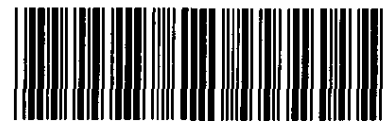


Company Registration No. 02762956 (England and Wales)

**MEGGITT INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

TUESDAY  
WEL



\*ABCG387V\*

A13	13/09/2022	#330
COMPANIES HOUSE		
*ABB71XK1*		
A09	31/08/2022	#69
COMPANIES HOUSE		

# MEGGITT INTERNATIONAL LIMITED

## COMPANY INFORMATION

---

**Directors**

M L Thomas  
L Burdett  
A Wood  
K Lewis  
A Garard

**Secretary**

S R Grant

**Company number**

02762956

**Registered office**

Pilot Way  
Ansty Business Park  
Coventry  
CV7 9JU

---

# MEGGITT INTERNATIONAL LIMITED

## CONTENTS

---

	<b>Page(s)</b>
Directors' report	1 - 2
Income statement	3
Statement of financial position	4 - 5
Statement of changes in equity	6
Notes to the financial statements	7 - 19

---

# MEGGITT INTERNATIONAL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

The directors present their annual report and unaudited financial statements for the year ended 31 December 2021.

The Company has not prepared a Strategic Report in accordance with section 414B of the Companies Act 2006.

#### Directors

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

M L Thomas  
L Burdett  
A Wood  
K Lewis  
A Garard (appointed 17 May 2021)

#### Principal activities and business review

The principal activity of the company is an intermediate parent company owning shares in certain subsidiaries of Meggitt PLC, as 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 COVID-19 pandemic continues to cause disruption to the UK and global economy and financial markets and the recovery in the civil aviation market has been slower to materialise than anticipated. As a non-trading company with no employees, the pandemic has not had a direct impact on the entity, nor is expected to do so in the future.

#### Results for the year

The results for the year are set out on page 3. The company made a loss of £41,086,000 for the financial year (2020: £7,819,000) and has net assets of £341,497,000 as at 31 December 2021 (2020: £382,583,000). The directors do not recommend the payment of a dividend (2020: nil).

#### Future prospects

There are no anticipated changes to the nature of the Company. The directors continue to rely on funds being made available to the company by its parent company to enable it to discharge its liabilities.

#### Implications of COVID-19 on the business

It is our view, to the best of our current knowledge, that the COVID-19 pandemic will not have an adverse impact on the company and there will not be a material effect on the company's ability to continue as a going concern. The directors have considered the impact on going concern in note 1.2.

#### Proposed acquisition of the group by Parker-Hannifin Corporation

On 21 September 2021, the shareholders of Meggitt PLC approved an all-cash offer of 800 pence per share for the group by Parker-Hannifin Corporation. The proposed acquisition is expected to complete during Q3 2022, subject to receiving all remaining regulatory approvals. The directors have considered the impact on going concern in note 1.2.

#### Climate change

The company is subject to minimal impacts or opportunities due to climate change. The key impacts of climate change are fully discussed, in the context of the group, on pages 61 to 63 of the Meggitt PLC 2021 Annual Report, which does not form part of this report.

# MEGGITT INTERNATIONAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### **Directors' indemnities**

The directors have the benefit of qualifying third-party indemnity provisions for the purposes of Section 234 of the Companies Act 2006. This remained in force during the financial year and also at the date of approval of these financial statements.

#### **Financial risk management objectives and policies**

The key financial risk management objectives and policies are fully discussed in the context of the Meggitt PLC group as a whole, on page 48 to 49 and in note 3 on pages 188 to 189 of the Meggitt PLC 2021 Annual Report, which does not form part of this report.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Approved by the Board of Directors on 22 August 2022.

