

COMPANY REGISTRATION NUMBER 03599229

MEGGITT AEROSPACE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2011

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MEGGITT AEROSPACE HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

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MEGGITT AEROSPACE HOLDINGS 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

MEGGITT AEROSPACE HOLDINGS 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. The directors consider that company development has been satisfactory and is expected to continue to be so.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £16,747,000 (2010 profit £14,238,000). Particulars of dividends paid are detailed in note 8 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.

MEGGITT AEROSPACE HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

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.

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



M L Thomas
Company Secretary

MEGGITT AEROSPACE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MEGGITT AEROSPACE HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Meggitt Aerospace Holdings 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 pages 2 to 3, 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.

MEGGITT AEROSPACE HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MEGGITT
AEROSPACE HOLDINGS 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

MEGGITT AEROSPACE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 £000
Administrative expenses		—	(8)
OPERATING LOSS		—	(8)
Income from shares in group undertakings	4	14,526	12,084
Interest receivable and similar income	5	3,024	3,000
Interest payable and similar charges	6	(2)	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,548	15,076
Tax on profit on ordinary activities	7	(801)	(838)
PROFIT FOR THE FINANCIAL YEAR	14	<u>16,747</u>	<u>14,238</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.

MEGGITT AEROSPACE HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Note	2011 £000	2010 £000
FIXED ASSETS			
Investments	9	<u>251,491</u>	<u>251,491</u>
CURRENT ASSETS			
Debtors	10	110,262	107,907
CREDITORS: Amounts falling due within one year	11	<u>(2,945)</u>	<u>(838)</u>
NET CURRENT ASSETS		<u>107,317</u>	<u>107,069</u>
NET ASSETS		<u>358,808</u>	<u>358,560</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	344,000	344,000
Profit and loss account	14	<u>14,808</u>	<u>14,560</u>
TOTAL SHAREHOLDER'S FUNDS	15	<u>358,808</u>	<u>358,560</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 03599229

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

MEGGITT AEROSPACE HOLDINGS 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 (revised 1996) 'Cash flow statements' from preparing a cash flow statement.

Investments

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

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

In both the current and prior year 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.

MEGGITT AEROSPACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

3. EMPLOYEE INFORMATION

The company had no employees during the year ended 31 December 2011 (2010 nil).

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 Aerospace Holdings 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>14,526</u>	<u>12,084</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £000	2010 £000
Interest from group undertakings	<u>3,024</u>	<u>3,000</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £000	2010 £000
Loans from group undertakings	<u>2</u>	<u>—</u>

7. TAXATION 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>801</u>	<u>838</u>
Total current tax	<u>801</u>	<u>838</u>

MEGGITT AEROSPACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

7. TAXATION 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	17,548	15,076
Profit on ordinary activities multiplied by the standard rate in the UK of 26 50% (2010 28%)	4,650	4,221
Permanent differences	(3,849)	(3,383)
Total current tax (note 7(a))	801	838

(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.

8. DIVIDENDS

	2011 £000	2010 £000
Paid during the year		
Dividends on ordinary shares	16,499	18,751

On 8 December 2011 the directors approved the payment of an interim dividend of 4 80p per £1 ordinary share totalling £16,499,000 (2010 payment of an interim dividend of 5 45p per £1 ordinary share totalling £18,751,000).

MEGGITT AEROSPACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

11 CREDITORS: Amounts falling due within one year

	2011	2010
	£000	£000
Amounts owed to group undertakings	2,144	—
Group relief payable	801	838
	<u>2,945</u>	<u>838</u>

The bank accounts of Meggitt Aerospace Holdings Limited are in the name of Meggitt PLC - Re Meggitt Aerospace Holdings Limited. The legal title of these accounts 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.

12. 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.

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£000	No	£000
Ordinary shares of £1 each	<u>344,000,000</u>	<u>344,000</u>	<u>344,000,000</u>	<u>344,000</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.

14. RESERVES

	Profit and loss account £000
Balance at 1 January 2011	14,560
Profit for the year	16,747
Equity dividends	(16,499)
Balance at 31 December 2011	<u>14,808</u>

MEGGITT AEROSPACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

9 INVESTMENTS

	Shares in subsidiary £000
COST	
At 1 January 2011 and 31 December 2011	<u>251,491</u>
NET BOOK VALUE	
At 31 December 2011 and 31 December 2010	<u>251,491</u>

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

Intermediate Holding and Management Services companies

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

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

Dormant

Serck Aviation Limited* - England & Wales

All subsidiary undertakings are wholly owned and in each case the investments held represent the entire issued share capital of the individual subsidiary undertakings. The investments in companies marked * are held directly by the company. All other investments are held indirectly through subsidiary undertakings. 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.

10. DEBTORS

	2011 £000	2010 £000
Amounts owed by group undertakings	<u>110,262</u>	<u>107,907</u>

Amounts due from group undertakings have no fixed terms of repayment, are unsecured and interest bearing at 3%.

MEGGITT AEROSPACE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £000	2010 £000
Profit for the financial year	16,747	14,238
Equity dividends	(16,499)	(18,751)
Net addition/(reduction) to shareholder's funds	248	(4,513)
Opening shareholder's funds	358,560	363,073
Closing shareholder's funds	358,808	358,560

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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