

CRITERION STAMPINGS LIMITED

Report and Financial Statements

31 March 2002



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REPORT AND FINANCIAL STATEMENTS

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REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D J Greaves
S H Walters

SECRETARY

S H Walters

REGISTERED OFFICE

Howard Street
Hill Top
West Bromwich
B70 0SN

SOLICITORS

George Green & Co
195 High Street
Cradley Heath
Warley
West Midlands
B64 5HW

AUDITORS

Deloitte & Touche
Chartered Accountants
Four Brindleyplace
Birmingham
B1 2HZ

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2002.

PRINCIPAL ACTIVITY

The company has not traded during the year, and it is not intended the company will trade in the foreseeable future.

RESULTS AND DIVIDENDS

The results of the company for the year are set out in detail on page 5.

The directors do not recommend the payment of a final dividend for the year (2001 - £Nil). No interim dividend was paid during the year (2001 - £Nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown on page 1.

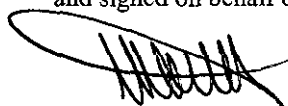
The interests of the directors of the company at 31 March 2002 in the shares of the ultimate parent company, Brockhouse Group Limited, according to the Register required to be kept by the Companies Act 1985, were as follows:

| | At 31 March 2002 | At 31 March 2001 |
|---------------------------------------|---------------------|---------------------|
| 'B' Ordinary shares of £1 each | | |
| D J Greaves | 24,000 | 24,000 |
| S H Walters | 24,000 | 24,000 |

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S H Walters
Secretary

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 as at the end of the financial year and of the profit or loss of the company for that year. 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
- 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CRITERION STAMPINGS LIMITED**

We have audited the financial statements of Criterion Stampings Limited for the year ended 31 March 2002 which comprise the balance sheet and the related notes 1 to 5. These financial statements have been prepared under the accounting policies set out therein.

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 financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

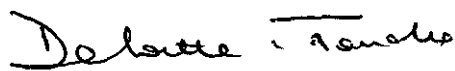
Basis of audit opinion

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 result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Birmingham

24 January 2003.

BALANCE SHEET
31 March 2002

| | Note | 2002 £ | 2001 £ |
|--|------|---------------|---------------|
| CURRENT ASSETS | | | |
| Debtors | 3 | <u>56,430</u> | <u>56,430</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 4 | <u>56,430</u> | <u>56,430</u> |
| SHAREHOLDERS' FUNDS | | <u>56,430</u> | <u>56,430</u> |
| Attributable to equity shareholders' funds | | 5,130 | 5,130 |
| Attributable to non-equity shareholders' funds | | <u>51,300</u> | <u>51,300</u> |
| | | <u>56,430</u> | <u>56,430</u> |

These financial statements were approved by the Board of Directors on 23 January 2003.

Signed on behalf of the Board of Directors



Director

NOTES TO THE ACCOUNTS

Year ended 31 March 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors are the only employees of the company and received no remuneration during the year (2001 - £Nil).

3. DEBTORS

| | 2002 £ | 2001 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | 56,430 | 56,430 |

4. CALLED UP SHARE CAPITAL

| | 2002 £ | 2001 £ |
|--|-----------|-----------|
| Authorised | | |
| 87,000 Ordinary shares of 10p each | 8,700 | 8,700 |
| 513,000 3% Non cumulative preference shares of 10p each | 51,300 | 51,300 |
| | 60,000 | 60,000 |
| Called up, allotted and fully paid | | |
| 51,300 Ordinary shares of 10p each | 5,130 | 5,130 |
| 513,000 3% Non cumulative preference shares of 10p each | 51,300 | 51,300 |
| | 56,430 | 56,430 |

NOTES TO THE ACCOUNTS

Year ended 31 March 2002

5. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of British & Midland Forgings Limited, a company registered in England.

The ultimate parent company is Brockhouse Group Limited.

Copies of the financial statements of Brockhouse Group Limited can be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

As the company is a wholly owned subsidiary it has taken advantage of the exemption order FRS 8 "Related Party Disclosures" not to disclose transactions with other companies within the group.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DARLASTON BUILDERS MERCHANTS LIMITED**

We have audited the financial statements of Darlaston Builders Merchants Limited for the year ended 31 March 2002 which comprise of the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the 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 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.

