REGISTERED NUMBER: 3124721 (England and Wales)

Report of the Directors and

Financial Statements for the Year Ended 31 March 2000

for

CNC Speedwell Ltd



CNC Speedwell Ltd

Contents of the Financial Statements
for the Year Ended 31 March 2000

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Accounting Policies	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8
Trading and Profit and Loss Account	12

CNC Speedwell Ltd

Company Information
for the Year Ended 31 March 2000

DIRECTORS:	B J Cooke J C Roby M A Lewis
SECRETARY:	J C Roby
REGISTERED OFFICE:	Lichfield Road Brownhills West Midlands WS8 6JZ
REGISTERED NUMBER:	3124721 (England and Wales)
AUDITORS:	R A Lea & Co. 123 High Street Bordesley Birmingham B12 0JU Registered Auditors Chartered Accountants.

CNC Speedwell Ltd

Report of the Directors
for the Year Ended 31 March 2000

The directors present their report with the financial statements of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of a machinist operation.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2000.

DIRECTORS
The directors during the year under review were:

B J Cooke
J C Roby
M A Lewis

The directors holding office at 31 March 2000 did not hold any beneficial interest in the issued share capital of the company at 1 April 1999 or 31 March 2000.

POLICY ON PAYMENT OF CREDITORS
The company's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by them provided the supplier complies with all the relevant terms and conditions. The number of days purchases outstanding for payment by the company at the year end was 51.

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 of the company 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;
- 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 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.

CNC Speedwell Ltd

Report of the Directors
for the Year Ended 31 March 2000

AUDITORS

The auditors, R A Lea and Co, have indicated their willingness to continue in office in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

.....
J C Roby - DIRECTOR

Dated: 26 May 2000

CNC Speedwell Ltd

Report of the Auditors to the Shareholders of
CNC Speedwell Ltd

We have audited the financial statements on pages five to eleven which have been prepared under the historical cost convention and the accounting policies set out on page five.

Respective responsibilities of directors and auditors
As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

R A Lea & Co.
123 High Street
Bordesley
Birmingham
B12 0JU
Registered Auditors
Chartered Accountants.

Dated: 26.5.00.

CNC Speedwell Ltd

Accounting Policies
for the Year Ended 31 March 2000

Accounting convention
The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the company is a wholly owned subsidiary whose holding company accounts include a group cash flow statement complying with FRS1.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Depreciation
Depreciation is calculated on the straight line basis to write off the initial cost of fixed assets at the following rates per annum:

Plant and machinery - 10% to 20%	Fixtures and fittings - 25%
Tooling - 20%	Motor vehicles - 25%

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

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions
The company participates in the Castings Plc Staff Pension Scheme, whereby benefits are provided based on final pensionable pay. The assets are independent of the finances of the group and are administered by Trustees. Annual contributions are determined on the recommendation of independent actuaries every three years and are charged against profits in the year in which they are made.

In addition, the group operates a money purchase scheme, whereby contributions are invested through individual accounts under an insurance policy administered by Trustees.

CNC Speedwell Ltd

Profit and Loss Account
for the Year Ended 31 March 2000

	Notes	2000	1999
		£	£
TURNOVER		**2,597,785**	1,829,949
Cost of sales		**1,692,806**	1,170,694
GROSS PROFIT		**904,979**	659,255
Operating Costs	1	**303,222**	255,914
OPERATING PROFIT	3	**601,757**	403,341
Interest receivable		**1,780**	2,440
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**603,537**	405,781
Tax on profit on ordinary activities	4	**162,427**	124,772
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		**441,110**	281,009

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

CNC Speedwell Ltd

Balance Sheet
31 March 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS:					
Tangible assets	5		**2,415,570**		1,630,478
CURRENT ASSETS:					
Stocks	6	**1,500**		1,500	
Debtors	7	**569,797**		352,597	
Cash at bank and in hand		**190,152**		123,947	
		761,449		478,044	
CREDITORS: Amounts falling due within one year	8	**832,550**		490,163	
NET CURRENT LIABILITIES:			**(71,101)**		(12,119)
TOTAL ASSETS LESS CURRENT LIABILITIES:			**2,344,469**		1,618,359
CREDITORS: Amounts falling due after more than one year	9		**(725,000)**		(440,000)
PROVISIONS FOR LIABILITIES AND CHARGES:	10		**(40,000)**		(40,000)
			£1,579,469		£1,138,359
CAPITAL AND RESERVES:					
Called up share capital	11		**2**		2
Profit and loss account			**739,348**		840,119
Inter-group loan	12		**840,119**		298,238
Shareholders' funds	14		**£1,579,469**		£1,138,359

ON BEHALF OF THE BOARD:

.....Brian S. Cooke.....
B J Cooke - DIRECTOR

.....
J C Roby - DIRECTOR

Approved by the Board on 26 May 2000

The notes form part of these financial statements

1. OPERATING COSTS

	2000	1999
	£	£
Distribution	1,462	1,718
Administrative	301,760	254,196
	303,222	255,914