Signed by order of the Board:



S R Grant

**Secretary**

22 August 2022

# MEGGITT INTERNATIONAL LIMITED

## INCOME STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Net foreign exchange (losses)/gains		(6,714)	20,624
Royalty income		33	34
Income from shares in group undertakings		1,729	-
<b>Operating (loss)/profit</b>		<b>(4,952)</b>	<b>20,658</b>
Interest receivable from group undertakings		17,532	29,061
Interest payable to group undertakings		(62,195)	(65,458)
<b>Finance costs - net</b>		<b>(44,663)</b>	<b>(36,397)</b>
<b>Loss before taxation</b>		<b>(49,615)</b>	<b>(15,739)</b>
Tax credit for the year	4	8,529	7,920
<b>Loss for the financial year</b>		<b>(41,086)</b>	<b>(7,819)</b>

The income statement has been prepared on the basis that all operations are continuing operations.

The company has no other comprehensive income or expenses other than the results for the years as set out above, and therefore no separate statement of comprehensive income has been presented.

# MEGGITT INTERNATIONAL LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	5	9,102	8,981
Investments	6	1,542,697	1,542,697
		<u>1,551,799</u>	<u>1,551,678</u>
<b>Current assets</b>			
Deferred tax asset	10	160	1,435
Other receivables	8	369,509	362,064
Cash at bank and in hand		28	-
		<u>369,697</u>	<u>363,499</u>
<b>Creditors: amounts falling due within one year</b>			
Other payables	9	(1,579,999)	(1,532,594)
<b>Net current liabilities</b>		<u>(1,210,302)</u>	<u>(1,169,095)</u>
<b>Net assets</b>		<u>341,497</u>	<u>382,583</u>
<b>Capital and reserves</b>			
Share capital	11	860	860
Share premium account		93,451	93,451
Revaluation reserve		116,698	116,698
Other reserves		113,520	113,520
Retained earnings		16,968	58,054
<b>Total equity</b>		<u>341,497</u>	<u>382,583</u>

The notes on pages 7 to 19 are an integral part of these financial statements.

The financial statements on pages 3 to 19 were approved by the Board of Directors and authorised for issue on 22 August 2022.

### Audit exemption statement

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

### Directors' responsibilities:

the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and

the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

# MEGGITT INTERNATIONAL LIMITED

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

***AS AT 31 DECEMBER 2021***

---

Signed on behalf of the directors:



K Lewis

**Director**

22 August 2022

**Company Registration No. 02762956**



# MEGGITT INTERNATIONAL LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	*Revaluation reserve	**Other reserves	Retained Earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 January 2020	860	93,451	116,698	113,520	65,873	390,402
Loss for the financial year	-	-	-	-	(7,819)	(7,819)
Total comprehensive expense for the year	-	-	-	-	(7,819)	(7,819)
Balance at 31 December 2020	860	93,451	116,698	113,520	58,054	382,583
Loss for the financial year	-	-	-	-	(41,086)	(41,086)
Total comprehensive expense for the year	-	-	-	-	(41,086)	(41,086)
Balance at 31 December 2021	860	93,451	116,698	113,520	16,968	341,497

\* Relates to 2007 revaluation of foreign currency hedged assets/liabilities.

\*\* Relates to sale of preference share capital in Meggitt Holdings USA, Inc.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

##### General Information

The company is an intermediate holding company, owning shares in certain Meggitt PLC Group companies. The company is private, limited by shares and incorporated and domiciled in the United Kingdom. The address of its registered office is Pilot Way, Ansty Business Park, Coventry, CV7 9JU.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements have been prepared on the historical cost basis and in accordance with the Companies Act 2006.

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

- the requirements of IFRS 7 'Financial Instruments: Disclosures';
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1 'Presentation of Financial Statements' and (ii) paragraph 118 (e) of IAS 38 'Intangible Assets';
- the requirements of paragraphs 10(d), 16 and 134-136 of IAS 1 'Presentation of Financial Statements';
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 'Impairment of Assets'; and
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

Meggitt International Limited is a wholly owned subsidiary of Meggitt PLC and the results of Meggitt International Limited are included in the consolidated financial statements of Meggitt PLC which are publicly available, as set out in note 12.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

The directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of this report. For this reason, the directors continue to adopt the going concern basis in preparing the company financial statements.

