEGGITT INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2014**

The directors have pleasure in presenting their annual report and the financial statements of the company for the year ended 31 December 2014.

#### **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 £21,535,000 (2013: £16,120,000). 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:

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

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 234 of the Companies Act 2006 pursuant to the Articles of Association of the Company approved by the shareholders on 4 June 2010. This remained in force at the date of approval of these financial statements.

#### **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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# MEGGITT INTERNATIONAL LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

### STATEMENT OF DIRECTORS' RESPONSIBILITIES *(continued)*

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 12 June 2015 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 2014**

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Our opinion**

In our opinion, Meggitt International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

#### **What we have audited**

Meggitt International Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the 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 the preparation of the financial statements 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.

#### **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.

#### **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.

# MEGGITT INTERNATIONAL LIMITED

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

YEAR ENDED 31 DECEMBER 2014

### 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 set out on pages 3 to 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

#### What an audit of financial statements involves

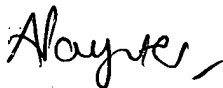
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.



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

17 June 2015



# MEGGITT INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
Administrative expenses		(1,954)	(1,809)
Other operating income	2	253	284
<b>OPERATING LOSS</b>	3	<b>(1,701)</b>	<b>(1,525)</b>
Income from shares in group undertakings	5	31,620	25,591
Interest receivable and similar income	6	2,067	1,145
Amounts written off group balances	7	(416)	(75)
Interest payable and similar charges	8	(13,847)	(13,193)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>17,723</b>	<b>11,943</b>
Tax on profit on ordinary activities	9	3,812	4,177
<b>PROFIT FOR THE FINANCIAL YEAR</b>	18	<b>21,535</b>	<b>16,120</b>

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 17 form part of these financial statements.

# MEGGITT INTERNATIONAL LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Intangible assets	11	6,993	7,408
Investments	12	955,947	957,536
		<u>962,940</u>	<u>964,944</u>
<b>CURRENT ASSETS</b>			
Debtors	13	3,661	3,163
<b>CREDITORS: Amounts falling due within one year</b>	15	(590,268)	(598,342)
<b>NET CURRENT LIABILITIES</b>		<u>(586,607)</u>	<u>(595,179)</u>
<b>NET ASSETS</b>		<u>376,333</u>	<u>369,765</u>
<b>CAPITAL AND RESERVES</b>			
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	51,804	45,236
<b>TOTAL SHAREHOLDER'S FUNDS</b>	19	<u>376,333</u>	<u>369,765</u>

These financial statements on pages 7 to 17 were approved by the board of directors on 12 June 2015, and are signed on its behalf by:



D R Webb  
Director

Company Registration Number: 02762956

The notes on pages 9 to 17 form part of these financial statements.

**YEAR ENDED 31 DECEMBER 2014**

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

**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**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**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Royalty income	<b><u>253</u></b>	<b><u>284</u></b>

**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**3. OPERATING LOSS**

Operating loss is stated after charging:

	2014 £000	2013 £000
Amortisation of goodwill (note 11)	836	869
Net loss on foreign currency translation	<u>1,118</u>	<u>940</u>

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 (2013: none).

All of the directors as at year end are employees of the ultimate parent company, Meggitt PLC, and are remunerated by that company for their services to the group as a whole. The directors did not receive any remuneration in their capacity as directors of Meggitt International Limited (2013: £nil).

One of the directors exercised options in the shares of the ultimate holding company, Meggitt PLC, during the year (2013: four).

**5. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2014 £000	2013 £000
Income from group undertakings	<u>31,620</u>	<u>25,591</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2014 £000	2013 £000
Interest from group undertakings	<u>2,067</u>	<u>1,145</u>

**7. AMOUNTS WRITTEN OFF GROUP BALANCES**

	2014 £000	2013 £000
Amounts written back to intercompany balances	(528)	(453)
Impairment of fixed asset investments	<u>944</u>	<u>528</u>
	<u>416</u>	<u>75</u>

**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
Interest payable on loans from group undertakings	<u><b>13,847</b></u>	<u><b>13,193</b></u>

**9. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of tax credit in the year**

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Current tax:</b>		
In respect of the year:		
UK Corporation tax based on the results for the year at 21.50% (2013 - 23.25%)	<b>(3,894)</b>	<b>(4,257)</b>
Over/under provision in prior year	<u><b>27</b></u>	<u><b>79</b></u>
Total current tax	<u><b>(3,867)</b></u>	<u><b>(4,178)</b></u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u><b>55</b></u>	<u><b>1</b></u>
Tax on profit on ordinary activities	<u><b>(3,812)</b></u>	<u><b>(4,177)</b></u>

**(b) Factors affecting current tax credit**

The tax assessed on the profit on ordinary activities for the year is lower than (2013: lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2014 of 21.50% (2013 - 23.25%).

