

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2016
for
Bruntons Aero Products Limited



Bruntons Aero Products Limited

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for the Year Ended 31 March 2016

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Bruntons Aero Products Limited

Company Information
for the Year Ended 31 March 2016

DIRECTORS:

A Hook
R J Brooksbank
C J Malley
R J Ottaway

SECRETARY:

R J Ottaway

REGISTERED OFFICE:

Po Box 88
27 Dewsbury Road
Ossett
West Yorkshire
WF5 9WS

REGISTERED NUMBER:

00045894 (England and Wales)

AUDITOR:

KPMG LLP

Bruntons Aero Products Limited

Strategic Report
for the Year Ended 31 March 2016

The directors present their strategic report for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was the manufacture and sale of components for the aero industry.

BUSINESS MODEL

The company's strategy is to develop new technologies and products to drive future growth and to develop innovative manufacturing processes, alongside our existing capabilities, to generate solutions and opportunities for our customers.

REVIEW OF BUSINESS

Turnover at £3,717,718 reduced from the prior year (2015: £3,840,495) and operating profit declined to £433,547 (2015: £695,060).

The financial position at the year end remained strong with net current assets of £286,282 (2015: £173,388) and net assets of £1,848,865 (2015: £1,841,654).

PRINCIPAL RISKS AND UNCERTAINTIES

The major risk to the company's expansion is the shortage of skilled labour. This is being addressed by taking on apprentices for training, paying competitive rates of pay and deskillling the processes wherever possible.

KEY PERFORMANCE INDICATORS

Turnover decreased by 3.2% compared to the prior year.

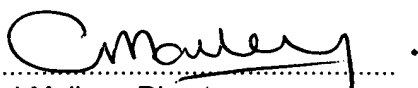
Operating profit margin remained strong at 12.2% (2015 - 18.6%).

FUTURE DEVELOPMENTS

Our continued focus on customer service and fast turnaround for the aerospace spares sector continues to be attractive to OEMs and their Tier 1 suppliers. We have recently secured further OEM spares work which should help us grow the business over the coming years.

The company continues to perform well and recently awarded new business provides an opportunity to grow these activities.

ON BEHALF OF THE BOARD:



Mr C J Malley - Director

Date: 22/12/16

Bruntons Aero Products Limited

Report of the Directors for the Year Ended 31 March 2016

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £439,222, (2015: £538,526 profit). Particulars of dividends paid are detailed in note 6 to the accounts.

STRATEGIC REPORT

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of 25.5p per share.

The total distribution of dividends for the year ended 31 March 2016 will be £432,880.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

A Hook
R J Brooksbank
C J Malley
R J Ottaway

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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; 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Bruntons Aero Products Limited

Report of the Directors
for the Year Ended 31 March 2016

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

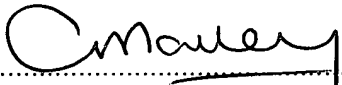
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Springstone House
PO Box 88
27 Dewsbury Road
Ossett
WF5 9WS

ON BEHALF OF THE BOARD:



Mr C J Malley - Director

Date: 22/12/16

**Report of the Independent Auditors to the Members of
Bruntons Aero Products Limited**

We have audited the financial statements of Bruntons Aero Products Limited for the year ended 31 March 2016 set out on pages seven to twenty-two. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

Report of the Independent Auditors to the Members of
Bruntons Aero Products Limited

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



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Date.....22/12/16

Bruntons Aero Products Limited

Income Statement
for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
TURNOVER		3,717,718	3,840,495
Cost of sales		<u>(1,291,349)</u>	<u>(1,143,510)</u>
GROSS PROFIT		2,426,369	2,696,985
Administrative expenses		<u>(2,007,994)</u>	<u>(1,977,418)</u>
		418,375	719,567
Other operating income		<u>15,172</u>	<u>(24,507)</u>
OPERATING PROFIT		433,547	695,060
Interest payable and similar charges	3	<u>-</u>	<u>(4,116)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	433,547	690,944
Tax on profit on ordinary activities	5	<u>5,675</u>	<u>(152,418)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>439,222</u></u>	<u><u>538,526</u></u>

