

Rosemount Aerospace Properties Limited

Report and Financial Statements

31 December 2005

Registered Number 4614379



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ROSEMOUNT AEROSPACE PROPERTIES LIMITED

DIRECTORS

K Wagner
H Goldson
R Fulton
S Bottomley

SECRETARY

K Wagner
J M Raine - resigned 17 June 2005

AUDITORS

Ernst & Young LLP
George House
50 George Square
Glasgow
G2 1RR

BANKERS

Bank of America
5 Canada Square
London
E14 5AQ

REGISTERED OFFICE

Stratford Road
Solihull
B90 4LA

ROSEMOUNT AEROSPACE PROPERTIES LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2005.

FUNCTIONAL CURRENCY

The functional currency of the company is US dollars and the accounts have been prepared accordingly.

RESULTS AND DIVIDENDS

The profit after taxation amounted to \$1,952,347 (2004: \$1,897,927). A dividend of \$3,365,680 has been paid in the year (2004 – nil).

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity during the period was the rental of property.

The directors expect the general level of activity to continue in the coming year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's policy does not permit trading in any financial instruments. The company's principal financial instruments comprise of cash, short term deposits and/or borrowings, the main purpose of which is to provide finance for its normal trading operations.

The company participates in the overall world-wide group's funding strategy managed at corporate treasury level including participation in a UK cash pool. The objective is to maintain a balance between continuity of funding and flexibility.

DIRECTORS

The directors of the company during the period ended 31 December 2005 were those listed on page 1.

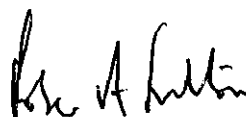
No director had an interest in the share capital of the company.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

On behalf of the Board.

Director



2.3.06

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the statement of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, 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 accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSEMOUNT AEROSPACE PROPERTIES LIMITED

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered auditor
Glasgow

Ernst & Young LLP

2 March 2006

ROSEMOUNT AEROSPACE PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2005

	<i>Notes</i>	2005 \$	2004 \$
RENTAL INCOME	2	4,615,653	4,698,158
Administrative expenses		(1,114,946)	(997,946)
OPERATING PROFIT	3	3,500,707	3,700,212
Profit on disposal of tangible fixed asset		527,058	-
Net interest payable	5	(1,424,572)	(912,920)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,603,193	2,787,292
Tax on profit on ordinary activities	6	(650,846)	(889,365)
PROFIT FOR THE FINANCIAL YEAR	13	1,952,347	1,897,927
Dividend paid	13	(3,365,680)	-
TRANSFER (FROM)/TO RESERVES	13	(1,413,333)	1,897,927

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2005

There were no recognised gains or losses other than the profit for the period of \$1,952,347 (2004-\$1,897,927).

ROSEMOUNT AEROSPACE PROPERTIES LIMITED

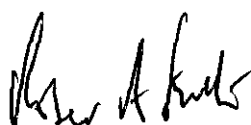
BALANCE SHEET

At 31 December 2005

	Notes	2005 \$	2004 \$
FIXED ASSETS			
Tangible assets	7	54,220,404	56,873,940
CURRENT ASSETS			
Debtors	8	527,573	1,106,516
Cash at bank and in hand	9	-	4,702,448
		527,573	5,808,964
CREDITORS: amounts falling due within one year	10	(35,533,179)	(43,131,491)
NET CURRENT LIABILITIES		(35,005,606)	(37,322,527)
TOTAL ASSETS LESS CURRENT LIABILITIES		19,214,798	19,551,413
PROVISION FOR LIABILITIES AND CHARGES	11	(2,144,746)	(1,068,028)
		17,070,052	18,483,385
CAPITAL AND RESERVES			
Called up share capital	12	159	159
Share premium	13	14,999,841	14,999,841
Profit and loss account	13	2,070,052	3,483,385
EQUITY SHAREHOLDERS' FUNDS		17,070,052	18,483,385

Approved by the board on 2-3-06

Director



NOTES TO THE ACCOUNTS

At 31 December 2005

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared in accordance with applicable accounting standards under United Kingdom Generally Accepted Accounting Practice and the historical cost convention.

