

COMPANY REGISTRATION NUMBER 324456

**RUSSELL CASTINGS LIMITED (FORMERLY
PLATT MALLEABLE CASTINGS LIMITED)**

FINANCIAL STATEMENTS

31 MARCH 2005



HEATHCOTE & COLEMAN

Chartered Accountants & Registered Auditors

Heathcote House
136 Hagley Road
Edgbaston
Birmingham
B16 9PN

**RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE
CASTINGS LIMITED)**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

NB Williams
AC Binmore
JV Evans
MI Johnson
A Vicary
S C Duckworth
MA Powell

Company secretary

S C Duckworth

Registered office

Chuckery Foundry
Chuckery Road
Walsall
West Midlands
WS1 2DU

Auditors

Heathcote & Coleman
Chartered Accountants
& Registered Auditors
Heathcote House
136 Hagley Road
Edgbaston
Birmingham
B16 9PN

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the company will be held at 12.00 noon on 29 July 2005 at the registered office.

1. To receive and adopt the directors' report and financial statements for the year ended 31 March 2005.
2. To appoint Ernst & Young LLP as auditors and to authorise the directors to fix their remuneration.

Registered office:

Chuckery Foundry
Chuckery Road
Walsall
West Midlands
WS1 2DU

By order of the Board

S C Duckworth
Company Secretary

9 June 2005

Notes:

- a. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the company.
- b. A form of proxy is enclosed with this notice for your use in respect of the business set out above. To be effective, the form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notorially certified or an office copy of such power of authority) must be lodged at the company's registered office at least forty-eight hours before the time appointed for the meeting.

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company commenced trading on 2 April 2004 following the acquisition of the assets, liabilities and trade of Russell Castings, a division of Elliott Industries Limited.

The principal activity of the company during the year was the manufacture and sale of iron castings.

The directors are satisfied with the results for the year.

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 financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

PEH Bell
NB Williams
AC Binmore
JV Evans
MI Johnson
A Vicary
S C Duckworth
MA Powell

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

AC Binmore was appointed as a director on 5 April 2004.

JV Evans was appointed as a director on 5 April 2004.

MI Johnson was appointed as a director on 5 April 2004.

A Vicary was appointed as a director on 5 April 2004.

S C Duckworth was appointed as a secretary on 30 September 2004.

MA Powell was appointed as a director on 25 November 2004.

PEH Bell retired as a director on 9 November 2004.

On 2nd April 2004 the company changed its name to Russell Castings Limited.

No director had any interest in any contract with the company during the year except for service agreements

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 and 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. 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

During the year the board has carried out a review of audit firms and has decided that Ernst & Young LLP should be appointed as auditors to succeed Heathcote & Coleman. Heathcote & Coleman have agreed to step down at the forthcoming annual general meeting and a resolution will be proposed to appoint Ernst & Young LLP as auditors and to authorise the directors to determine their remuneration.

Signed on behalf of the directors



S C DUCKWORTH

Company Secretary

Approved by the directors on 9 June 2005

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

YEAR ENDED 31 MARCH 2005

We have audited the financial statements of Russell Castings Limited (formerly Platt Malleable Castings Limited) for the year ended 31 March 2005 on pages 7 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

This report is made solely to the company's shareholder 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 shareholder 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 shareholder 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 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 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.

**RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE
CASTINGS LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF
RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE
CASTINGS LIMITED) *(continued)***

YEAR ENDED 31 MARCH 2005

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 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Heathcote House
136 Hagley Road
Edgbaston
Birmingham
B16 9PN

9 June 2005


HEATHCOTE & COLEMAN
Chartered Accountants
& Registered Auditors

**RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE
CASTINGS LIMITED)**

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
TURNOVER	2	11,181,767	—
Cost of sales		9,200,759	—
GROSS PROFIT		<u>1,981,008</u>	—
Distribution costs		476,732	—
Administrative expenses		410,245	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,094,031</u>	—
Tax on profit on ordinary activities	6	372,000	—
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>722,031</u></u>	—

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the
year as set out above.

The notes on pages 10 to 17 form part of these financial statements.

**RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE
CASTINGS LIMITED)**

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

YEAR ENDED 31 MARCH 2005

Equity shareholder's funds

	2005	2004
	£	£
Profit for the financial year	722,031	—
Opening shareholder's equity funds	36,000	36,000
Closing shareholder's equity funds	<u>758,031</u>	<u>36,000</u>

NON-EQUITY SHAREHOLDER'S FUNDS

	2005	2004
	£	£
Opening and closing shareholder's non-equity funds	<u>17,000</u>	<u>17,000</u>

The notes on pages 10 to 17 form part of these financial statements.

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

BALANCE SHEET

31 MARCH 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Intangible assets	7	(104,707)	—
Tangible assets	8	494,217	—
		<u>389,510</u>	<u>—</u>
CURRENT ASSETS			
Stocks	9	1,032,179	—
Debtors	10	1,835,172	53,000
Cash at bank		1,422,479	—
		<u>4,289,830</u>	<u>53,000</u>
CREDITORS: Amounts falling due within one year	11	<u>3,904,309</u>	<u>—</u>
NET CURRENT ASSETS		<u>385,521</u>	<u>53,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>775,031</u>	<u>53,000</u>
CAPITAL AND RESERVES			
Called-up share capital	15	53,000	53,000
Profit and loss account		722,031	—
		<u>775,031</u>	<u>53,000</u>
SHAREHOLDER'S FUNDS (including non-equity interests)		<u>775,031</u>	<u>53,000</u>

These financial statements were approved by the directors on the 9 June 2005 and are signed on their behalf by:



S C DUCKWORTH
Director

The notes on pages 10 to 17 form part of these financial statements.

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill amortisation

Negative goodwill is released to the profit and loss account over the life of the non-monetary assets to which it attaches.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Buildings	-	21 months straight line
Plant & Machinery	-	21 months to 10 years straight line
Fixtures & Fittings	-	21 months to 10 years straight line
Motor Vehicles	-	20% straight line

Stocks

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

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES *(continued)*

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2005	2004
	£	£
United Kingdom	10,400,632	—
EU countries	458,309	—
Rest of world	322,826	—
	<u>11,181,767</u>	<u>—</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Depreciation of owned fixed assets	349,202	—
Auditors' remuneration		
- as auditors	8,000	—
Exceptional item	(312,392)	—
Operating lease costs:		
Plant and machinery	8,789	—
Motor vehicles	18,817	—
	<u>—</u>	<u>—</u>

The exceptional item relates to the release of negative goodwill (see note 7).

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2005	2004
	No	No
Number of production staff	107	—
Number of distribution staff	6	—
Number of administrative staff	6	—
Number of management staff	11	—
	<u>130</u>	<u>—</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	3,437,592	—
Social security costs	348,774	—
Other pension costs	212,694	—
	<u>3,999,060</u>	<u>—</u>

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Emoluments receivable	291,718	—
Value of company pension contributions to money purchase schemes	23,951	—
	<u>315,669</u>	<u>—</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004
	No	No
Money purchase schemes	<u>3</u>	<u>—</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the taxable profits for the year at 30% (2004 : 30%)	372,000	—
Total current tax	<u>372,000</u>	<u>—</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 : 30%).

	2005	2004
	£	£
Profit on ordinary activities before taxation	<u>1,094,031</u>	<u>—</u>
Profit on ordinary activities at standard rate of tax	328,209	—
Depreciation in excess of capital allowances	43,867	—
Permanent disallowance	1,627	—
Other	(1,703)	—
Total current tax (note 6(a))	<u>372,000</u>	<u>—</u>

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

7. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
Additions	(417,099)
At 31 March 2005	<u>(417,099)</u>
AMORTISATION	
Charge for the year	(312,392)
At 31 March 2005	<u>(312,392)</u>
NET BOOK VALUE	
At 31 March 2005	<u>(104,707)</u>
At 31 March 2004	<u>—</u>