	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Profit on ordinary activities before taxation</b>	<u><b>17,723</b></u>	<u><b>11,943</b></u>
Profit on ordinary activities multiplied by the standard rate in the UK of 21.50% (2013: 23.25%)	<b>3,810</b>	<b>2,777</b>
Permanent differences	<b>(7,649)</b>	<b>(7,033)</b>
Timing differences	<b>(55)</b>	<b>(1)</b>
Adjustments to tax charge in respect of previous periods	<u><b>27</b></u>	<u><b>79</b></u>
Total current tax (note 9(a))	<u><b>(3,867)</b></u>	<u><b>(4,178)</b></u>

**(c) Factors that may affect future tax charges**

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

**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**10. DIVIDENDS**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Paid during the year:		
Dividends on ordinary shares	<u><b>14,967</b></u>	<u><b>1,772</b></u>

On 12 December 2014 the directors approved the payment of an interim dividend of £17.40 per £1 ordinary share totalling £14,967,000 (2013: £2.06 per £1 ordinary share totalling £1,772,000).

**11. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b>
	<b>£000</b>
<b>COST</b>	
At 1 January 2014	<b>16,460</b>
Exchange rate adjustment	<u><b>1,020</b></u>
<b>At 31 December 2014</b>	<u><b>17,480</b></u>
<b>AMORTISATION</b>	
At 1 January 2014	<b>9,052</b>
Charge for the year	<b>836</b>
Exchange rate adjustment	<u><b>599</b></u>
<b>At 31 December 2014</b>	<u><b>10,487</b></u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2014</b>	<u><b>6,993</b></u>
At 31 December 2013	<u><b>7,408</b></u>

**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**12. INVESTMENTS**

	<b>Shares in subsidiary companies £000</b>
<b>Cost</b>	
At 1 January 2014	983,740
Exchange adjustment	(4,445)
Additions	3,272
At 31 December 2014	<u>982,567</u>
<b>Amounts provided</b>	
At 1 January 2014	26,204
Release	(528)
Impairment for the year	944
At 31 December 2014	<u>26,620</u>
<b>Net book value</b>	
At 31 December 2014	<u>955,947</u>
At 1 January 2014	<u>957,536</u>



**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**12. INVESTMENTS** *(continued)*

On 31 December 2014, the company invested in a further 25,000 ordinary shares of DKK1,000 in its subsidiary Meggitt A/S through a group loan at an interest rate of 2% over Libor.

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 2014:

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  
Meggitt Holdings (USA) Inc - USA  
Meggitt SA - Switzerland  
Vibro-Meter Limited  
Meggitt GmbH - Germany  
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.

**13. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<b>20</b>	<b>5</b>
Corporation tax repayable	<b>3,246</b>	<b>2,708</b>
Deferred taxation (note 14)	<b>395</b>	<b>450</b>
	<b><u>3,661</u></b>	<b><u>3,163</u></b>

**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**14. DEFERRED TAXATION**

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Included in debtors (note 13)	<u><b>395</b></u>	<u><b>450</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 January 2014	<b>450</b>	<b>451</b>
Profit and loss account movement arising during the year (note 9)	<u><b>(55)</b></u>	<u><b>(1)</b></u>
Balance at 31 December 2014	<u><b>395</b></u>	<u><b>450</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Excess of depreciation over taxation allowances	<u><b>395</b></u>	<u><b>450</b></u>
	<u><b>395</b></u>	<u><b>450</b></u>

**15. CREDITORS: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<u><b>590,268</b></u>	<u><b>598,342</b></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.

**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:**

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
	<b>£000</b>	<b>£000</b>
Ordinary shares of £1 each	<u><b>860,290</b></u>	<u><b>860,290</b></u>
	<u><b>860</b></u>	<u><b>860</b></u>

**MEGGITT INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

**18. RESERVES**

	Share premium account £000	Other reserves £000	Revaluation reserve £000	Profit and loss account £000
Balance at 1 January 2014	93,451	113,520	116,698	45,236
Profit for the year	–	–	–	21,535
Equity dividends	–	–	–	(14,967)
	<u>93,451</u>	<u>113,520</u>	<u>116,698</u>	<u>51,804</u>
Balance at 31 December 2014	<u>93,451</u>	<u>113,520</u>	<u>116,698</u>	<u>51,804</u>

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2014 £000	2013 £000
Profit for the financial year	21,535	16,120
Equity dividends	(14,967)	(1,772)
Net addition to shareholder's funds	<u>6,568</u>	<u>14,348</u>
Opening shareholder's funds	369,765	355,417
Closing shareholder's funds	<u>376,333</u>	<u>369,765</u>

**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 2014. The consolidated financial statements of Meggitt PLC are available from Atlantic House, Aviation Park West, Bournemouth International Airport, Christchurch, Dorset, BH23 6EW.