In reaching this conclusion, the directors have considered:

- the financial position of the company as set out in this report and additional information provided in the financial statements;
- the resources available to the company, including the continued support of its immediate parent company, Meggitt International Holdings Limited;
- the principal risks and uncertainties to which the Meggitt PLC group is exposed, as set out on pages 50 to 57 of the Meggitt PLC 2021 Annual Report (which does not form part of these financial statements), the likelihood of them arising and the mitigating actions available; and
- the impact of COVID-19 on both the entity and the Meggitt PLC group.

Meggitt PLC (the "group"), is closely monitoring the impact of COVID-19 on its 2022 financial results and cashflows and has prepared a detailed model and projections for the business. The group has leveraged the output of this model covering the period to 31 August 2023 in assessing whether the going concern principle remains appropriate. As part of this assessment, the group also considered the liquidity and financing available to it over the same period. This model has been stress tested and the group considers the likelihood of circumstances occurring that would result in it breaching either of its financial covenant ratios during the assessment period to be remote.

On 21 September 2021, the shareholders of Meggitt PLC approved an all-cash offer of 800 pence per share for the group by Parker-Hannifin. In assessing whether the going concern principle remains appropriate, the group also considered the impact in the event the proposed acquisition is completed, including the intent and ability of Parker-Hannifin to finance the purchase, repay liabilities becoming due on change of control, and continue to operate the group as a going concern for the remainder of the assessment period. Having taken account of publicly available information, the group believe Parker-Hannifin will be able to meet these obligations.

Based on the above, the directors have therefore concluded it is appropriate to adopt the going concern principle in these financial statements.

##### 1.3 New standards, amendments and IFRIC interpretations

During the year, no new accounting standards, amendments or revisions to existing standards, or interpretations have become effective which had a significant impact on the financial statements.

##### 1.4 Investments in subsidiaries

Investments held as fixed assets are stated at cost less provision for impairment in value arising from an annual review.

##### 1.5 Intangible assets

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### Goodwill

The purchased goodwill of the Company is regarded as having an indefinite useful economic life and in accordance with FRS 101, is not amortised but is subject to annual tests for impairment.

In the opinion of the directors, it is not possible to determine a finite useful economic life for goodwill, due to the inherent durability of the corporate profile and the continued position of market leadership and profitability of the business to which the goodwill relates. Since it is not possible to identify any finite useful economic life, it is not possible to quantify any amortisation which would be charged. In reviewing the carrying value of goodwill of the business, the Board has considered the separate plans and cash flows of these businesses consistent with the requirements of FRS 101, and is satisfied that these demonstrate that no impairment has occurred. Accordingly no charge for impairment is required.

Goodwill arising on acquisitions before the date of transition to FRS 101 has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

#### 1.6 Impairment of fixed, non-financial fixed assets

At each reporting end date, the company reviews the carrying amounts of its fixed, non-financial fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

#### 1.7 Other receivables

Other receivables are initially recognised at fair value and subsequently measured at amortised cost less any impairment losses. The company applied the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, other receivables have been grouped based on shared credit risk characteristics. Expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. The borrowers' access to sufficient highly liquid assets in order to repay the loan if demanded at the reporting date is assessed to consider the expected manner of recovery to measure expected credit losses. If the recovery strategies indicate that the lender would fully recover the outstanding balance of the loan, the expected credit loss will be limited to the effect of discounting the amount due on the loan at the loan's effective interest rate over the period until cash is realised.

#### 1.8 Other payables

Other payables are initially recognised at fair value and subsequently measured at amortised cost. Interest payable is recognised in the income statement within finance costs as incurred.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 1.9 Current tax

Current tax is based on taxable profit for the period, calculated using tax rates enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax is recognised in the income statement, other comprehensive income or directly in equity depending on where the item to which they relate has been recognised.

#### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also recognised in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Foreign exchange

The financial statements are presented in 'pounds sterling' (£), which is also the company's functional currency. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

#### 1.11 Dividend recognition and distribution

Dividend income is recognised when the right to receive payment is established.

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. No dividends were approved or paid during the financial year.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

---

### **2 Critical accounting estimates and judgements**

In applying the company's accounting policies set out in note 1, the company is required to make certain estimates and judgements concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from these estimates.

#### **Significant accounting estimates**

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period. Through the process of applying the company's accounting policies the directors have not identified assumptions made about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Significant accounting judgements**

In the process of applying the company's accounting policies, the directors have not made judgements that significantly affect the amounts it has recognised in the financial statements.

### **3 Employees and directors**

The company has no employees (2020: none).

All of the directors as at the year end are employees of either the ultimate parent company, Meggitt PLC, or Meggitt Aerospace Limited and are remunerated by those companies for their services to the group as a whole. The directors do not receive any remuneration in their capacity as directors of Meggitt International Limited (2020: nil), as their services were incidental to their services to the Group.

Two of the directors exercised options in the shares of the ultimate holding company, Meggitt PLC, during the year (2020: two). No options were issued in regards to services for Meggitt International Limited.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Tax on loss

	2021 £000	2020 £000
<b>Current tax</b>		
Current year taxation	(8,659)	(6,888)
Adjustments in respect of prior periods	(1,145)	(7,822)
	<u>(9,804)</u>	<u>(14,710)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	125	(147)
Adjustment in respect of prior periods	1,150	6,937
	<u>1,275</u>	<u>6,790</u>
<b>Total tax credit for the year</b>	<u>(8,529)</u>	<u>(7,920)</u>

Tax credit for the year is lower (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19.00% (2020: 19.00%). This is explained below:

	2021 £000	2020 £000
Loss before taxation	<u>(49,615)</u>	<u>(15,739)</u>
Effects of:		
Loss before taxation multiplied by the standard rate of tax in the UK of 19.00% (2019: 19.00%)	(9,427)	(2,990)
Income from shares in group undertakings not taxable	(329)	-
Adjustments in respect of prior periods	5	(885)
Permanent differences	1,276	(3,897)
Impact of change in tax rate	(54)	(148)
<b>Tax credit for the year</b>	<u>(8,529)</u>	<u>(7,920)</u>

### Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Intangible assets

	<b>Goodwill £000</b>
<b>Cost or valuation</b>	
At 1 January 2021	19,958
Foreign currency adjustments	268
	<hr/>
At 31 December 2021	20,226
	<hr/>
<b>Accumulated impairment</b>	
At 1 January 2021	10,977
Foreign currency adjustments	147
	<hr/>
At 31 December 2021	11,124
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	9,102
	<hr/>
At 31 December 2020	8,981
	<hr/>

At each reporting date and whenever events indicate the carrying value may not be recoverable, the company reviews the carrying amounts of goodwill to determine whether there is any indication that those assets have suffered an impairment loss. For the purposes of impairment testing, the company historically used value-in-use calculations to determine recoverable amounts as it has not considered there to be reliable estimates of fair value less costs of disposal (FVLCD). However, following the approval by the Meggitt PLC shareholders on 21 September 2021 of the proposed acquisition of the group by Parker-Hannifin Corporation, FVLCD of the group has been determined to be £6,200.0m. The fair value of each CGU in the company has been estimated by allocating the FVLCD for the group using the relative value-in-use of each CGU.

The value in use calculations are based on cash flow forecasts derived from the most recent budgets and plans as approved by management. These value in use calculations are dependent on estimates of future cash flows and long-term growth rates. The resultant cash flows are discounted using a pre-tax discount rate appropriate to the relevant CGU or group of CGUs.

