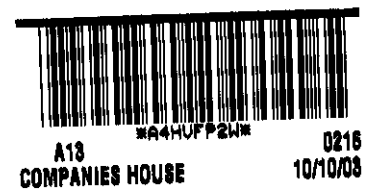


METALRAX DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

Moore Stephens
Chartered Accountants
and Registered Auditor
Charterhouse
Legge Street
Birmingham
B4 7EU



METALRAX DEVELOPMENTS LIMITED
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FOR THE YEAR ENDED 31ST DECEMBER 2002

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METALRAX DEVELOPMENTS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2002

DIRECTORS:	E S Moore A J Mackenzie
SECRETARY:	T R Jones
REGISTERED OFFICE:	87a Bordesley Green Road Adderley Park Birmingham B9 4TW
REGISTERED NUMBER:	347046
AUDITORS:	Moore Stephens Chartered Accountants and Registered Auditor Charterhouse Legge Street Birmingham B4 7EU
BANKERS:	Lloyds TSB Bank plc 407-409 Coventry Road Small Heath Birmingham West Midlands B10 OSP

METALRAX DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their report with the financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of specialist welders, metal formers and steel fabricators.

The company did not trade during the current period.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2002.

DIRECTORS

The directors who held office during the year and their interests in the shares of Metalrax Group PLC at the beginning and end of the year were as follows:-

	2002	Owned	Ordinary shares of 5p each	
			Under option	
		2001	2002	2001
E S Moore	684,874	681,133	-	-
A J Mackenzie	432,048	429,272	-	-
Shares held as trustee -				
A J Mackenzie	179,261	179,261	-	-

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 of the company 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;
- 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.

AUDITORS

The auditors, Moore Stephens, are willing to continue in office.

ON BEHALF OF THE BOARD:



E S Moore - DIRECTOR

Dated: 5th March 2003

METALRAX DEVELOPMENTS LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
METALRAX DEVELOPMENTS LIMITED**

We have audited the financial statements of Metalrax Developments Limited for the year ended 31st December 2002 on pages four to eight. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

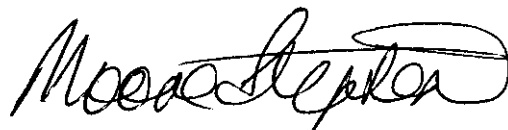
Basis of audit opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Moore Stephens
Chartered Accountants
and Registered Auditor
Charterhouse
Legge Street
Birmingham
B4 7EU

Dated: 5th March 2003

METALRAX DEVELOPMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2002

	Notes	2002 £	2001 £
TURNOVER		-	-
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	-
Tax on profit on ordinary activities	4	-	(22)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		-	22
Dividends	5	-	22
RETAINED PROFIT FOR THE YEAR		-	-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

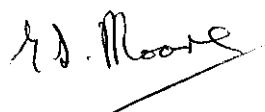
The company has no recognised gains or losses other than the profit for the previous year.

METALRAX DEVELOPMENTS LIMITED

**BALANCE SHEET
31ST DECEMBER 2002**

	Notes	2002 £	2001 £
CURRENT ASSETS			
Debtors	6	97,415	97,437
Cash at bank		85,385	85,385
		<u>182,800</u>	<u>182,822</u>
CREDITORS			
Amounts falling due within one year	7	-	22
		<u>182,800</u>	<u>182,800</u>
NET CURRENT ASSETS			
		<u>182,800</u>	<u>182,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£182,800</u>	<u>£182,800</u>
CAPITAL AND RESERVES			
Called up share capital	8	182,800	182,800
SHAREHOLDERS' FUNDS	13	<u>£182,800</u>	<u>£182,800</u>

ON BEHALF OF THE BOARD:



E S Moore - DIRECTOR

Approved by the Board on 5th March 2003

METALRAX DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

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

The company was dormant throughout the current and previous years.

Cash flow statement

The company is not required to produce a cash flow statement under the provisions of Financial Reporting Standard No. 1.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. STAFF COSTS

There were no staff costs for the years ended 31st December 2002 or 31st December 2001.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2002 £	2001 £
Directors' emoluments	-	-
	<u> </u>	<u> </u>

4. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	2002 £	2001 £
Current tax:		
UK corporation tax	-	-
Over/under provision in earlier years	-	(22)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	-	(22)
	<u> </u>	<u> </u>

5. DIVIDENDS

	2002 £	2001 £
Equity shares:		
Final	-	22
	<u> </u>	<u> </u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amounts owed by group undertakings	97,415	97,437
	<u> </u>	<u> </u>

METALRAX DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Proposed dividends	-	22
	<u> </u>	<u> </u>

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
			£	£
185,000	Ordinary	£1	185,000	185,000
			<u> </u>	<u> </u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002	2001
			£	£
182,800	Ordinary	£1	182,800	182,800
			<u> </u>	<u> </u>

9. RESERVES

	Profit and loss account
	£
Retained profit for the year	-
	<u> </u>
At 31st December 2002	-
	<u> </u>

10. ULTIMATE PARENT COMPANY

The company was controlled throughout the current and previous period by its ultimate parent undertaking, Metalrax Group PLC. The shareholdings of that company are such that no controlling party has been identified.

11. CONTINGENT LIABILITIES

Under an arrangement with Lloyds TSB Bank plc, involving this and five other companies within the Metalrax group, each company guarantees the indebtedness of the others. At 31st December 2002 there was no such liability under the arrangement.

12. RELATED PARTY DISCLOSURES

The consolidated financial statements of Metalrax Group PLC, which include the results of this company, are publicly available.

METALRAX DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	-	22
Dividends	-	(22)
Opening shareholders' funds	182,800	182,800
	<hr/>	<hr/>
Closing shareholders' funds	182,800	182,800
	<hr/>	<hr/>
 Equity interests	 182,800	 182,800
	<hr/>	<hr/>