

SILVERTOWN RUBBER COMPANY LIMITED
REPORT AND ACCOUNTS
FOR THE 15 MONTH PERIOD ENDED 31 MARCH 1999
REGISTERED NO: 522712



SILVERTOWN RUBBER COMPANY LIMITED
CONTENTS

PAGE

Directors' Report	2
Statement of Directors' Responsibilities in Respect of the Accounts	4
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Reconciliation of Movement in Shareholders' Funds	8
Notes to the Accounts	9

SILVERTOWN RUBBER COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their report and accounts for the 15 month period ended 31 March 1999.

MERGER OF SIEBE PLC AND BTR PLC

On 4 February 1999 the Company's ultimate parent undertaking, BTR plc, and Siebe plc merged their respective businesses to become BTR Siebe plc. BTR Siebe plc became the Company's new ultimate parent undertaking. Subsequently, BTR Siebe plc changed its name to Invensys plc.

Invensys plc's financial period ends on 31 March. Therefore, the Company has changed its financial year end to 31 March and these accounts are for the 15 months ended 31 March 1999.

RESULTS AND DIVIDENDS

The results for the financial period amounted to £Nil (1997 - £8,000 loss). The Directors do not recommend the payment of a dividend (1997 - £Nil), which leaves a result of £Nil (1997 - £8,000 loss) to be retained.

REVIEW OF THE BUSINESS

It is not anticipated that the Company will recommence acting as an investment holding company in the near future, although the Directors will consider any opportunities that may arise.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the 15 month period were as follows:

K A O'Donovan
D J Stevens (Resigned 14 May 1999)
J D Thom

In addition J C Bays was appointed a director on 2 July 1999

No Director had any interest in the shares of the Company. K A O'Donovan is also a Director of Invensys plc, the ultimate parent undertaking, and her interests in the shares of that company are disclosed in its accounts.

The interests of the other Directors in the ordinary shares of Invensys plc were:

	31 March 1999				1 January 1998*			
	Listed	Warrants	Share Option Schemes Senior Executive	SAYE	Listed	Warrants	Share Option Schemes Senior Executive	SAYE
D J Stevens	2,665	-	66,624	5,413	-	-	66,624	2,764
J D Thom	153	-	55,241	5,413	153	60	40,241	5,303

* Or at date of appointment, whichever is later.

Comparative 1998 figures for the share interests held in BTR shares are restated as share interests in Invensys shares. Comparative figures for interests in options are also restated as options over Invensys shares. Under the terms of the merger all former BTR shareholders received 0.533 of a new Invensys share for each BTR share held.

Share options relating to the shares of Invensys plc granted to, and exercised by, the Directors of Silvertown Rubber Company Limited during the 15 month period ended 31 March 1999, were as follows:

	Granted	Exercised	Lapsed
As part of the Senior Executive Scheme:			
J D Thom	15,000	-	-
As part of the SAYE Scheme:			
D J Stevens	5,413	-	2,764
J D Thom	5,413	-	5,303

SILVERTOWN RUBBER COMPANY LIMITED
DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS (Continued)

In addition, D J Stevens and J D Thom have elected to release their existing BTR share options granted under the BTR Executive Share Option Scheme (1985), the BTR Executive Share Option Scheme (1995) and the BTR Saving-Related Share Option Scheme, into new options over Invensys shares in accordance with an offer made to option holders following the merger.

LONG TERM INCENTIVE PLAN ("LTIP")

As at 1 January 1998 D J Stevens held 36,377 shares and J D Thom held 9,061 shares under the BTR LTIP. A further 45,499 shares and 10,168 shares were awarded to them respectively on 2 January 1998. As a consequence of the merger all outstanding amounts lapsed on 2 February 1999 as the relevant performance condition had not been met.

YEAR 2000

Silvertown Rubber Company Limited is participating in the Invensys Group world-wide Year 2000 programme. As part of that programme Silvertown Rubber Company Limited is following the Invensys Year 2000 methodology which focuses on the risks inherent in core business systems, the IT infrastructure, the non IT infrastructure, the supply chain and sales and marketing.

The Group programme is co-ordinated and managed by a central team and through the divisional offices. The Company reports to the central project team on the progress of its Year 2000 project. Although it is not possible to guarantee that no Year 2000 problems remain, the Group believes that its internal systems are Year 2000 compliant. The Company continues to address the business risk from third parties with whom it deals on business or financial matters including key customers and suppliers. Contingency plans have been developed to minimise the risk of non-compliance caused by disruption from areas where the Company does not have direct control.

To date the Group and this Company have not encountered any significant problems. Although the Millennium date change has passed, the Directors recognise that there is still a risk of Year 2000 impacting the business but do not expect this to be significant.

It is currently estimated that the total expenditure for the Invensys Group is in the order of £75 million in capital and up to £20 million in revenue cost for the period 1997 to end of 1999, of which the Company's share is not material to the company and is expected to be absorbed within the normal operating costs of the Company.

EUROPEAN MONETARY UNION

Following the introduction of the euro on 1 January 1999, the Invensys Group's operations are able to undertake transactions in euros and capture competitive advantages offered by the new currency. The additional costs to Silvertown Rubber Company Limited arising from the introduction of the euro are not expected to be significant.

AUDITORS

In accordance with s386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually was passed on 20 September 1991. Accordingly Ernst & Young shall be deemed to be reappointed as auditors 28 days after the accounts are sent to the members.

By order of the Board.