As a result of the impairment testing, no impairment losses were identified for any CGU in the company, with headroom for all CGUs greater than 100% of the carrying value of the CGU's assets, including goodwill.



# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Investments

	2021 £000	2020 £000
<b>Cost or valuation</b>		
At 1 January	1,543,365	1,543,365
At 31 December	1,543,365	1,543,365
<b>Impairment</b>		
At 1 January	(668)	(668)
At 31 December	(668)	(668)
<b>Carrying amount</b>		
At 31 December	1,542,697	1,542,697

Each year the company carries out impairment tests of its investments in subsidiaries which require calculations to be made of the value in use of each entity. These value in use calculations are dependent on net assets of subsidiaries or estimates of future cash flows, long-term growth rates and appropriate discount rates to be applied to future cash flows of the entity. No impairment was identified as a result of these tests.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Meggitt USA Services Inc ** 2	USA	100	100	Non-trading company
Meggitt-USA Inc ** 2	USA	100	100	Intermediate holding company
Nasco Aircraft Brake Inc ** 2	USA	100	100	Manufacturer
OEEO LLC ** 5	USA	100	100	Manufacturer
Pacific Scientific Company ** 2	USA	100	100	Manufacturer
Park Chemical Company ** 2	USA	100	100	Dormant
Parkway-Hamilton Sundstrand Mexico S. de Mexico R.L de CV ** 10		100	100	Manufacturer
Precision Engine Controls Corp ** 2	USA	100	100	Manufacturer
Securaplane Technologies Inc **	USA	100	100	Manufacturer
Valley Association Corporation ** 11	USA	33	33	Shared site's utilities
Whittaker Aerospace ** 12	UK	100	100	Dormant
Whittaker Corporation ** 2	USA	100	100	Intermediate holding company
Whittaker Development Co ** 2	USA	100	100	Dormant
Whittaker Ordnance Inc ** 2	USA	100	100	Dormant
Whittaker Technical Products Inc ** 2	USA	100	100	Dormant
Meggitt UTC Aerospace Systems LLC ** 13	USA	70	70	Manufacturer
Meggitt Finance (Beta) *	United Kingdom	100	100	Dormant
Aircraft Braking Systems Europe Limited **	United Kingdom	100	100	Dormant
Aircraft Braking Systems Services Limited **8	United Kingdom	100	100	Dormant
ABL Systems ** 6	USA	50	50	Non-trading company
Aero-Tech Composites de Mexco, S de RL CV **	Mexico	100	100	Manufacturer
Meggitt (Sapphire) GmbH *	Germany	100	100	Dormant
Meggitt (France) SAS *	France	100	100	Intermediate holding company
Meggitt (Xiamen) Sensors & Control Co Limited * 1	China	100	100	Manufacturer
Meggitt A/S *	Denmark	100	100	Manufacturer
Meggitt Asia Pacific Pte Limited *	Singapore	100	100	Non-trading company
Meggitt Brazil Solucoes de Engenharia Ltda * 1	Brazil	100	100	Sales office
Meggitt Holdings (France) SAS *	France	99	99	Intermediate holding company
Meggitt India Pvt Limited * 3	India	100	100	Sales office
Meggitt SA * 4	Switzerland	100	100	Manufacturer
Europeenne de Conception D'Etudes Technologiques SAS **	France	100	100	Manufacturer
Meggitt (Sensorex) SAS **	France	100	100	Manufacturer
Meggitt GmbH **	Germany	100	100	Manufacturer
Vibro-Meter Limited **	United Kingdom	100	100	Dormant
Vibro-Meter S.A.R.L. **	Switzerland	100	100	Dormant
Alston Properties LLC ** 5	USA	100	100	Non-trading company
Artus SAS **	France	100	100	Manufacturer
Meggitt (Vietnam) Co. Limited ** 7	Vietnam	100	100	Manufacturer

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Subsidiaries

(Continued)

