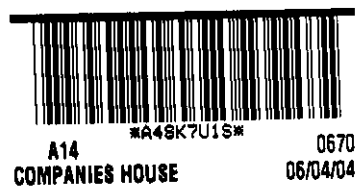


Culmstock Limited

**Directors' report and financial
statements**

Registered number 1199186

30 June 2003



Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the independent auditors to the members of Culmstock Limited	3
Profit and loss account	4
Statement of total recognised gains and losses	4
Balance sheet	5
Reconciliation of movements in shareholders' funds	6
Notes	7

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2003.

Principal activity

The company has not traded during the year.

Results and dividend

The results for the year are set out on page 4.

An interim dividend of £3,022,551 was paid to the ordinary shareholders during the year (2002: £Nil).

The directors do not recommend the payment of a final dividend (2002: £Nil).

Directors

The directors who have held office throughout the financial year are as follows:

M Handley
TNM Seaman

In accordance with the Articles of Association, none of the directors are required to retire by rotation.

Directors interests

The interests of Mr M Handley as a director of the ultimate parent undertaking and of Mr TNM Seaman as a director of Robert McBride Ltd, a related company, are declared in the respective accounts and statutory books.

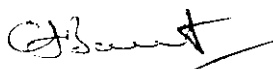
None of the Directors had any other interest in shares or debentures of other subsidiary companies of the ultimate parent undertaking at 30 June 2002 or 30 June 2003.

No director, either during or at the end of the financial year, was materially interested in any contract that was significant in relation to the Company's business.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



C A Barnet
Secretary

Middleton Way
Middleton
Manchester
M24 4DP

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.



KPMG Audit Plc

St James' Square
Manchester
M2 6DS
United Kingdom

Report of the independent auditors to the members of Culmstock Limited

We have audited the financial statements on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

11.9.03

KPMG Audit Plc
Chartered Accountants
Registered Auditor

Profit and loss account
for the year ended 30 June 2003

	<i>Note</i>	2003 £	2002 £
Turnover		-	-
Administrative expenses	2	(191,514)	-
Operating loss	2	(191,514)	-
Income from shares in group undertakings		3,201,989	-
Profit on ordinary activities before taxation		3,010,475	-
Taxation	3	-	-
Profit on ordinary activities after taxation		3,010,475	-
Dividends	4	(3,022,551)	-
Retained loss for the year		(12,076)	-

Statement of total recognised gains and losses
for the year ended 30 June 2003

There were no recognised gains or losses in the current or preceding year except for those passing through the profit and loss account.

Balance sheet

at 30 June 2003

	<i>Note</i>	2003 £	2002 £
Fixed assets			
Investments	5	14,924	206,438
		<hr/> 14,924	<hr/> 206,438
Current assets			
Stocks	6	-	198
Debtors	7	176,837	27,189
Cash at bank and in hand		-	12
		<hr/> 176,837	<hr/> 27,399
Creditors: amounts falling due within one year	8	-	(30,000)
		<hr/>	<hr/>
Net current liabilities		191,761	(2,601)
		<hr/>	<hr/>
Net assets		191,761	203,837
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	203,835	203,835
Profit and loss account	10	(12,074)	2
		<hr/>	<hr/>
Equity shareholders' funds		191,761	203,837
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 10th September 2003 and were signed on its behalf by:

TNM Seaman
Director



Reconciliation of movements in shareholders' funds
for the year ended 30 June 2003

	2003 £	2002 £
Profit for the financial year	3,010,475	-
Dividends	(3,022,551)	-
	<hr/>	<hr/>
Net movement on shareholders' funds	(12,076)	-
Opening shareholders' funds	203,837	203,837
	<hr/>	<hr/>
Closing shareholders' funds	191,761	203,837
	<hr/>	<hr/>

Reconciliation of movements in shareholders' funds
for the year ended 30 June 2003

	2003 £	2002 £
Profit for the financial year	3,010,475	-
Dividends	(3,022,551)	-
	<hr/>	<hr/>
Net movement on shareholders' funds	(12,076)	-
Opening shareholders' funds	203,837	203,837
	<hr/>	<hr/>
Closing shareholders' funds	191,761	203,837
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements.

As a wholly owned subsidiary the company is exempt under Financial Reporting Standard 8 from disclosing transactions with other group undertakings.

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare Group accounts. These financial statements only present information about the individual company. The results of the Company are included in the consolidated accounts of McBride plc which is a Company registered in England and Wales. Copies of the accounts can be obtained from McBride House, Penn Road, Beaconsfield, Buckinghamshire, HP9 2FY.

Investments

In the company's accounts investments in subsidiary undertakings are stated at the lower of cost or net realisable value

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

2 Operating loss

	2003 £000	2002 £000
<i>Operating loss is stated after charging:</i>		
Write down of investments	191,514	-

Notes (continued)

3 Taxation

	2003 £	2002 £
Deferred tax released	-	-
Tax on profit on ordinary activities	-	-

Factors affecting the tax charge for the current period

The current tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below.

Current tax reconciliation

Profit on ordinary activities before tax	3,010,475	-
Current tax at 30%	903,143	-
<i>Effects of:</i>		
Income from shares in group undertakings	(960,597)	-
Permanent disallowables	57,454	-
Total current tax charge	-	-

4 Dividends

	2003 £	2002 £
Dividends paid – Ordinary – equity	3,022,551	-

Notes (continued)

5 Investments

	Shares in group undertakings £
Cost	
At beginning and end of year	206,438
Provisions	
At beginning of year	-
Provided in year	(191,514)
At end of year	(191,514)
Net book value	
At 30 June 2003	14,924
At 30 June 2002	206,438

In the opinion of the Directors the value of shares in the company's subsidiaries, is not less than the amount at which these are shown in the balance sheet.

	Class of share	Proportion held	Nature of business
Global Properties (UK) Limited	Ordinary	50%	Property company
McBride Aircare Limited	Ordinary	50%	Aircare manufacturer

The companies are registered in England and Wales.

The retained loss for the year for Global Properties (UK) Limited, was £1,073,326 (2002: retained profit £80,328). McBride Aircare Limited had a retained profit in the year of £617,937 (2002: retained loss £417,022).

The net assets of the two companies at the balance sheet date were:

Global Properties (UK) Limited - £29,847 (2002: £1,103,173).

McBride Aircare Limited – net liabilities £43,699 (2002: net liabilities £661,636).

Notes (continued)

6 Stocks

	2003 £	2002 £
Raw materials and consumables	-	198

7 Debtors

	2003 £	2002 £
Amounts owed from group undertakings	176,837	26,851
Other debtors	-	338
	<u>176,837</u>	<u>27,189</u>

8 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to group undertakings	-	30,000

9 Called up share capital

	2003 £	2002 £
<i>Authorised</i>		
Equity: Ordinary shares of £1 each	212,500	212,500
<i>Allotted, called up and fully paid</i>		
Equity: Ordinary shares of £1 each	<u>203,835</u>	<u>203,835</u>

Notes *(continued)*

10 Profit and loss account

	£
At beginning of year	2
Retained loss for the year	(12,076)
	<hr/>
At end of year	(12,074)
	<hr/>

11 Ultimate parent undertaking

The ultimate parent undertaking at 30 June 2003 was McBride plc, which is a company registered in England & Wales. Copies of the McBride plc accounts are available from the registered office at McBride House, Penn Road, Beaconsfield, Buckinghamshire, HP9 2FY.