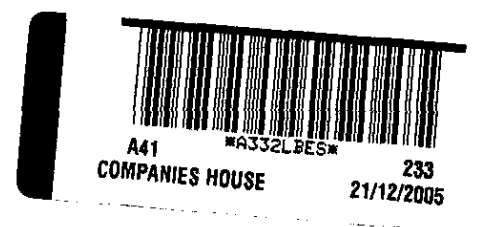


COMPANY REGISTRATION NUMBER 16184

BRUNTONS (MUSSELBURGH) LIMITED
REPORT AND ACCOUNTS
31 MARCH 2005



BRUNTONS (MUSSELBURGH) LIMITED

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YEAR ENDED 31 MARCH 2005

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BRUNTONS (MUSSELBURGH) LIMITED

COMPANY INFORMATION

The board of directors

Mr E Cook
Mr D Rothery
Mr I Williamson

Company secretary

Mr E Cook

Registered office

C/O Bruntons Aero Products Limited
Units 1-3
Block 1
Inveresk Industrial Estate
Musselburgh
East Lothian
EH21 7PA

Auditors

Ernst & Young LLP
Registered Auditor
Leeds

BRUNTONS (MUSSELBURGH) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

The directors present their report and the accounts of the company for the year ended 31 March 2005.

Principal activities and review of the business

The company's principal activity during the year was the disposal of surplus land. All surplus land has now been sold and the company will be dormant in the future.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached accounts.

The directors have recommended the following dividends:

	2005	2004
	£	£
Dividends paid on ordinary shares	<u>1,455,548</u>	<u>-</u>

The directors and their interests in the shares of the parent company

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	Ordinary shares of £0.05 in Carclo plc.	
	At 31 March 2005	At 1 April 2004
Mr E Cook	30,000	30,000
Mr D Rothery	-	-
Mr I Williamson	<u>385,505</u>	<u>352,041</u>

No director had any beneficial interest in the shares of the company.

The directors have also been granted options on the shares of the parent company as follows:

	Options held 1 Apr 2004	Granted in period	Lapsed in period	Options held 31 Mar 2005
Mr E Cook	154,000	50,000	20,000	184,000
Mr D K Rothery	95,000	30,000	20,000	105,000
Mr I Williamson	574,000	-	-	574,000
	8,649+	-	8,649+	-

+ indicates granted under Carclo Sharesave Option Scheme 2000.

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those accounts, the directors are required to:

select suitable accounting policies, as described on page 8, 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

BRUNTONS (MUSSELBURGH) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

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. The directors 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.

Auditors

Ernst & Young LLP have notified the company of their intention not to seek re-election as the company's auditors at the forthcoming annual general meeting.

A resolution to appoint KPMG LLP as the company's auditors will be put to the members at the forthcoming annual general meeting.

Registered office:
C/O Bruntons Aero Products Limited
Units 1-3
Block 1
Inveresk Industrial Estate
Musselburgh
East Lothian
EH21 7PA

Signed by order of the directors



Mr E Cook
Company Secretary

Date: 1 December 2005

BRUNTONS (MUSSELBURGH) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRUNTONS (MUSSELBURGH) LIMITED

YEAR ENDED 31 MARCH 2005

We have audited the company's accounts for the year ended 31 March 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These accounts have been prepared on the basis of 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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.

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 United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

BRUNTONS (MUSSELBURGH) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRUNTONS (MUSSELBURGH) LIMITED *(continued)*

YEAR ENDED 31 MARCH 2005

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 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

Ernst & Young LLP
Registered Auditor
Leeds

Date: 1 December 2005

BRUNTONS (MUSSELBURGH) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
Turnover		—	—
Operating profit	2	—	3,471
Profit on disposal of fixed assets	3	1,450,711	—
Profit on ordinary activities before taxation		1,450,711	3,471
Tax on profit on ordinary activities	4	—	1,041
Profit on ordinary activities after taxation		1,450,711	2,430
Dividends	5	1,455,548	—
(Sustained loss)/retained profit for the financial year	10	(4,837)	2,430

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit of £1,450,711 attributable to the shareholders for the year ended 31 March 2005 (2004 - profit of £2,430).