The notes form part of these financial statements

Bruntons Aero Products Limited

Other Comprehensive Income
for the Year Ended 31 March 2016

	Notes	31.3.16 £	31.3.15 £
PROFIT FOR THE YEAR		439,222	538,526
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Annual transfer revaluation from revaluation reserve against depreciation		4,699	4,699
Deferred tax arising		<u>(869)</u>	<u>(869)</u>
		3,830	3,830
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>443,052</u></u>	<u><u>542,356</u></u>

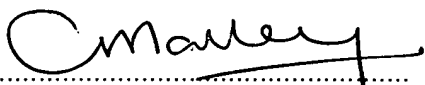
The notes form part of these financial statements

Bruntons Aero Products Limited (Registered number: 00045894)

Balance Sheet
31 March 2016

	Notes	31.3.16 £	31.3.15 £
FIXED ASSETS			
Tangible assets	7	1,499,530	1,611,760
Deferred tax	9	63,053	56,509
		<u>1,562,583</u>	<u>1,668,269</u>
CURRENT ASSETS			
Stocks	8	863,425	867,771
Debtors	9	408,923	586,024
Cash in hand		<u>1,073,628</u>	<u>410,333</u>
		2,345,976	1,864,128
CREDITORS			
Amounts falling due within one year	10	<u>(2,059,694)</u>	<u>(1,690,743)</u>
NET CURRENT ASSETS		<u>286,282</u>	<u>173,385</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,848,865</u>	<u>1,841,654</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,700,000	1,700,000
Revaluation reserve	12	162,451	166,281
Retained earnings	12	<u>(13,586)</u>	<u>(24,627)</u>
SHAREHOLDERS' FUNDS		<u>1,848,865</u>	<u>1,841,654</u>

The financial statements were approved by the Board of Directors on 22/12/16 and were signed on its behalf by:



Mr C J Malley - Director

The notes form part of these financial statements

Bruntons Aero Products Limited

Statement of Changes in Equity
for the Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2014	1,700,000	(27,457)	170,111	1,842,654
Changes in equity				
Dividends	-	(540,395)	-	(540,395)
Total comprehensive income				
Profit for the year	-	538,526	-	538,526
Other comprehensive income	-	4,699	(3,830)	869
Balance at 31 March 2015	<u>1,700,000</u>	<u>(24,627)</u>	<u>166,281</u>	<u>1,841,654</u>
Changes in equity				
Dividends	-	(432,880)	-	(432,880)
Total comprehensive income				
Profit for the year	-	439,222	-	439,222
Other comprehensive income	-	4,699	(3,830)	869
Balance at 31 March 2016	<u>1,700,000</u>	<u>(13,586)</u>	<u>162,451</u>	<u>1,848,865</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations - Business combinations that took place prior to 1 April 2014 have not been restated.
- Fair value or revaluation as deemed cost - At 1 April 2014, fair value has been used as deemed cost for properties previously measured at fair value.

The Company's ultimate parent undertaking, Carclo plc includes the Company in its consolidated financial statements. The consolidated financial statements of Carclo plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Springstone House PO Box 88, 27 Dewsbury Road, Ossett, WF5 9WS.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Carclo plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 April 2014 for the purposes of the transition to FRS 101 Adopted IFRSs. In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the comparative profit and loss account has been re-presented so that the disclosures in relation to discontinued operations relate to all operations that have been discontinued by the balance sheet date.

Turnover

Turnover from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No turnover is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or if there is continuing managerial involvement with the goods.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Items of property, plant and equipment are stated at cost, or at deemed cost less accumulated depreciation and impairment losses.

The company has taken the option provided by FRS 101 to use fair value on transition to FRS 101 as 'deemed cost' for freehold land and buildings.

Depreciation on property, plant and equipment is provided using the straight line method to write off the cost or valuation less estimated residual value, using the following depreciation rates -

Freehold Buildings - 2.7%
Plant & Machinery - 6.7 - 33%
Motor Vehicles - 25%

Freehold land is not depreciated.

Provision is made for any impairment.

A revaluation surplus was recognised in respect of freehold land and buildings on transition to FRS 101. The company transfers a relevant portion of this revaluation reserve to retained earnings as these assets are depreciated and the balance will be transferred on ultimate disposal.