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Meggitt (Baltimore) Inc ** 2	USA	100	100	Manufacturer
Meggitt (Erlanger) LLC ** 5	USA	100	100	Manufacturer
Meggitt (North Hollywood) Inc ** 2	USA	100	100	Manufacturer
Meggitt (Orange County) LLC ** 2	USA	100	100	Manufacturer
Meggitt (Rockmart) Inc ** 2	USA	100	100	Manufacturer
Meggitt (San Diego) Inc ** 2	USA	100	100	Manufacturer
Meggitt (Simi Valley) Inc ** 2	USA	100	100	Manufacturer
Meggitt (Troy) Inc ** 2	USA	100	100	Manufacturer
Meggitt Aircraft Braking Systems Corp ** 2	USA	100	100	Manufacturer
Meggitt Aircraft Braking Systems Kentucky Corp ** 2	USA	100	100	Manufacturer
Meggitt Aircraft Braking Systems Queretaro S de RL de C ** 9	Mexico	100	100	Manufacturer
Meggitt Defense Systems Inc ** 2	USA	100	100	Manufacturer
Meggitt Oregon Inc ** 2	USA	100	100	Manufacturer
Meggitt Queretaro LLC ** 5	USA	100	100	Manufacturer
Meggitt Safety Systems Inc ** 2	USA	100	100	Manufacturer
Meggitt Canada Enterprises Inc.* 2	Canada	100	100	Sales office
Meggitt Holdings (USA) Inc * 2	USA	100	100	Intermediate holding company
Mikroma SA **	Poland	10	10	Manufacturer

\* Directly held \*\* Indirectly held

Abbreviation used - IHC: Intermediate holding company

Unless otherwise stated, ownership comprises ordinary shares representing 100% of the issued share capital.

1. Ownership held as registered capital (100%)
2. Ownership held as common stock (100%)
3. Ownership held as equity shares (100%)
4. Ownership held as registered shares (100%)
5. Ownership held as membership interest (100%)
6. Ownership held as ordinary shares (50%)
7. Ownership held as owner's capital (100%)
8. Ownership held as class A shares (67.5%), class B shares (12.5%) and class C shares (20%)
9. Ownership held as quota interest (100%)
10. Subsidiary of Parkway-HS, LLC - ownership held as quota interest (99.97%)
11. Ownership held as ordinary shares (33%)
12. Private unlimited company
13. Joint venture with UTC Aerospace Systems - ownership held as membership interest (70%)

As at 31 December 2021, the registered office address for all subsidiaries incorporated in the United Kingdom is Pilot Way, Ansty Business Park, Coventry, CV7 9JU. For subsidiaries not incorporated in the United Kingdom, the registered office address details are as follows:

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Subsidiaries

(Continued)

