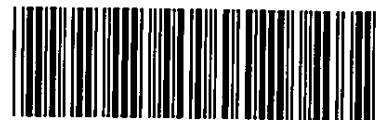


COMPANY REGISTRATION NUMBER 03573726

DUNLOP AEROSPACE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2011

MONDAY



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DUNLOP AEROSPACE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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DUNLOP AEROSPACE GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

| | |
|-------------------------------|---|
| The board of directors | M L Young P E Green |
| 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 9 Greyfriars Road Reading Berkshire RG1 1JG |

DUNLOP AEROSPACE GROUP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting their annual report and the financial statements of the company for the year ended 31 December 2011. This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is to serve as an intermediate holding company. The company does not trade on its own account but its subsidiary undertakings carry out trading activities in the aerospace industry.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £13,066,000 (2010 profit £14,222,000). Particulars of dividends paid are detailed in note 7 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 Young
P E Green

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 Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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.

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.

DUNLOP AEROSPACE GROUP LIMITED

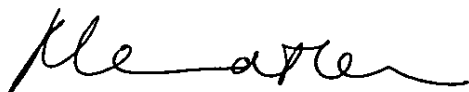
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

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 3 July 2012 and signed by order of the board

A handwritten signature in black ink, appearing to read 'M L Thomas', with a long horizontal flourish extending to the right.

M L Thomas
Company Secretary

DUNLOP AEROSPACE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DUNLOP AEROSPACE GROUP LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Dunlop Aerospace Group Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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). 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 member 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.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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 Companies Act 2006

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

DUNLOP AEROSPACE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF DUNLOP AEROSPACE GROUP LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the directors' report in accordance with the small company regime



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

4 July 2012

DUNLOP AEROSPACE GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

| | Note | 2011 £000 | 2010 £000 |
|--|------|---------------|---------------|
| OPERATING PROFIT | | — | — |
| Income from shares in group undertakings | 4 | 13,063 | 14,222 |
| Interest receivable and similar income | 5 | 4 | — |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>13,067</u> | <u>14,222</u> |
| Tax on profit on ordinary activities | 6 | (1) | — |
| PROFIT FOR THE FINANCIAL YEAR | 13 | <u>13,066</u> | <u>14,222</u> |

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 8 to 13 form part of these financial statements.

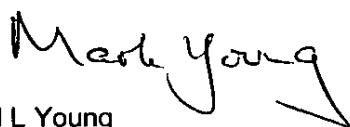
DUNLOP AEROSPACE GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

| | Note | 2011 £000 | 2010 £000 |
|---|------|----------------|----------------|
| FIXED ASSETS | | | |
| Investments | 8 | <u>160,000</u> | <u>160,000</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | <u>11,527</u> | <u>11,458</u> |
| CREDITORS: Amounts falling due within one year | 10 | <u>(1)</u> | <u>-</u> |
| NET CURRENT ASSETS | | <u>11,526</u> | <u>11,458</u> |
| NET ASSETS | | <u>171,526</u> | <u>171,458</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 12 | <u>85,431</u> | <u>85,431</u> |
| Share premium account | 13 | <u>12,500</u> | <u>12,500</u> |
| Profit and loss account | 13 | <u>73,595</u> | <u>73,527</u> |
| TOTAL SHAREHOLDER'S FUNDS | 14 | <u>171,526</u> | <u>171,458</u> |

These financial statements on pages 6 to 13 were approved by the board of directors on 3 July 2012, and are signed on its behalf by



M L Young
Director

Company Registration Number 03573726

The notes on pages 8 to 13 form part of these financial statements

DUNLOP AEROSPACE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

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.

Cash flow statement

The company is a wholly owned subsidiary company of a group headed by Meggitt PLC, and is included in the consolidated accounts of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

Investments

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

Group Accounts

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 the Companies Act 2006. Accordingly the information presented in the financial statements relates to the company as an individual entity.

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.

Intercompany

Intercompany balances are initially recognised at historic 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. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

Audit fees are borne by another group company which 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.

DUNLOP AEROSPACE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

3. EMPLOYEE INFORMATION

The company has no employees (2010: none)

All of the directors as at the 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 Dunlop Aerospace Group Limited (2010: £nil)

Both of the directors exercised options in the shares of the ultimate holding company, Meggitt PLC, during the year (2010: one)

4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

| | 2011 £000 | 2010 £000 |
|--------------------------------|---------------|---------------|
| Income from group undertakings | <u>13,063</u> | <u>14,222</u> |

5. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2011 £000 | 2010 £000 |
|----------------------------------|--------------|--------------|
| Interest from group undertakings | <u>4</u> | <u>-</u> |

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

| | 2011 £000 | 2010 £000 |
|--|--------------|--------------|
| Current tax: | | |
| UK Corporation tax based on the results for the year at 26.50% (2010: 28%) | <u>1</u> | <u>-</u> |
| Total current tax | <u>1</u> | <u>-</u> |

DUNLOP AEROSPACE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

6. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than (2010 lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2011 of 26.50% (2010 28%)

| | 2011 £000 | 2010 £000 |
|--|-----------------------|-----------------------|
| Profit on ordinary activities before taxation | <u>13,067</u> | <u>14,222</u> |
| Profit on ordinary activities multiplied by the standard rate in the UK of 26.50% (2010 28%) | 3,463 | 3,982 |
| Permanent differences | <u>(3,462)</u> | <u>(3,982)</u> |
| Total current tax (note 6(a)) | <u>1</u> | <u>-</u> |

(c) Factors that may affect future tax charges

During the year, it was substantively enacted that the UK main corporation tax rate would change from 26% to 25%, with effect from 1 April 2012. This change has been appropriately reflected in the financial statements.