Although the balance sheet shows net current liabilities of \$35,005,606 the directors have received confirmation from the parent company that only \$449,870 of the amounts owed to the parent company of \$17,642,327 in note 10 will be required to be repaid within one year from the date of approval of the accounts.

Accordingly the directors have prepared the accounts on a going concern basis.

Cash Flow Statements

The company has taken advantage of the exemption contained in FRS1 and has not incorporated a cash flow statement as it qualifies as a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group, and consolidated financial statements in which those subsidiary undertakings are included, are publicly available.

Fixed Assets

All fixed assets are recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Freehold Buildings – 40 years

Deferred Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in a obligation to pay more or a right to pay less or to receive more tax, with the following exception. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Rental Income

Rental income from operating leases, excluding charges for service, is recognized on a straight-line basis over the period of the lease.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

NOTES TO THE ACCOUNTS

At 31 December 2005

2. RENTAL INCOME

	2005	2004
	\$	\$
Operating lease rentals	<u>4,615,653</u>	<u>4,698,158</u>

3. OPERATING PROFIT is stated after charging/(crediting):

	2005	2004
	\$	\$
Depreciation of owned fixed assets	981,296	1,010,760
Auditors' remuneration - Audit	4,832	7,030
Foreign currency exchange gain/(loss)	<u>148,963</u>	<u>(29,635)</u>

4. DIRECTORS' REMUNERATION

The directors of the company received no fees or emoluments for their services during the year.

5. NET INTEREST PAYABLE

	2005	2004
	\$	\$
Inter company loan interest payable	(1,667,697)	(930,105)
Bank charges	(1,923)	(1,914)
Bank interest receivable	<u>245,048</u>	<u>19,099</u>
	<u>(1,424,572)</u>	<u>(912,920)</u>

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax on profit on ordinary activities

The charge is made up as follows:

	2005	2004
	\$	\$
<i>Current tax:</i>		
Corporation tax (receivable)/payable	(271,142)	(121,341)
Over provision in corporation tax in prior years	<u>(154,730)</u>	<u>(57,322)</u>
Total current tax (note 6(b))	<u>(425,872)</u>	<u>(178,663)</u>
 <i>Deferred tax:</i>		
Deferred tax charge	981,577	989,835
Under provision in deferred tax in prior years	<u>95,141</u>	<u>78,193</u>
Total deferred tax (note 6(d))	<u>1,076,718</u>	<u>1,068,028</u>
 Tax on profit on ordinary activities	<u>650,846</u>	<u>889,365</u>

NOTES TO THE ACCOUNTS

At 31 December 2005

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (cont)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2004 lower) than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

	2005	2004
	\$	\$
Profit on ordinary activities before tax	2,603,193	2,787,292
Profit on ordinary activities multiplied by standard rate of tax	780,958	836,187
Expenses not deductible for tax	90,593	32,307
Profit on disposal of non qualifying asset	(390,849)	-
Loss on disposal of fixed asset	390,844	-
Accelerated capital allowances	(915,395)	(1,268,867)
Interest not paid	(227,293)	279,032
Over provision in corporation tax in prior years	(154,730)	(57,322)
Total current tax (note 6(a))	(425,872)	(178,663)

(c) Factors that may affect future tax charges

Capital allowances are currently being claimed in excess of depreciation and whether this continues to be the case in future will depend on the level of investment by the company in qualifying fixed assets.

