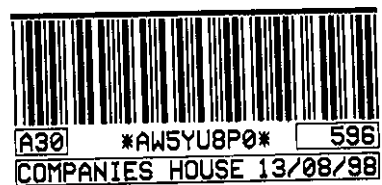


Cosworth Limited

Directors' report and financial statements

For the year ended 31 December 1997

Registered number 2457440



Cosworth Limited

Directors' report and financial statements

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Cosworth Limited

Directors and Officers

Directors

T Marris
M D Wilkinson

Secretary

R Sewell

Auditor

KPMG Audit Plc

Bankers

Lloyds Bank plc

Registered Office

Harbour House
Portway
Preston
PR2 2PR

Cosworth Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1997.

Business review

The company was dormant throughout the financial year.

Directors and directors' interests

The directors who held office during the year were as follows:

T Marris

M D Wilkinson

No director has an interest in the share capital of the Company. The interests of the directors in the share capital of Hambro Countrywide PLC are disclosed in the accounts of Hambro Assured plc.

Auditor

In accordance with section 385 of the Companies Act 1985, a resolution to re-appoint KPMG Audit Plc as auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board



R Sewell

Company Secretary

Harbour House
Portway
Preston
PR2 2PR

3rd March 1998

Cosworth Limited

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 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;
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit plc

St James' Square
Manchester M2 6DS

Report of the auditor to the members of Cosworth Limited

We have audited the financial statements on pages 5 to 6.

Respective responsibilities of directors and auditor

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 those 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 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 December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

3rd March 1998

Cosworth Limited

Balance sheet

at 31 December 1997

	Note	1997 £	1996 £
Current assets			
Debtors - due from fellow subsidiary		100	100
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	3	100	100
		<hr/>	<hr/>

The company was dormant during the financial year.

These financial statements were approved by the Board of directors on 3rd March 1998 and were signed on its behalf by:



MD Wilkinson
Director

The notes on page 6 form part of these financial statements.

Cosworth Limited

Notes

(forming part of the financial statements)

1 Accounting Policies

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

Cashflow Statement

As the company is a wholly owned subsidiary of Hambro Countrywide PLC, which itself prepares a consolidated cashflow statement, the company is exempt under the provisions of FRS1 from publishing a cashflow statement.

Related Party Transactions

Under Financial Reporting Standard 8, the company is exempt from the requirement to prepare a related party transaction statement on the grounds that it is a wholly-owned subsidiary undertaking of Hambro Countrywide PLC, whose consolidated financial statements include a consolidated statement dealing with the related party transactions of the group.

2 Result on ordinary activities

None of the directors of the company received any remuneration from the company or other group companies in respect of services provided to the company.

Auditor's remuneration has been charged through Hambro Assured plc and therefore does not appear in these statements.

3 Called Up Share Capital

	1997	1996
	£	£
<i>Authorised Allotted, called up and fully paid:</i>		
100 Ordinary shares of £1 each	100	100

4 Parent Undertaking and Controlling Party

The company is a subsidiary undertaking of Hambros PLC, registered in England and Wales, which heads the largest group in which results of the Company are consolidated.

The immediate parent company is Reefwise Limited, a company registered in England and Wales.

The smallest group in which they are consolidated is that headed by Hambro Countrywide PLC, registered in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from:

Hambros PLC

41 Tower Hill
London
EC3 4HA

Hambro Countrywide PLC

Kingsgate
1 King Edward Road
Brentwood
Essex CM14 4HG