ABL Systems – 1204 Massillon Road, Akron, OH 44306, USA  
Aero-Tech Composites de Mexico, S de RL de CV - Carretera a Zacatecas 5570-1, Saltillo, COA, Mexico 25070  
Alston Properties LLC – 1955 N. Surveyor Ave., Simi Valley, California, 93063  
Artus SAS - Chemin de Champs des Martyrs, 49240 Avrille, France  
Meggit (Vietnam) Co Ltd - No 2 Nguyen Van Tri, Thanh Binh, Bien Hoa, Dong Nai, Vietnam  
Meggit (Sapphire) GmbH - Kaiserleistr. 51, 63067 Offenbach, Main, Germany  
Européenne de Conception d'Etudes Technologiques SAS - 196 rue Louis Rustin, Archamps Technopole, 74166 Archamps  
Meggit AS – Portusvej 4, DK-3490 Kvistgaard, Denmark  
Meggit (Ballkone) Inc. - 3310 Gailins Park Drive, Baltimore, MD 21215, USA  
Meggit (Erlanger) LLC - 1400 Jamike Avenue Erlanger, Kentucky 41018, USA  
Meggit (France) SAS - 196 rue Louis Rustin, Archamps Technopole, 74166 Archamps  
Meggit (North Hollywood) Inc. - 12838 Salicoy Street, North Hollywood, CA 91605, USA  
Meggit (Orange County) Inc. - 4 Marconi, Irvine, CA, 92618, USA  
Meggit (Rockmart) Inc. - 669 Goodyear Street, Rockmart, GA, GA 30153, USA  
Meggit (San Diego) Inc. - 6650 Top Gun Street, San Diego, CA, 92121, USA  
Meggit (Sensorex) SAS - 196 rue Louis Rustin, PO Box 63103, Archamps, Technopole, F-74166, Archamps Cedex, France  
Meggit (Simi Valley) Inc. - 1955 N. Surveyor Avenue, Simi Valley, CA 93063  
Meggit (Troy) Inc. - 3 Industrial Drive, Troy, IN, 47588, USA  
Meggit (Xiamen) Sensors & Controls Co Ltd - 230 South 5, Gao Qi Road, Xiamen 361006, People's Republic of China  
Meggit Aircraft Braking Systems Corporation - 1204 Massillon Road, Akron, Ohio 44306-4186, USA  
Meggit Aircraft Braking Systems Kentucky Corp - 190 Corporate Drive, Danville, KY 40422, USA  
Meggit Aircraft Braking Systems Queretaro S de RL de CV - Carretera Estatal 200, Queretaro-Tequisquiapan, Colon, Mexico  
Meggit Asia Pacific Pte Limited - 1A Seletar Aerospace Link, Seletar Aerospace Park, Singapore, 797552  
Meggit Brasil Solucoes de Engenharia Ltda - Avenida João Cabral de mello Neto, 850, Bloco 03, salas 815 & 816, Barra da Tijuca, Rio de Janeiro, Brasil  
Meggit Defense Systems Inc. - 9801 Muirlands Boulevard, Irvine, California 92618-2521, USA  
Meggit GmbH - Kaiserleistr. 51, 63067 Offenbach, Main, Germany  
Meggit Holdings (France) SNC - Chemin de Champs des Martyrs, 49240 Avrille, France  
Meggit India Pvt Ltd (India) 901, Brigade Rubix, No 20, HMT Main Road, HMT Township, North Bangalore 56022, India  
Meggit Oregon Inc. - 2010 Lafayette Avenue, PO Box 887, McMinnville, OR 97128, USA  
Meggit Queretaro LLC - 1204 Massillon Road, Akron, OH 44306  
Meggit SA - Rte de Moncor 4, PO Box 1616, CH-1701, Fribourg, Switzerland  
Meggit Safety Systems Inc. - 1785 Voyager Avenue, Simi Valley CA 93063, USA  
Meggit USA Services Inc. - 1955 N. Surveyor Avenue, Simi Valley, CA 93063, USA  
Meggit Holdings (USA) Inc. - 1955 N. Surveyor Avenue, Simi Valley, CA 93063, USA  
Meggit-USA Inc. - 1955 N. Surveyor Avenue, 1955 N. Surveyor Avenue, USA  
Nasco Aircraft Brake Inc. - 13330 Estrella Avenue, Gardena, CA 90248, USA  
Oeco LLC - 4607 SE International Way, Milwaukie, OR 97222  
Pacific Scientific Company - 1955 N. Surveyor Ave, Simi Valley, CA 93063, USA  
Park Chemical Company - 1955 N. Surveyor Avenue, Simi Valley, CA 93063  
Parkway-Hamilton Sundstrand Mexico S. De. R. L. De CV - Carretera 54 a Zacatecas 5690, Parque Industrial Amistad Sur, Saltillo, Coahuila, MX 25070  
Meggit UTC Aerospace Systems LLC - 1400 Jamike Avenue, Erlanger, KY 41018, USA  
Precision Engine Controls Corp - 11661 Sorrento Valley Road, San Diego, CA 92121, USA  
Securaplane Technologies Inc. - 12350 N Vistoso Park Road, Oro Valley, AZ 85755, USA  
Valley Association Corporation - 1210 Massillon Road, Akron, Ohio 44315, USA  
Vibro-Meter SARL – Route de Moncor 4, 1752 Villars-sur-Glane, Switzerland  
Wallaby Grp Australia Pty Limited – PKF, Level 8, 1 O'Connell Street, Sydney, NSW 2000, Australia  
Wallaby Grp Industries Australia Pty Limited – PKF, Level 8, 1 O'Connell Street, Sydney, NSW 2000, Australia  
Wallaby Grp B.A.E Pty Limited – PKF, Level 8, 1 O'Connell Street, Sydney, NSW 2000, Australia  
Wallaby Grp (NSW) Pty Limited – PKF, Level 8, 1 O'Connell Street, Sydney, NSW 2000, Australia  
Whittaker Corporation - 1955 N. Surveyor Avenue, Simi Valley, CA 93063  
Whittaker Development Co - 1955 N. Surveyor Avenue, Simi Valley, CA 93063  
Whittaker Ordnance Inc. - 1955 N. Surveyor Avenue, Simi Valley, CA 93063  
Whittaker Technical Products Inc. - 1955 N. Surveyor Avenue, Simi Valley, CA 93063  
Zambra Legal Pty Limited – Suite 2, Level 11, 60 Castlereagh Street, Sydney, NSW 2000, Australia  
Meggit Canada Enterprises Inc. - 1501 McGill College Avenue, 26th Floor, Montréal, Québec, H3A 3N9

