REGISTERED NUMBER: 3124721 (England and Wales)

Report of the Directors and

Financial Statements for the Year Ended 31 March 2002

for

CNC Speedwell Ltd



CNC Speedwell Ltd

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for the Year Ended 31 March 2002

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CNC Speedwell Ltd

Company Information
for the Year Ended 31 March 2002

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 2002

The directors present their report with the financial statements of the company for the year ended 31 March 2002.

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 2002.

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 2002 did not hold any beneficial interest in the issued share capital of the company at 1 April 2001 or 31 March 2002.

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 73.

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 2002

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: 24 May 2002

CNC Speedwell Ltd

Report of the Independent Auditors to the Shareholders of CNC Speedwell Ltd

We have audited the financial statements of CNC Speedwell Ltd for the year ended 31 March 2002 on pages five to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

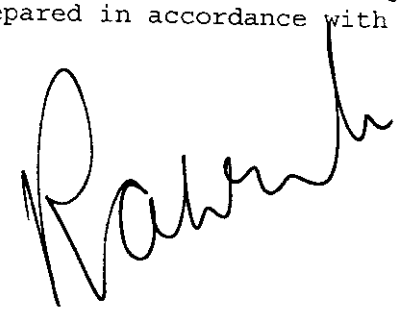
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has 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.

We read the Report of the Directors 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 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 2002 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: 24 May 2002

Accounting Policies
for the Year Ended 31 March 2002

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

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%
Motor vehicles - 25%
Tooling - 20%

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.

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.

CNC Speedwell Ltd

Profit and Loss Account
for the Year Ended 31 March 2002

	Notes	2002 £	2002 £	2001 £	2001 £
TURNOVER			**3,605,878**		3,888,961
Cost of sales			**2,591,979**		2,631,677
GROSS PROFIT			**1,013,899**		1,257,284
Operating Costs	1		**442,212**		395,786
OPERATING PROFIT	3		**571,687**		861,498
Interest receivable and similar income			**1,727**		4,005
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**573,414**		865,503
Tax on profit on ordinary activities	4		**168,037**		288,916
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			**405,377**		576,587

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 2002

	Notes	2002 £	2002 £	2001 £	2001 £
FIXED ASSETS:					
Tangible assets	5		**2,612,626**		2,387,957
CURRENT ASSETS:					
Stocks	6	**1,500**		1,500	
Debtors	7	**806,918**		416,722	
Cash at bank and in hand		**156,246**		157,154	
		964,664		575,376	
CREDITORS: Amounts falling due within one year	8	**1,014,757**		767,277	
NET CURRENT LIABILITIES:			**(50,093)**		(191,901)
TOTAL ASSETS LESS CURRENT LIABILITIES:			**2,562,533**		2,196,056
PROVISIONS FOR LIABILITIES AND CHARGES:	10		**1,100**		40,000
			£2,561,433		£2,156,056
CAPITAL AND RESERVES:					
Called up share capital	11		**2**		2
Inter - group loan	12		**840,119**		840,119
Profit and loss account			**1,721,312**		1,315,935
SHAREHOLDERS' FUNDS:	15		**£2,561,433**		£2,156,056

ON BEHALF OF THE BOARD:

.....
B J Cooke - DIRECTOR

.....
J C Roby - DIRECTOR

Approved by the Board on 24 May 2002

The notes form part of these financial statements

1. OPERATING COSTS

	2002	2001
	£	£
Distribution	2,799	1,772
Administrative	439,413	394,014
	442,212	395,786

2. EMPLOYEE COSTS

	2002	2001
	£	£
Wages and salaries	1,228,632	1,240,755
Social security costs	114,341	116,624
Other pension costs	28,128	30,922
	1,371,101	1,388,301

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

	2002	2001
Production	48	54
Management and Administration	7	7
	55	61

3. OPERATING PROFIT

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

	2002	2001
	£	£
Depreciation - owned assets	971,450	834,257
Profit on disposal of fixed assets	(23,997)	(20,595)
Auditors' remuneration	4,450	4,300
Non-audit work	550	500
Directors' emoluments	86,178	80,665

4. TAXATION

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

	2002 £	2001 £
Current tax:		
UK corporation tax	212,000	290,000
(Over)/Under Provision for Corporation Tax	(5,063)	(1,084)
Total current tax	206,937	288,916
Deferred tax:		
Deferred taxation	(38,900)	-
Tax on profit on ordinary activities	168,037	288,916

UK corporation tax has been charged at 30% (2001 - 30%).