8. TANGIBLE FIXED ASSETS

	Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
Additions	9,307	718,740	68,621	55,963	852,631
Disposals	—	(9,353)	—	—	(9,353)
At 31 March 2005	<u>9,307</u>	<u>709,387</u>	<u>68,621</u>	<u>55,963</u>	<u>843,278</u>
DEPRECIATION					
Charge for the year	5,318	303,051	34,977	5,856	349,202
On disposals	—	(141)	—	—	(141)
At 31 March 2005	<u>5,318</u>	<u>302,910</u>	<u>34,977</u>	<u>5,856</u>	<u>349,061</u>
NET BOOK VALUE					
At 31 March 2005	<u>3,989</u>	<u>406,477</u>	<u>33,644</u>	<u>50,107</u>	<u>494,217</u>
At 31 March 2004	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Capital commitments					
				2005 £	2004 £
Contracted but not provided for in the financial statements				<u>62,929</u>	<u>—</u>

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

9. STOCKS

	2005	2004
	£	£
Raw materials	271,671	—
Work in progress	360,706	—
Finished goods	399,802	—
	<u>1,032,179</u>	<u>—</u>

10. DEBTORS

	2005	2004
	£	£
Trade debtors	1,788,528	—
Amounts owed by group undertakings	—	53,000
Other debtors	33,204	—
Prepayments and accrued income	13,440	—
	<u>1,835,172</u>	<u>53,000</u>

11. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Trade creditors	1,523,257	—
Amounts owed to group undertakings	1,290,291	—
Other creditors including taxation and social security:		
Corporation tax	372,000	—
Other taxation and social security	329,322	—
Other creditors	138,758	—
Accruals and deferred income	250,681	—
	<u>3,904,309</u>	<u>—</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2005	2004
	£	£
Operating leases which expire:		
Within 1 year	312	—
Within 2 to 5 years	8,715	—
	<u>9,027</u>	<u>—</u>

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

13. CONTINGENCIES

The company together with its holding company has given an unlimited interlocking guarantee to HSBC Bank Plc in respect of overdraft facilities of certain group companies. At 31st March 2005 these amounted to £2,746,099 (2004: £nil)

14. RELATED PARTY TRANSACTIONS

There are no related party transactions requiring disclosure.

15. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
3,000 Ordinary shares of £1 each	3,000	3,000
17,000 4.2% Preference shares of £1 each	17,000	17,000
33,000 Deferred ordinary shares of £1 each	33,000	33,000
	<u>53,000</u>	<u>53,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	3,000	3,000	3,000	3,000
4.2% Preference shares of £1 each	17,000	17,000	17,000	17,000
Deferred ordinary shares of £1 each	33,000	33,000	33,000	33,000
	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

16. ACQUISITION OF RUSSELL CASTINGS

The company acquired certain assets of Russell Castings on 2 April 2004 as follows:-

	Historical value £000	Fair value adjustment £000	Fair value of assets acquired £000
Tangible fixed assets	1,275	(522)	753
Stocks	1,075	(190)	885
Debtors	1,718	—	1,718
Creditors	(1,822)	—	(1,822)
	<u>2,246</u>	<u>(712)</u>	<u>1,534</u>
Negative goodwill			(417)
			<u>1,117</u>
Satisfied by:			
- cash (including expenses)			<u>1,117</u>

The fair values, which may be revised in accordance with FRS7 as further information becomes available, represent the directors' current estimate of the net assets acquired.

Negative goodwill of £312,000 has been released to the profit and loss account during the year.

17. ULTIMATE PARENT COMPANY

The directors consider the ultimate parent company to be Chamberlin & Hill plc, a company incorporated in England. The results of Russell Castings Limited and its fellow subsidiaries have been consolidated within the financial statements of Chamberlin & Hill plc. Copies of these financial statements may be obtained from the company secretary at:

Chuckery Foundry
Chuckery Road
Walsall
West Midlands
WS1 2DU.

**RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE
CASTINGS LIMITED)**

MANAGEMENT INFORMATION

YEAR ENDED 31 MARCH 2005

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 5 and 6.**

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2005

	2005	2004
	£	£
TURNOVER	11,181,767	-
COST OF SALES		
Purchases direct	3,443,309	-
Pattern purchases	357,624	-
Machining purchases	1,216,499	-
Core purchases	10,166	-
Assembly purchases	329,676	-
Sub contract purchases	2,611	-
Direct wages	1,858,268	-
Core wages recharge	(7,994)	-
Indirect wages	577,364	-
Works national insurance contributions	244,413	-
Pension contributions - direct labour	115,729	-
Subcontract	110,053	-
Plant repairs and maintenance	351,370	-
Electricity	158,935	-
Waste disposal	64,527	-
Consumable tools and stores	98,690	-
Alpha recharge	(33,614)	-
Insurance	122,990	-
Rent and rates	80,731	-
Salaries	484,938	-
Staff national insurance contributions	52,180	-
Staff pension contributions	48,483	-
Management charges payable	188,000	-
Hire of plant and machinery	8,788	-
Depreciation of plant and machinery	349,202	-
	<u>10,232,938</u>	-
Closing stock and finished goods	(1,032,179)	-
	<u>9,200,759</u>	-
GROSS PROFIT	<u>1,981,008</u>	-
OVERHEADS		
Distribution costs	476,732	-
Administrative expenses	410,245	-
	<u>886,977</u>	-
PROFIT ON ORDINARY ACTIVITIES	<u>1,094,031</u>	-

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2005

	2005		2004
	£	£	£
DISTRIBUTION COSTS			
Salaries		145,481	—
Staff pension contributions		14,545	—
Staff national insurance contributions		15,654	—
Advertising		14,393	—
Travelling		5,481	—
Motor expenses		12,938	—
Entertaining		1,175	—
Packing and carriage		267,065	—
		<u>476,732</u>	<u>—</u>
ADMINISTRATIVE EXPENSES			
Personnel costs			
Wages and salaries	373,459		—
Temporary staff	6,078		—
Staff national insurance contributions	36,527		—
Staff pension contributions	33,937		—
	<u>450,001</u>		<u>—</u>
Establishment expenses			
Rates and water	5,153		—
Light and heat	2,276		—
Insurance	30,746		—
Repairs and maintenance	2,353		—
Office machine maintenance	2,209		—
	<u>42,737</u>		<u>—</u>
General expenses			
Motor expenses	19,408		—
Travel and subsistence	2,952		—
Telephone	20,141		—
Commission paid	188		—
Printing and stationery	18,176		—
Postage	4,677		—
Computer bureau charges	39,272		—
Staff training	12,194		—
Staff recruitment costs	2,824		—
Sundry expenses	12,876		—
Trade subscriptions	7,264		—
Management charges payable	37,000		—
Legal and professional fees	33,495		—
Accountancy fees	7,000		—
	<u>217,467</u>	<u>492,738</u>	
Carried forward			

RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE CASTINGS LIMITED)

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2005

	2005		2004
	£	£	£
ADMINISTRATIVE EXPENSES <i>(continued)</i>			
Brought forward	217,467	492,738	
Auditors remuneration	8,000		—
Exceptional item	(312,392)		—
		(86,925)	—
Financial costs			
Bad debts written off	11		—
Bank charges	4,421		—
		4,432	—
		<u>410,245</u>	<u>—</u>

**RUSSELL CASTINGS LIMITED (FORMERLY PLATT MALLEABLE
CASTINGS LIMITED)**

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING

I/We

of

being a member of the above named company, hereby appoint the Chairman of the meeting or as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held at 12.00 noon on 29 July 2005 at the registered office, and at any adjournment thereof.

Please delete as appropriate below to indicate how you wish your votes to be cast:

RESOLUTION 1. To receive and adopt the directors' report and financial statements for the year ended 31 March 2005.

FOR / AGAINST

RESOLUTION 2. To appoint Ernst & Young LLP as auditors and to authorise the directors to fix their remuneration.

FOR / AGAINST

Signature

Date 20

Number of shares held:

Notes:

- a. A member may appoint a proxy of his/her own choice. If such an appointment is made, delete the words "the Chairman of the meeting" and insert the name of the person appointed proxy in the space provided.
- b. In the case of joint holders, the signature of any holder will be sufficient, but the names of all the joint holders should be stated.
- c. If this form is returned without any indication as to how the person appointed proxy shall vote, he/she will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
- d. To be valid, this form must be completed and deposited at the company's registered office not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.