(d) Deferred Tax

The deferred tax liability included in the balance sheet is as follows:

	2005	2004
	\$	\$
Included in provisions for liabilities and charges	2,144,746	1,068,028
Accelerated capital allowances	2,144,746	1,574,352
Other timing differences	-	(506,324)
	2,144,746	1,068,028
At 1 January 2005		1,068,028
Deferred tax charge in profit and loss account		1,076,718
At 31 December 2005		2,144,746

NOTES TO THE ACCOUNTS

At 31 December 2005

7. TANGIBLE FIXED ASSETS

	<i>Freehold Land and Buildings</i> \$
Cost:	
At 1 January 2005	58,727,000
Disposals	(1,768,000)
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At 31 December 2005	56,959,000
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Depreciation:	
At 1 January 2005	1,853,060
Provided during the year	981,296
Eliminated on disposal	(95,760)
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At 31 December 2005	2,738,596
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Net book value:	
At 31 December 2005	<u>54,220,404</u>
	<hr/>
At 31 December 2004	<u>56,873,940</u>
Freehold land of \$18,296,690 included in the balance sheet of the company is not depreciated.	
The company has no assets held under finance leases or hire purchase contracts.	
All fixed assets are held for the purpose of leasing to other related undertakings.	

8. DEBTORS

	2005 \$	2004 \$
VAT	21	41
Amounts owed by fellow subsidiary undertakings	256,411	5,013
Corporation tax	271,141	1,101,462
	<hr/>	<hr/>
	<u>527,573</u>	<u>1,106,516</u>
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9. CASH AT BANK AND IN HAND

As part of the group cash pooling agreement, the company's bank balances are held in a cash concentration account maintained by a fellow subsidiary.

10. CREDITORS: amount falling due within one year

	2005 \$	2004 \$
Amounts owed to parent company	17,642,327	43,124,461
Amounts owed to fellow subsidiary companies	12,946,172	-
Accruals	4,830	7,030
Bank overdraft	4,939,850	-
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	<u>35,533,179</u>	<u>43,131,491</u>
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NOTES TO THE ACCOUNTS

At 31 December 2005

11. PROVISION FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
At 1 January 2005	1,068,028
Provision in year	1,076,718
At 31 December 2005	<u>2,144,746</u>

12. CALLED UP SHARE CAPITAL

	<i>2005 £</i>	<i>2004 £</i>
Authorised, 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	\$	\$
Allotted and fully paid 101 ordinary shares of £1 each	<u>159</u>	<u>159</u>

13. RECONCILIATION ON SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital \$</i>	<i>Share premium \$</i>	<i>Profit and loss \$</i>	<i>Total \$</i>
At 31 December 2003	159	14,999,841	1,585,458	16,585,458
Profit for the year	-	-	1,897,927	1,897,927
At 31 December 2004	159	14,999,841	3,483,385	18,483,385
Profit for the year	-	-	1,952,347	1,952,347
Dividend paid	-	-	(3,365,680)	(3,365,680)
At 31 December 2005	<u>159</u>	<u>14,999,841</u>	<u>2,070,052</u>	<u>17,070,052</u>

14. CONTINGENT LIABILITIES

As part of a multilateral guarantee, the company has entered an agreement with the bank, its parent undertaking, fellow subsidiaries and other related companies. Under this agreement, the company is limited to a cross-undertaking on a limited number of specified accounts, limited to the credit balance standing within a group wide cash pooling facility.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions of Financial Reporting Standard 8, not to disclose transactions with other group entities, as it is a wholly owned subsidiary undertaking of a company that is to prepare consolidated financial statements.

16. HOLDING COMPANY

The parent undertaking of the smallest group for which group accounts are drawn up and of which the company is a member is Goodrich Ltd registered in England and Wales. Copies of the accounts of Goodrich Ltd are available from Stratford Road, Solihull, B90 4LA.

The ultimate parent undertaking and the parent undertaking of the largest group for which group accounts are drawn up and of which the company is a member is the Goodrich Corporation which is incorporated in the United States of America. Copies of the 2005 Annual Report of the Goodrich Corporation can be obtained from 2730 West Tyvola Road, Charlotte, North Carolina, 28217, USA.