The notes on pages 8 to 10 form part of these accounts.

BRUNTONS (MUSSELBURGH) LIMITED

BALANCE SHEET

31 MARCH 2005

	Note	£	2005 £	2004 £
Current assets				
Debtors	6	2,392,920		2,397,156
Cash in hand		7,080		8,722
		<u>2,400,000</u>		<u>2,405,878</u>
Creditors: amounts falling due within one year	7	—		1,041
Net current assets			<u>2,400,000</u>	<u>2,404,837</u>
Net assets			<u>2,400,000</u>	<u>2,404,837</u>
Capital and reserves				
Called-up equity share capital	8		2,400,000	2,400,000
Profit and loss account	9		—	4,837
Equity shareholders' funds	10		<u>2,400,000</u>	<u>2,404,837</u>


Mr E Cook
Director

Date: 1 December 2005

The notes on pages 8 to 10 form part of these accounts.

BRUNTONS (MUSSELBURGH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable United Kingdom company law and accounting standards.

Cash flow statement

As permitted by FRS 1 (revised 1996) - 'Cash Flow Statements', the accounts do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking and the ultimate holding company includes the company in its own published consolidated accounts.

Related party transactions

The company has taken advantage of the exemption to FRS 8 from disclosing transactions with related parties that are part of Carclo plc.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

2. Operating profit

The operating profit is arrived at as follows:

	2005 £	2004 £
Other operating charges	<u>—</u>	<u>3,471</u>

3. Profit on disposal of fixed assets

The profit on disposal of fixed assets related to the sale of surplus land and the waiving of rights over a previously disposed property. The net book value of the disposed property was £nil.

BRUNTONS (MUSSELBURGH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

4. Taxation on ordinary activities

(a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year	—	1,041
Total current tax	<u>—</u>	<u>1,041</u>

(b) Factors affecting current tax charge

The tax charge differs from the standard rate of corporation tax in the UK of 30% (2004 - 30%) for the following reasons:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>1,450,711</u>	<u>3,471</u>
Profit on ordinary activities at standard rate of tax of 30% (2004 - 30%)	435,213	1,041
Utilisation of group capital losses	<u>(435,213)</u>	<u>—</u>
Total current tax (note 4(a))	<u>—</u>	<u>1,041</u>

5. Dividends

The following dividends have been paid in respect of the year:

	2005 £	2004 £
Dividend paid on ordinary shares	<u>1,455,548</u>	<u>—</u>

The interim dividend paid on the ordinary 25p shares amounted to 15.16p per share (2004 - nil).

6. Debtors

	2005 £	2004 £
Amounts owed by group undertakings	<u>2,392,920</u>	<u>2,397,156</u>

7. Creditors: amounts falling due within one year

	2005 £	2004 £
Corporation tax	<u>—</u>	<u>1,041</u>

BRUNTONS (MUSSELBURGH) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MARCH 2005

8. Share capital

Authorised share capital:

	2005	2004
	£	£
10,000,000 Ordinary shares of £0.25 each	<u>2,500,000</u>	<u>2,500,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £0.25 each	<u>9,600,000</u>	<u>2,400,000</u>	<u>9,600,000</u>	<u>2,400,000</u>

9. Reserves

	Profit and loss account £
Balance brought forward	4,837
Loss for the year	<u>(4,837)</u>
Balance carried forward	<u>—</u>

10. Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
Profit for the financial year	1,450,711	2,430
Dividends	<u>(1,455,548)</u>	<u>—</u>
	(4,837)	2,430
Opening shareholders' equity funds	<u>2,404,837</u>	<u>2,402,407</u>
Closing shareholders' equity funds	<u>2,400,000</u>	<u>2,404,837</u>

11. 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.