1. ACCOUNTING POLICIES - continued

Financial instruments

The company uses derivative financial instruments to hedge its exposure to foreign exchange rate risks arising from operational activities. In accordance with its treasury policy, the company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. The gain or loss on remeasurement of fair values is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. At the year end no derivative financial instruments qualified for hedge accounting.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES - continued

Pensions

The company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Carclo plc is legally the sponsor of the scheme and recognises the net defined cost for the scheme as a whole less the contributions of other plan participants. Accordingly the company accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. During the period this charge was £Nil (2015 - £Nil). Full details of the financial assumptions used to assess the scheme's assets and liabilities can be found in the accounts of Carclo plc. During the year ended 31 March 2011 the company elected to cease future accrual for existing members of the defined benefit scheme and members transferred to the defined contribution scheme.

The company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic review.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2. EMPLOYEES AND DIRECTORS

	31.3.16	31.3.15
	£	£
Wages and salaries	1,228,556	1,155,888
Social security costs	100,481	102,064
Other pension costs	53,287	50,441
	<u>1,382,324</u>	<u>1,308,393</u>

The average monthly number of employees during the year was as follows:

	31.3.16	31.3.15
Employees including directors	<u>51</u>	<u>52</u>

	31.3.16	31.3.15
	£	£
Directors' remuneration	<u>111,286</u>	<u>104,169</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

2. EMPLOYEES AND DIRECTORS - continued

Mr R J Brooksbank and Mr C J Malley were also directors of the holding company and fellow subsidiary undertakings and Mr R Ottaway was also a director of fellow subsidiary undertakings. Mr E Cook was a director of fellow subsidiary undertakings in the prior year. During their tenure as directors of the company these directors received remuneration of £777,376 (2015 - £843,398), all of which was paid by the holding company.

The directors do not believe that it is practicable to apportion this amount between their service as directors of the holding company and the fellow subsidiary undertakings.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.16	31.3.15
	£	£
Bank interest	<u>-</u>	<u>4,116</u>

4. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	31.3.16	31.3.15
	£	£
Cost of inventories recognised as expense	1,291,349	1,148,209
Hire of plant and machinery	10,778	8,051
Depreciation - owned assets	134,012	103,800
Profit on disposal of fixed assets	(500)	(1,150)
Auditor's remuneration	4,000	4,000
Foreign exchange differences	<u>(15,172)</u>	<u>24,507</u>

5. TAXATION

Analysis of tax (income)/expense

	31.3.16	31.3.15
	£	£
Current tax:		
Tax	-	168,571
Prior year adjustment	<u>-</u>	<u>(8,729)</u>
Total current tax	-	159,842
Origination and reversal of temporary differences		
Deferred tax	<u>(5,675)</u>	<u>(7,424)</u>
Total tax (income)/expense in income statement	<u>(5,675)</u>	<u>152,418</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

5. TAXATION - continued

Factors affecting the tax expense

The tax assessed for the year is lower (2015 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.16 £	31.3.15 £
Profit on ordinary activities before income tax	<u>433,547</u>	<u>690,944</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 21%)	86,709	145,098
Effects of:		
Temporary differences	(5,675)	17,982
Group relief	(86,709)	-
Adjustment to current tax in respect of prior periods	-	(6,482)
Effect of FRS 101 transition*	<u>-</u>	<u>(4,180)</u>
Tax (income)/expense	<u>(5,675)</u>	<u>152,418</u>

*As set out in the reconciliation of profit and loss note, the transition from UK GAAP to FRS 101 has resulted in restatements of profit before tax in the year to 31 March 2015. This line reconciles to the actual tax charge.

6. DIVIDENDS

	31.3.16 £	31.3.15 £
Ordinary shares of £1 each		
Final	<u>432,880</u>	<u>540,395</u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2015	875,000	1,603,260	34,715	2,512,975
Additions	-	21,782	-	21,782
Disposals	<u>-</u>	<u>(16,173)</u>	<u>-</u>	<u>(16,173)</u>
At 31 March 2016	<u>875,000</u>	<u>1,608,869</u>	<u>34,715</u>	<u>2,518,584</u>
DEPRECIATION				
At 1 April 2015	19,997	873,015	8,203	901,215
Charge for year	19,997	105,336	8,679	134,012
Eliminated on disposal	<u>-</u>	<u>(16,173)</u>	<u>-</u>	<u>(16,173)</u>
At 31 March 2016	<u>39,994</u>	<u>962,178</u>	<u>16,882</u>	<u>1,019,054</u>
NET BOOK VALUE				
At 31 March 2016	<u>835,006</u>	<u>646,691</u>	<u>17,833</u>	<u>1,499,530</u>
At 31 March 2015	855,003	730,245	26,512	1,611,76