2. EMPLOYEE COSTS

	2000	1999
	£	£
Wages and salaries	842,759	596,895
Social security costs	78,638	56,204
Other pension costs	18,874	15,901
	940,271	669,000

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

	2000	1999
Production	38	30
Management and Administration	4	3
	42	33

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation	561,110	416,504
Profit on disposal of fixed assets	(36,393)	(1,250)
Auditors' remuneration	3,975	3,725
Non-audit work	475	475
Directors' emoluments	63,402	60,064

4. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
Corporation tax @ 30% (1999 - 31%)	166,000	104,000
Adjustments in respect of previous year	(3,573)	(6,628)
Deferred taxation	-	27,400
	162,427	124,772

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery	Fixtures and fittings	Motor vehicles	Tooling	Totals
	£	£	£	£	£
COST:					
At 1 April 1999	2,539,495	24,002	37,098	27,609	2,628,204
Additions	814,403	48,205	-	-	862,608
Group transfers	2,277,603	-	12,113	-	2,289,716
Disposals	(228,997)	-	-	-	(228,997)
At 31 March 2000	5,402,504	72,207	49,211	27,609	5,551,531
DEPRECIATION:					
At 1 April 1999	951,150	8,322	23,969	14,284	997,725
Charge for year	527,404	18,051	10,133	5,522	561,110
Group transfers	1,782,861	-	11,250	-	1,794,111
Eliminated on disposals	(216,985)	-	-	-	(216,985)
At 31 March 2000	3,044,430	26,373	45,352	19,806	3,135,961
NET BOOK VALUE:					
At 31 March 2000	2,358,074	45,834	3,859	7,803	2,415,570
At 31 March 1999	1,588,345	15,680	13,129	13,324	1,630,478

6. **STOCKS**

	2000	1999
	£	£
Raw materials	1,500	1,500

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000	1999
	£	£
Trade debtors	35,517	853
Amount owed by group companies	524,477	345,342
Other debtors	1,290	3,611
Prepayments & accrued income	8,513	2,791
	569,797	352,597

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank overdraft	8,917	17,368
Trade creditors	324,158	183,454
Amount owed to holding company	72,322	18,454
Corporation tax	139,000	107,000
Other taxation and social security	85,351	9,994
Accruals	202,802	153,893
	832,550	490,163

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Intergroup Loan	725,000	440,000

10. **PROVISIONS FOR LIABILITIES AND CHARGES**

	2000 £	1999 £
Deferred taxation	40,000	40,000

Provisions represent timing differences arising from accelerated capital allowances and other timing differences.

11. **CALLED UP SHARE CAPITAL**

	2000 £	1999 £
Authorised: £1 Ordinary Shares	1,000	1,000

	2000 £	1999 £
Allotted and fully paid:	2	2

12. **INTERGROUP LOAN**

There are no fixed terms for repayment and no interest is payable.

13. **ULTIMATE PARENT COMPANY**

The ultimate holding company is Castings Plc, a company incorporated in Great Britain.

14. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000	1999
	£	£
Profit for the financial year	**441,110**	281,009
NET ADDITION TO SHAREHOLDERS' FUNDS	**441,110**	281,009
Opening shareholders' funds	**1,138,359**	857,350
CLOSING SHAREHOLDERS' FUNDS	**1,579,469**	1,138,359
Equity interests	**1,579,469**	1,138,359

15. **CAPITAL COMMITMENTS**

	2000	1999
	£	£
Authorised but not contracted for	**400,000**	-

CNC Speedwell Ltd

Trading and Profit and Loss Account
for the Year Ended 31 March 2000

	2000		1999	
	£	£	£	£
Sales		2,597,785		1,829,949
Cost of sales:				
Production Materials	80,099		26,759	
Small Tools and Consumables	206,176		151,905	
Wages	685,105		475,912	
National Insurance - Works	65,136		46,404	
Pension Scheme - Works	5,108		4,936	
Bought-in Tooling Fixtures	391,103		135,785	
Electricity and Gas	61,625		40,038	
Repairs and Maintenance	65,247		36,258	
Hire of Equipment	9,679		4,879	
Redundancy	31,000		6,001	
Assets Scrapped and Sold	(36,393)		(1,250)	
Sale of Tooling Fixtures	(432,189)		(173,437)	
Depreciation	561,110		416,504	
		1,692,806		1,170,694
GROSS PROFIT		904,979		659,255
Other income:				
Deposit account interest		1,780		2,440
		906,759		661,695
Expenditure:				
Carriage	1,462		1,718	
Salaries	157,654		120,983	
National Insurance - Staff	13,502		9,800	
Pension Scheme - Staff	13,766		10,965	
Telephone and Postage	5,550		4,571	
Printing and Stationery	1,035		948	
Motor expenses	8,940		8,258	
Bank Charges and Interest	1,279		754	
Sundry expenses	13,975		13,878	
Auditors remuneration	4,450		5,205	
Cleaning and Laundry	5,994		5,471	
Professional Charges	2,860		500	
Management Charge	20,000		20,002	
Rent, Rates and Insurance	52,755		52,861	
		303,222		255,914
NET PROFIT		£603,537		£405,781

This page does not form part of the statutory financial statements