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 Audit 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.

Aniz Visram & Co

Aniz Visram & Co
Chartered Accountants and Registered Auditors

31 Decemebr 2002

Pinfold Lodge
32 Hampton Lane
Solithull, West Midlands
B91 2PY

DARLASTON BUILDERS MERCHANTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their annual report and audited financial statements for the year ended 31 March 2002.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activities of the company throughout the year were those of builders and plumbers merchants. The results for the year reflect an increase in business and related profit as a result of internal changes in management style and changes in product mix. The directors consider that the level of sales activity will increase in the foreseeable future.

DIRECTORS' RESPONSIBILITIES

Company law requires us as 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 we are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at anytime the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

REGISTERED OFFICE

Pinfold Street
Darlaston
Wednesbury
WS10 9RD

TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during the year are summarised in the notes to the financial statements.

FREEHOLD LAND AND BUILDINGS

In the opinion of the directors the market value of freehold land and buildings was £ 540,000.

DARLASTON BUILDERS MERCHANTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002 (cont'd)...

POLICY ON PAYMENT OF CREDITORS

The company has a policy to pay all suppliers and creditors within the agreed credit terms, details of which can be obtained at the Registered Office of the company.

RESULTS AND DIVIDENDS

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed financial statements.

The company's profit for the year, before taxation, amounted to £ 251,873 (2001 - £ 170,364).

The directors recommend that no final dividend be paid and that the interim dividend of £ 21,070 per share amounting to £ 63,210 (2001 - £ 66,000) be confirmed.

The profit (after tax and dividends) of £ 137,168 (2001 - £ 63,529) has been taken to reserves.

DIRECTORS' AND THEIR INTERESTS

The directors and their interests in the shares of the company, at the beginning and end of the year, were as follows:

| | £1 Ordinary Shares | |
|-------------|--------------------|------|
| | 2002 | 2001 |
| G. S. Jutla | 1 | 1 |
| H. S. Jutla | 1 | 1 |
| R. S. Jutla | 1 | 1 |

The company's Articles of Association do not require directors to retire by rotation.

CLOSE COMPANY STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

DARLASTON BUILDERS MERCHANTS LIMITED

FINANCIAL STATEMENTS - 31 MARCH 2002

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The following pages do not form part of the Statutory Financial Statements and are included for the information of directors only:

| | |
|--|---------|
| DETAILED TRADING AND PROFIT AND LOSS ACCOUNT | 17 & 18 |
|--|---------|

DARLASTON BUILDERS MERCHANTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002 (cont'd)...

AUDITORS

The auditors, Messrs Aniz Visram and Co, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

BY ORDER OF THE BOARD


A handwritten signature in dark ink, appearing to be 'G S Jutla', is written over a horizontal line. The signature is stylized with loops and a long horizontal stroke at the end.

G S Jutla
Company Secretary

Approved by the Board of Directors
31 December 2002

DARLASTON BUILDERS MERCHANTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

| | Note | 2002 £ | 2001 £ |
|---|------|---------------|---------------|
| TURNOVER | 2 | 7,146,249 | 6,259,692 |
| Cost of Sales | | (5,379,438) | (4,748,123) |
| GROSS PROFIT | | 1,766,811 | 1,511,569 |
| Distribution Costs | | (508,401) | (474,655) |
| Administrative expenses | | (990,292) | (821,738) |
| OPERATING PROFIT | 3 | 268,118 | 215,176 |
| Other interest receivable and similar income | | 9,375 | - |
| Interest Payable and Similar Charges | 6 | (25,620) | (44,812) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 251,873 | 170,364 |
| Tax on Profit on Ordinary Activities | 7 | (51,495) | (40,835) |
| PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR | | 200,378 | 129,529 |
| Dividends | 8 | (63,210) | (66,000) |
| RETAINED PROFIT FOR THE FINANCIAL YEAR | | 137,168 | 63,529 |
| Retained profits / (losses) brought forward | | 22,882 | (40,647) |
| RETAINED PROFITS CARRIED FORWARD | | 160,050 | 22,882 |

There were no acquisitions and no discontinued operations in the year.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

The annexed notes form part of these financial statements.