

COMPANY REGISTRATION NUMBER 07816643

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

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

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MEGGITT INTERNATIONAL HOLDINGS 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 HOLDINGS 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.

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 HOLDINGS 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.

RESULTS AND DIVIDENDS

The profit for the year amounted to £68,906,000 (2013: profit £52,404,000). 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 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 purpose of section 234 of the Companies Act 2006 pursuant to the Articles of Association of the Company approved by the shareholders on 19 October 2011. 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.

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.

MEGGITT INTERNATIONAL HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

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 HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
MEGGITT INTERNATIONAL HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2014

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Meggitt International Holdings 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 Holdings 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 HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MEGGITT INTERNATIONAL HOLDINGS 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 page 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) ("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

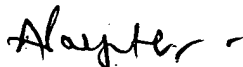
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
Administrative expenses		(830)	(4,300)
OPERATING LOSS	2	(830)	(4,300)
Income from shares in group undertakings	4	57,391	39,765
Interest receivable and similar income	5	16,950	16,950
Interest payable and similar charges	6	(1,435)	(11)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		72,076	52,404
Tax on profit on ordinary activities	7	(3,170)	–
PROFIT FOR THE FINANCIAL YEAR		68,906	52,404

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 14 form part of these financial statements.

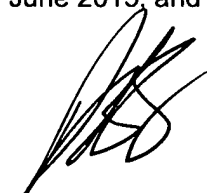
MEGGITT INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Investments	9		<u>1,500,000</u>	<u>1,500,000</u>
CURRENT ASSETS				
Debtors	10	615,082		825,225
CREDITORS: Amounts falling due within one year	11	<u>(3,201)</u>		<u>—</u>
NET CURRENT ASSETS			<u>611,881</u>	<u>825,225</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,111,881</u>	<u>2,325,225</u>
PROVISIONS FOR LIABILITIES				
Other Provisions	12		<u>(4,500)</u>	<u>(4,300)</u>
NET ASSETS			<u>2,107,381</u>	<u>2,320,925</u>
CAPITAL AND RESERVES				
Called-up equity share capital	14		<u>1,000</u>	<u>1,000</u>
Profit and loss account	15		<u>2,106,381</u>	<u>2,319,925</u>
TOTAL SHAREHOLDER'S FUNDS	16		<u>2,107,381</u>	<u>2,320,925</u>

These financial statements on pages 7 to 14 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: 07816643

The notes on pages 9 to 14 form part of these financial statements.

MEGGITT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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

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

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.

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.

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.

2. OPERATING LOSS

Operating loss is stated after charging:

	2014	2013
	£000	£000
Net loss on foreign currency translation	630	—

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.

MEGGITT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

3. PARTICULARS OF EMPLOYEES

The company has no employees (2013: nil).

All of the directors as at the year end are employees of the ultimate parent undertaking, 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 Holdings Limited (2013: £nil).

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

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

4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2014 £000	2013 £000
Income from group undertakings	<u>57,391</u>	<u>39,765</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest from group undertakings	<u>16,950</u>	<u>16,950</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Interest paid to group undertakings	<u>1,435</u>	<u>11</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	2014 £000	2013 £000
Current tax:		
UK Corporation tax based on the results for the year at 21.50% (2013 - 23.25%)	3,201	-
Over/under provision in prior year	<u>(31)</u>	<u>-</u>
Total current tax	<u>3,170</u>	<u>-</u>

MEGGITT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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 (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%).

	2014 £000	2013 £000
Profit on ordinary activities before taxation	72,076	52,404
Profit on ordinary activities multiplied by the standard rate in the UK of 21.50% (2013: 23.25%)	15,496	12,184
Expenses not deductible for tax purposes	-	1,000
Adjustments to tax charge in respect of previous periods	(31)	-
Income from shares in group undertakings	(12,295)	(9,245)
Losses from other group companies for nil consideration	-	(3,939)
Total current tax (note 7(a))	3,170	-

(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.

8. DIVIDENDS

	2014 £000	2013 £000
Paid during the year:		
Dividends on ordinary shares	282,450	75,139

On 26 September 2014 the directors approved the payment of an interim dividend of £187.85 per £1 ordinary share totalling £187,852,000, and on 12 December 2014 an interim dividend of £94.60 per £1 ordinary share totalling £94,598,000 (2013: £75.14 per £1 ordinary share totalling £75,139,000).

MEGGITT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

9. INVESTMENTS

Shares in subsidiary undertakings
£000

COST

At 1 January 2014 and 31 December 2014 1,500,000

NET BOOK VALUE

At 31 December 2014 and 31 December 2013 1,500,000

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 all subsidiary companies at 31 December 2014:

Meggitt Acquisition Limited
Meggitt Finance Limited
Meggitt International Limited
Meggitt Investments Limited
Meggitt Properties PLC

The ordinary shares of all subsidiaries are wholly owned by Meggitt International Holdings Limited. Companies are incorporated in the United Kingdom. Details of the activities of the principal subsidiaries are set out in the Annual Report and Financial Accounts of Meggitt PLC.

10. DEBTORS

	2014 £000	2013 £000
Amounts owed by group undertakings	<u>615,082</u>	<u>825,225</u>

The bank account of Meggitt International Holdings Limited is in the name of 'Meggitt PLC - Re Meggitt International Holdings 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.

11. CREDITORS: Amounts falling due within one year

	2014 £000	2013 £000
Other creditors including taxation:		
Group relief payable	<u>3,201</u>	<u>—</u>

MEGGITT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

12. OTHER PROVISIONS

	Guarantees to group companies £000
Balance at 1 January 2014	4,300
Profit and Loss Account movement arising during the year	200
Balance at 31 December 2014	<u>4,500</u>

The company has fully provided an indemnity for amounts owed to its ultimate parent company, Meggitt PLC, by its subsidiaries. This has been fully provided for.

13. 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 financial statements are publicly available.

14. CALLED-UP SHARE CAPITAL

Allotted, called up and fully paid:

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

15. PROFIT AND LOSS ACCOUNT

	2014 £000	2013 £000
Balance brought forward	2,319,925	2,342,660
Profit for the financial year	68,906	52,404
Equity dividends	(282,450)	(75,139)
Balance carried forward	<u>2,106,381</u>	<u>2,319,925</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £000	2013 £000
Profit for the financial year	68,906	52,404
Equity dividends	(282,450)	(75,139)
Net reduction to shareholder's funds	(213,544)	(22,735)
Opening shareholder's funds	<u>2,320,925</u>	<u>2,343,660</u>
Closing shareholder's funds	<u>2,107,381</u>	<u>2,320,925</u>

MEGGITT INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

17. ULTIMATE PARENT COMPANY

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.