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2016**

8. STOCKS

	31.3.16	31.3.15
	£	£
Stocks	200,717	239,657
Work-in-progress	253,908	300,972
Finished goods	<u>408,800</u>	<u>327,142</u>
	<u>863,425</u>	<u>867,771</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Trade debtors	363,420	531,677
Other debtors	2,917	616
Amounts owed by group undertakings	29,673	38,981
Prepayments and accrued income	<u>12,913</u>	<u>14,750</u>
	<u>408,923</u>	<u>586,024</u>

Amounts owed by group undertakings are non-interest bearing, unsecured and have no fixed payment date.

NON CURRENT ASSETS: DEFERRED TAX

Deferred tax asset:		
Tangible fixed assets	<u>63,053</u>	<u>56,509</u>
	<u>63,053</u>	<u>56,509</u>

The deferred tax asset recognised in respect of tangible fixed assets comprises of a £121,725 asset (2015 - £118,881) against plant and machinery and motor vehicles and a £58,672 (2015 - £62,372) liability against freehold property.

On the basis of their assessment of the company's forecast future performance and of its historical profitability, the directors have a reasonable expectation that the company will generate sufficient, suitable taxable profits against which the deferred tax assets can be recovered.

Deferred tax assets and liabilities at 31 March 2016 have been calculated based on the rates substantively enacted at the balance sheet date. The UK Finance (No.2) Bill 2015 provides for reductions in the UK corporation tax rate from 20% to 19% in the year commencing 1 April 2017 and then to 18% from 1 April 2020; these rates became substantively enacted on 26 October 2015. In the UK Budget on March 2016, the Chancellor announced an additional planned reduction in the UK corporation tax rate to 17% from 1 April 2020. This rate has not been substantively enacted at the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2016

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Trade creditors	272,914	452,061
Amounts owed to group undertakings	1,633,242	827,537
Corporation tax	-	168,571
Social security and other taxes	-	58,476
Other creditors	68,055	69,726
Accruals and deferred income	85,483	114,372
	<u>2,059,694</u>	<u>1,690,743</u>

The bank overdraft facility is secured by way of a floating charges over other assets of the company. Interest is payable at the floating rate of LIBOR + 1.7%.

Amounts owed to group undertakings are non-interest bearing, unsecured and have no fixed payment date.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.16	31.3.15
		£1	£	£
1,700,000	Ordinary		<u>1,700,000</u>	<u>1,700,000</u>

12. RESERVES

	Retained earnings	Revaluation reserve	Totals
	£	£	£
At 1 April 2015	(24,627)	166,281	141,654
Profit for the year	439,222	-	439,222
Dividends	(432,880)	-	(432,880)
Other comprehensive income	<u>4,699</u>	<u>(3,830)</u>	<u>869</u>
At 31 March 2016	<u>(13,586)</u>	<u>162,451</u>	<u>148,865</u>

13. PENSIONS

The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £53,287 (2015 - £50,441). Contributions amounting to £53,287 (2015 - £Nil) were payable to the scheme at the year end and are included in creditors.

14. LEASING AGREEMENTS

Non-cancellable operating leases rentals are payable as follows:

	31.3.16	31.3.15
	£	£
Less than one year	7,966	3,684
Between one and five years	25,227	11,665
In more than five years	<u>6,639</u>	<u>3,070</u>
	39,832	18,419

15. CONTINGENT LIABILITIES

The company has provided cross guarantees in respect of certain bank overdrafts of other Carclo plc subsidiary undertakings. At 31 March 2016 the overdraft facilities amounted to £10,000,000 (2015 - £10,000,000) of which £751,989 (2015 - £1,450,452) had been utilised.

The company has also provided an upstream guarantee to the parent company, Carclo plc, in respect of certain bank loan and overdraft facilities. At 31 March 2016 the total bank facilities available to the parent company amounted to £30,000,000 (2015 - £30,000,000) of which £30,746,000 (2015 - £29,660,000) had been utilised.

There is a floating charge over the company's assets in respect of the above guarantees.

The company had £Nil capital commitments at the period end (2015 - £Nil).

16. ULTIMATE PARENT COMPANY

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Springstone House, 27 Dewsbury Road, Ossett, WF5 9WS.

