

**BRITISH & MIDLAND FORGINGS
LIMITED**

Report and Financial Statements

31 March 2002



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 that 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 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.

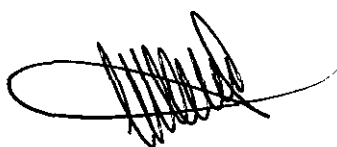
The interests of the directors of the company at 31 March 2002 in the shares of the ultimate parent company, Brockhouse Group Limited, according to the Register required to be kept by the Companies Act 1985, were as follows:

Ordinary shares of £1 each	At 31 March	At 31 March
	2002	2001
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
BRITISH & MIDLAND FORGINGS LIMITED**

We have audited the financial statements of British & Midland Forgings Limited for the year ended 31 March 2002 which comprise the balance sheet and the related notes 1 to 6. 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.

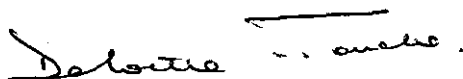
Basis of audit opinion

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 £
FIXED ASSETS			
Investments	3	56,430	56,430
CURRENT ASSETS			
Debtors – recoverable in more than one year	4	943,570	943,570
TOTAL NET ASSETS		<u>1,000,000</u>	<u>1,000,000</u>
CAPITAL AND RESERVES			
Called up equity share capital	5	<u>1,000,000</u>	<u>1,000,000</u>

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

Signed on behalf of the Board of Directors



D J Greaves

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 as modified by the revaluation of land and buildings.

Investments

Investments are held at cost less any provision for impairment.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors are the only employees of the company and received no remuneration during the year (2000 - £Nil).

3. INVESTMENTS

The company acquired the entire share capital of Criterion Stampings Limited, a company incorporated in England and Wales at nominal value, totalling £56,430. Criterion Stampings Limited, a company registered in England and Wales, is dormant.

4. DEBTORS – RECOVERABLE IN MORE THAN ONE YEAR

	2002 £	2001 £
Amounts owed by group undertakings	943,570	943,570

5. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised, called up, allotted and fully paid 1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

6. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Brockhouse Group Limited, a company registered in England.

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.

The company is exempt from the obligation to prepare and deliver group accounts as its ultimate parent company, Brockhouse Group Limited, draws up group accounts.