

COMPANY NUMBER: 578173

BESCOT DROP FORGINGS LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

30th SEPTEMBER 1995



BESCOT DROP FORGINGS LIMITED
(A wholly owned subsidiary of Hill & Smith Holdings PLC)

COMPANY INFORMATION

Directors

M E Sara
H C Everett
J A Roberts

Secretary

J J Arrowsmith

Registered Office

P O Box No. 4
Canal Street
Brierley Hill
West Midlands
DY5 1JL.

Auditors

John W Hinks & Co.
Chartered Accountants
Church House
5-14 South Road
Smethwick
Warley
West Midlands
B67 7BH.

Bankers

Midland Bank PLC
P O Box No. 6
Market Place
Willenhall
West Midlands
WV13 2AF.

BESCOT DROP FORGINGS LIMITED
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REPORT AND FINANCIAL STATEMENTS 30TH SEPTEMBER 1995

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BESCOT DROP FORGINGS LIMITED
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REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 30th September 1995.

Principal activity and business review

The company has not traded during the year.

Dividends

The directors recommend payment of a dividend for the year ended 30th September 1995 of £293,121 (1994 - £Nil)

If this recommendation is approved losses of £293,121 will be deducted from reserves.

Fixed assets

The company held no fixed assets during the year.

Political contributions and charitable donations

During the year, the company made no charitable donations or political contributions.

Tax status

As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1988, do not apply to the Company. There has been no change in this respect since the end of the financial year.

Directors

The following persons were directors of the company during the year:-

M E Sara
H C Everett
J A Roberts

BESCOT DROP FORGINGS LIMITED
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REPORT OF THE DIRECTORS (continued)

Directors (continued)

Mr H C Everett retires by rotation at the annual general meeting and offers himself for re-election.

Directors' interests in the shares of the parent company

The interests of the directors of this company, at 30th September 1995 in the shares of the parent company, Hill & Smith Holdings PLC, according to the register required to be kept by the Companies Act 1985, were as follows:-

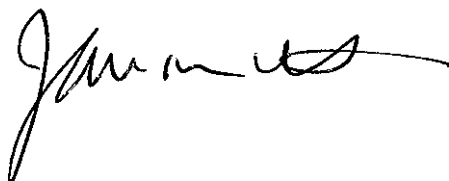
	<u>30th September 1995</u>	<u>30th September 1994</u>
M E Sara	157,110	141,546
H C Everett	46,760	42,436
J A Roberts	23,386	25,724
	<u> </u>	<u> </u>

Auditors

A resolution to re-appoint the auditors, Messrs John W Hinks & Co., will be proposed at the annual general meeting.

By order of the board

J J ARROWSMITH



Secretary

11th January 1996

BESCOT DROP FORGINGS LIMITED
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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that year. The financial statements must be prepared in compliance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards. In addition the directors are required:

- i) to select suitable accounting policies and then apply them consistently.
- ii) to make judgements and estimates that are reasonable and prudent.
- iii) to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements, and that applicable accounting standards have been followed.

The directors are also responsible for maintaining adequate accounting records so as to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

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**REPORT OF THE AUDITORS TO THE MEMBERS OF
BESCOT DROP FORGINGS LIMITED**

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 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 these 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.

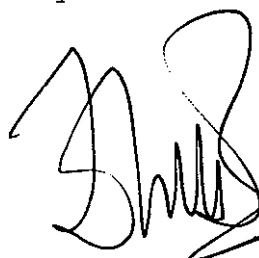
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity 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 at 30th September 1995 have been properly prepared in accordance with requirements of the Companies Act 1985.

Church House
5-14 South Road
Smethwick
Warley
West Midlands
B67 7BH

11th January 1996



John W. Hinks & Co.
Chartered Accountants
and Registered Auditor

BESCOT DROP FORGINGS LIMITED
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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Profit on ordinary activities after tax		-	-
Dividend	2	293,121	-
Loss for the year deducted from reserves	6	(293,121)	-

The company has not traded during the year or the preceding financial year. During these years, the company received no income and incurred no expenditure and therefore made neither profit nor loss on ordinary activities after tax.

The notes on page 8 form part of these accounts.

BESCOT DROP FORGINGS LIMITED
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RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS

YEAR ENDED 30TH SEPTEMBER 1995

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Profit attributable to shareholders for the year	-	-
Dividend	(293,121)	-
Net reduction from shareholders funds	(293,121)	-
Opening shareholders funds	707,434	707,434
Closing shareholders funds	<u>414,313</u>	<u>707,434</u>

BESCOT DROP FORGINGS LIMITED
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BALANCE SHEET

30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Current assets			
Debtors	3	707,434	707,434
Creditors: amounts due within one year	4	293,121	-
Net assets		<u>414,313</u>	<u>707,434</u>
Capital and reserves			
Called up share capital	5	396,484	396,484
Share premium account		17,829	17,829
Profit and loss account	6	-	293,121
		<u>414,313</u>	<u>707,434</u>

These financial statements were approved by the board on 11th January 1996.

M E SARA

M E SARA)

) DIRECTORS

H C EVERETT

H C EVERETT)

The notes on page 8 form part of these accounts.

BESCOT DROP FORGINGS LIMITED
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NOTES

30TH SEPTEMBER 1995

1. Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards .

2. Dividend

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Proposed dividend on 99,121 ordinary shares of £1 each	293,121	-
	<u> </u>	<u> </u>

3. Debtors

Amounts owed by group undertakings	707,434	707,434
	<u> </u>	<u> </u>

**4. Creditors: amounts due within
one year**

Proposed dividend	293,121	-
	<u> </u>	<u> </u>

5. Share capital

Authorised, called up and fully paid		
99,121 ordinary shares of £1 each	99,121	99,121
297,363 deferred shares of £1 each	297,363	297,363
	<u> </u>	<u> </u>
	396,484	396,484
	<u> </u>	<u> </u>

6. Profit and loss account

At 30th September 1994	293,121
Loss for the year	(293,121)
	<u> </u>
At 30th September 1995	-
	<u> </u>

7. Contingent liabilities

The company is a party to guarantees given for bank loans and overdrafts of the parent company and certain fellow subsidiaries.

8. Parent company

The company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England.