17. RELATED UNDERTAKINGS

At the period end, the company does not have any related undertakings which would require disclosure under section 409 of the Companies Act 2006.

Bruntons Aero Products Limited

Reconciliation of Equity

1 April 2014

(Date of Transition to FRS 101)

	Notes	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
FIXED ASSETS				
Tangible assets	i	1,205,608	208,725	1,414,333
Deferred tax	ii	-	48,216	48,216
		<u>1,205,608</u>	<u>256,941</u>	<u>1,462,549</u>
CURRENT ASSETS				
Stocks		653,121	-	653,121
Debtors		552,250	(114,287)	437,963
Cash in hand		<u>256,265</u>	<u>-</u>	<u>256,265</u>
		<u>1,461,636</u>	<u>142,654</u>	<u>1,347,349</u>
CREDITORS				
Amounts falling due within one year		<u>(967,244)</u>	<u>-</u>	<u>(967,244)</u>
NET CURRENT ASSETS		<u>494,392</u>	<u>(114,287)</u>	<u>380,105</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,700,000</u>	<u>142,654</u>	<u>1,842,654</u>
NET ASSETS		<u>1,700,000</u>	<u>142,654</u>	<u>1,842,654</u>
CAPITAL AND RESERVES				
Called up share capital		1,700,000	-	1,700,000
Revaluation reserve	i	-	170,111	170,111
Retained earnings	ii	<u>-</u>	<u>(27,457)</u>	<u>(27,457)</u>
SHAREHOLDERS' FUNDS		<u>1,700,000</u>	<u>142,654</u>	<u>1,842,654</u>

The notes form part of these financial statements

Reconciliation of Equity - continued
31 March 2015

	Notes	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
FIXED ASSETS				
Tangible assets	i	1,407,740	204,020	1,611,760
Deferred tax	ii	-	56,509	56,509
			260,529	1,668,269
CURRENT ASSETS				
Stocks		867,771	-	867,771
Debtors		704,905	(118,875)	586,024
Cash in hand		410,333	-	410,333
		1,983,009	(118,875)	1,864,128
CREDITORS				
Amounts falling due within one year		(1,690,743)	-	(1,690,743)
NET CURRENT ASSETS		292,266	(118,875)	173,385
TOTAL ASSETS LESS CURRENT LIABILITIES		1,700,000	141,654	1,841,654
NET ASSETS		1,700,000	141,654	1,841,654
CAPITAL AND RESERVES				
Called up share capital		1,700,000	-	1,700,000
Revaluation reserve	i	-	166,281	166,281
Retained earnings	ii	-	(24,627)	(24,627)
SHAREHOLDERS' FUNDS		1,700,000	141,654	1,841,654

Notes to the reconciliation of equity

i) Revaluation of property

Upon transition to FRS 101 the company has taken the "deemed cost" exemption to value freehold land and buildings at fair value on the date of transition 1 April 2014. This has resulted in a credit to the revaluation reserve of £170,111 net of deferred tax arising upon transition. In the year to 31 March 2015 £4,699 (£3,830 net of tax) was released from the revaluation reserve to retained earnings.

ii) Deferred tax

As required by FRS 101 deferred tax has been classified as a non-current asset, previously a current asset under old UKGAAP. Additionally a deferred tax liability has been recognised on revalued land and buildings on transition.

Bruntons Aero Products Limited

Reconciliation of Profit
for the Year Ended 31 March 2015

	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
TURNOVER	3,840,495	-	3,840,495
Cost of sales	<u>(1,143,510)</u>	<u>-</u>	<u>(1,143,510)</u>
GROSS PROFIT	2,696,985	-	2,696,985
Administrative expenses	(1,972,719)	(4,699)	(1,977,418)
Other operating income	<u>(24,507)</u>	<u>-</u>	<u>(24,507)</u>
OPERATING PROFIT	699,759	(4,699)	695,060
Interest payable and similar charges	<u>(4,116)</u>	<u>-</u>	<u>(4,116)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	695,643	(4,699)	690,944
Tax on profit on ordinary activities	<u>(155,248)</u>	<u>2,830</u>	<u>(152,418)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>540,395</u>	<u>(1,869)</u>	<u>538,526</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Annual transfer revaluation from revaluation reserve against depreciation		4,699	4,699
Deferred tax arising		<u>(869)</u>	<u>(869)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,961</u>	<u>542,356</u>

The notes form part of these financial statements