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	573,414	865,503
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 30%)	172,024	259,651
Effects of:		
Capital allowances in excess of depreciation for the year	45,956	27,973
Expenses not deductible for tax purposes	1,109	7,075
Non taxable profit on asset disposals	(7,199)	(6,179)
Rounding	110	1,480
Prior year adjustments	(5,063)	(1,084)
Current tax charge	206,937	288,916

5. **TANGIBLE FIXED ASSETS**

	Buildings	Plant and machinery	Fixtures and fittings
	£	£	£
COST:			
At 1 April 2001	-	5,739,901	98,342
Additions	52,228	1,114,144	17,835
Disposals	-	(180,999)	-
At 31 March 2002	52,228	6,673,046	116,177
DEPRECIATION:			
At 1 April 2001	-	3,402,209	50,361
Charge for year	5,223	933,637	26,397
Eliminated on disposals	-	(177,259)	-
At 31 March 2002	5,223	4,158,587	76,758
NET BOOK VALUE:			
At 31 March 2002	47,005	2,514,459	39,419
At 31 March 2001	-	2,337,692	47,981

	Motor vehicles	Tooling	Totals
	£	£	£
COST:			
At 1 April 2001	49,211	27,608	5,915,062
Additions	15,655	-	1,199,862
Disposals	(37,233)	-	(218,232)
At 31 March 2002	27,633	27,608	6,896,692
DEPRECIATION:			
At 1 April 2001	49,207	25,328	3,527,105
Charge for year	3,914	2,279	971,450
Eliminated on disposals	(37,230)	-	(214,489)
At 31 March 2002	15,891	27,607	4,284,066
NET BOOK VALUE:			
At 31 March 2002	11,742	1	2,612,626
At 31 March 2001	4	2,280	2,387,957

6. **STOCKS**

	2002	2001
	£	£
Raw materials	1,500	1,500

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

	2002	2001
	£	£
Trade debtors	3,515	25,187
Other debtors	2,968	34
Prepayments & accrued income	136,013	13
Amount owed by group companies	664,422	391,488
	806,918	416,722

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

	2002	2001
	£	£
Bank loans and overdrafts (see note 9)	14,580	-
Trade creditors	468,510	151,400
Other creditors	37	-
Amount owed to holding company	-	22,940
Other taxation and social security	45,631	122,320
Corporation Tax	106,000	204,000
Accruals	379,999	266,617
	1,014,757	767,277

9. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2002	2001
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	14,580	-

10. **PROVISIONS FOR LIABILITIES AND CHARGES**

	2002	2001
	£	£
Deferred taxation	1,100	40,000

10. **PROVISIONS FOR LIABILITIES AND CHARGES - continued**

	Deferred tax £
Balance at 1 April 2001	40,000
Movement in the year	(38,900)
Balance at 31 March 2002	1,100

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

11. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	2002 £	2001 £
1,000	Ordinary	£1	1,000	1,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
2	Ordinary	£1	2	2

12. **INTER GROUP LOAN**

	2002 £	2001 £
Intergroup Loan	840,119	840,119

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.

The company has taken advantage of the exemption conferred by FRS 8 not to disclose transactions undertaken with other group companies.

14. **CAPITAL COMMITMENTS**

	2002 £	2001 £
Contracted but not provided for in the financial statements	714,265	125,600

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

	2002	2001
	£	£
Profit for the financial year	**405,377**	576,587
Net addition to shareholders' funds	**405,377**	576,587
Opening shareholders' funds	**2,156,056**	1,579,469
Closing shareholders' funds	**2,561,433**	2,156,056
Equity interests	**2,561,433**	2,156,056