Further reductions to the UK main corporation tax rate have been proposed, which are expected to be enacted separately each year, to reduce the rate by 1% per annum to 23% by 1 April 2014. As the further reductions in the main UK tax rate have not been substantially enacted at the balance sheet date, their impact is not reflected in these financial statements.

7. DIVIDENDS

| | 2011 £000 | 2010 £000 |
|-------------------------------------|----------------------|----------------------|
| Paid during the year | | |
| Equity dividends on ordinary shares | <u>12,998</u> | <u>14,156</u> |

On 8 December 2011 the directors approved the payment of an interim dividend of 7.61p per 50p ordinary share totalling £12,998,000 (2010 payment of an interim dividend of 8.29p per 50p ordinary share totalling £14,156,000).

DUNLOP AEROSPACE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

8. INVESTMENTS

Shares in subsidiary
£000

COST

At 1 January 2011 and 31 December 2011 160,000

NET BOOK VALUE

At 31 December 2011 and 31 December 2010 160,000

The company's subsidiary undertakings at 31 December 2011 were as follows

Intermediate Holding and Management Services companies

Dunlop Aerospace Holdings Limited - England & Wales
Meggitt Aerospace Holdings Limited - England & Wales
Dunlop Aerospace Overseas Investments Limited - England & Wales
Dunlop Limited - England & Wales
Dunlop Holdings Limited - England & Wales
Dunlop Aerospace Overseas Limited - England & Wales
Meggitt (Hurn) Limited - England & Wales

Design and Manufacturing, and Repair and Overall of Aerospace Equipment

Meggitt Aerospace Limited - England & Wales
Meggitt Aerospace Asia Pacific Pte Limited - Singapore

All subsidiary undertakings are wholly owned and in each case the investments held represent the entire issued share capital of the individual subsidiary undertakings. All investments are held indirectly through subsidiary undertakings, other than Dunlop Aerospace Holdings Limited, whose investment is directly held by the company. Companies are incorporated in the countries shown.

Group financial statements have not been prepared because the company is a wholly owned subsidiary of Meggitt PLC, a company registered in England & Wales. As a result, the financial statements present information about the company as an individual undertaking and not about its group. In the opinion of the directors the value of the company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

9. DEBTORS

| | 2011 £000 | 2010 £000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | <u>11,527</u> | <u>11,458</u> |

Amounts due from group undertakings have no fixed terms of repayment, are unsecured and interest bearing at 0.5%.

DUNLOP AEROSPACE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

10. CREDITORS: Amounts falling due within one year

| | 2011 £000 | 2010 £000 |
|----------------------|--------------|--------------|
| Group relief payable | <u>1</u> | <u>—</u> |

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Meggitt PLC, whose accounts are publicly available

12. SHARE CAPITAL

Allotted, called up and fully paid:

| | 2011 No | £000 | 2010 No | £000 |
|-------------------------------|--------------------|---------------|--------------------|---------------|
| Ordinary shares of £0.50 each | <u>170,862,000</u> | <u>85,431</u> | <u>170,862,000</u> | <u>85,431</u> |

From 1 October 2009, the Companies Act 2006 abolished the requirement for a company to have an authorised share capital. On 4 June 2010 the Company adopted new Articles of Association by special resolution, which had the effect of removing the authorised share capital of the Company.

13. RESERVES

| | Share premium account £000 | Profit and loss account £000 |
|-----------------------------|-------------------------------------|------------------------------------|
| Balance at 1 January 2011 | 12,500 | 73,527 |
| Profit for the year | — | 13,066 |
| Equity dividends | — | (12,998) |
| Balance at 31 December 2011 | <u>12,500</u> | <u>73,595</u> |

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

| | 2011 £000 | 2010 £000 |
|-------------------------------------|----------------|----------------|
| Profit for the financial year | 13,066 | 14,222 |
| Equity dividends | (12,998) | (14,156) |
| Net addition to shareholder's funds | 68 | 66 |
| Opening shareholder's funds | 171,458 | 171,392 |
| Closing shareholder's funds | <u>171,526</u> | <u>171,458</u> |

DUNLOP AEROSPACE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Meggitt Acquisition 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 2011. The consolidated financial statements of Meggitt PLC are available from Atlantic House, Aviation Park West, Bournemouth International Airport, Christchurch, Dorset, BH23 6EW.