### 8 Other receivables

	2021	2020
	£000	£000
Corporation tax recoverable	8,660	6,888
Amounts due from fellow group undertakings	360,849	355,176
	<u>369,509</u>	<u>362,064</u>

Amounts due from fellow group undertakings totalling £360,523,000 (2020: £354,854,000) are interest bearing, unsecured, have no fixed date for repayment and are repayable on demand. Interest accrues at 5%.

The remaining amounts due from fellow group undertakings totalling £326,000 (2020: £322,000) are non interest bearing, unsecured and are repayable on demand.

The bank account of Meggitt International Limited is in the name of 'Meggitt PLC - Re Meggitt International Limited'. The legal title to this account rests with Meggitt PLC and it is recorded as an amount due from fellow group undertakings.

# MEGGITT INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Other payables

	2021 £000	2020 £000
Amounts due to fellow group undertakings	1,579,999	1,532,594
	<u>1,579,999</u>	<u>1,532,594</u>

Amounts due to fellow group undertakings totalling £1,600,596,000 (2020: £1,543,680,000) are interest bearing, unsecured and are repayable on demand. Interest accrues at 3%. This amount is offset by a receivable balance of £23,272,000 (2020: £13,577,000) with one of the counterparties.

The remaining amounts due to fellow group undertakings totalling £2,675,000 (2020: £2,491,000) are interest free, unsecured and are repayable on demand.

### 10 Deferred taxation

	Accelerated losses £000
Deferred tax asset at 1 January 2020	8,225
<b>Deferred tax movements in prior year</b>	
Charge to income statement	(6,790)
	<u>1,435</u>
Deferred tax asset at 31 December 2020	1,435
<b>Deferred tax movements in current year</b>	
Charge to income statement	(1,275)
	<u>160</u>
Deferred tax asset at 31 December 2021	<u>160</u>

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

	2021 £000	2020 £000
Deferred tax asset	<u>160</u>	<u>1,435</u>

### 11 Share capital

	2021 No.	2020 No.	2021 £000	2020 £000
<b>Ordinary share capital</b>				
<b>Authorised, issued and fully paid</b>				
Ordinary shares of £1 each	<u>860,290</u>	<u>860,290</u>	<u>860</u>	<u>860</u>

# **MEGGITT INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

---

### **12 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 2021. The consolidated financial statements of Meggitt PLC are available from its registered office: Pilot Way, Ansty Business Park, Coventry, CV7 9JU.