Per pro Invensys Secretaries Limited, Secretary

Carlisle Place
London
SW1P 1BX

31.1.2000

SILVERTOWN RUBBER COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE ACCOUNTS

Company law requires the Directors to prepare accounts 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 accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 enable them to ensure that the accounts 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.

SILVERTOWN RUBBER COMPANY LIMITED
REPORT OF THE AUDITORS
TO THE MEMBERS OF SILVERTOWN RUBBER COMPANY LIMITED

We have audited the accounts on pages 6 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of Directors and auditors

As described on page 4, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts are free from material misstatements, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 March 1999 and of its result for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Registered Auditor
London

Dr Tony Ross

SILVERTOWN RUBBER COMPANY LIMITED
PROFIT AND LOSS ACCOUNT FOR THE 15 MONTH PERIOD ENDED 31 MARCH 1999

	Notes	15 months to 31 March 1999 £'000	Year to 31 December 1997 £'000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation	4	-	(8)
RETAINED LOSS FOR THE FINANCIAL PERIOD	8	-	(8)

RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than the results of £Nil for the 15 month period ended 31 March 1999 and loss of £8,000 for the year ended 31 December 1997.

The notes on pages 9 and 10 form part of these accounts.

SILVERTOWN RUBBER COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH 1999

		31 March 1999 £'000	31 December 1997 £'000
	Notes		
CURRENT ASSETS			
Debtors - amounts falling due within one year	5	18,389	18,389
CREDITORS: Amounts falling due within one year	6	(255,348)	(255,348)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(236,959)	(236,959)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss account	8	(236,960)	(236,960)
		<hr/>	<hr/>
		(236,959)	(236,959)
		<hr/>	<hr/>

Approved by the Board on 31.1.2000



Director

The notes on pages 9 and 10 form part of these accounts.

SILVERTOWN RUBBER COMPANY LIMITED
RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE 15 MONTH PERIOD ENDED 31 MARCH 1999

	15 months to 31 March 1999 £'000	Year to 31 December 1997 £'000
LOSS FOR THE FINANCIAL PERIOD	-	(8)
NET REDUCTION FROM SHAREHOLDERS' FUNDS	-	(8)
Opening shareholders' funds	(236,959)	(236,951)
Closing shareholders' funds	(236,959)	(236,959)

SILVERTOWN RUBBER COMPANY LIMITED
NOTES TO THE ACCOUNTS AS AT 31 MARCH 1999

1. ACCOUNTING POLICIES

Basis of Presentation

The accounts have been prepared using the historical cost convention and comply with all applicable UK accounting standards.

Going concern

The Company is dependent on continuing finance being made available by its parent company to enable it to continue operating and to meet its liabilities as they fall due.

The parent company has agreed to provide sufficient funds to the Company for these purposes. Additionally, the parent company and fellow subsidiary, Allied Polymer Group Limited, have agreed not to recall the amounts they have advanced to the Company which as at 31 March 1999 amounted to £232,394,000 and £7,246,000 respectively until all other creditors have been met. The Directors believe that it is therefore appropriate to prepare the accounts on a going concern basis.

2. DIRECTORS' REMUNERATION

None of the Directors received any emoluments from the Company during the financial period (1997 - £Nil).

3. EMPLOYEES

No persons were employed by the Company during the financial period (1997 - Nil).

4. TAXATION

	15 months to 31 March 1999 £'000	Year to 31 December 1997 £'000
Adjustments in respect of prior years	-	8

5. DEBTORS

	31 March 1999 £'000	31 December 1997 £'000
Amounts falling due within one year		
Amounts due from parent and fellow subsidiary undertakings	18,389	18,389

6. CREDITORS

	31 March 1999 £'000	31 December 1997 £'000
Amounts falling due within one year		
Amounts due to parent and fellow subsidiary undertakings	255,348	255,348

SILVERTOWN RUBBER COMPANY LIMITED
NOTES TO THE ACCOUNTS AS AT 31 MARCH 1999 (Continued)

7. CALLED UP SHARE CAPITAL

Authorised, Allotted, Called-up and Fully Paid	
31 March	31 December
1999	1997
£'000	£'000

1,000 Ordinary shares of £1 each

1

1

8. RESERVES

**Profit and Loss Account
£'000**

At 1 January 1998

(236,960)

Result for the financial period

-

At 31 March 1999

(236,960)

9. CASH FLOW STATEMENT

As the Company is a wholly owned subsidiary undertaking of Invensys plc, a company registered in England and Wales, which prepares a consolidated cash flow statement, the Company has taken advantage of the exemption provided under the scope of FRS 1 (Revised 1996) not to prepare a cash flow statement.

10. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary undertaking of Invensys plc, a company registered in England and Wales, which prepares published consolidated financial statements, the Company has pursuant to paragraph 17 of FRS 8 "Related Party Disclosures" not included details of transactions with other companies which are subsidiaries of the Invensys Group. There are no other related party transactions.

Disclosure of the Directors' interests in the shares of the company and Invensys plc is made in the Directors' Report.

11. IMMEDIATE PARENT UNDERTAKING

The immediate parent undertaking of Silvertown Rubber Company Limited is Invensys plc.

12. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of Silvertown Rubber Company Limited is Invensys plc, a company registered in England and Wales. Copies of the group accounts of Invensys plc, the parent undertaking of the only group preparing group accounts which include Silvertown Rubber Company Limited, can be obtained from the Company Secretarial Department, Invensys plc, Carlisle Place, London SW1P 1BX.