

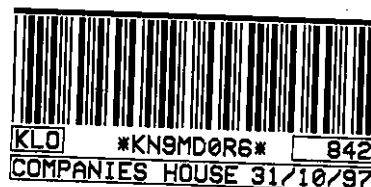


**DUNSTABLE RUBBER (MANAGEMENT)
LIMITED**

Report and Financial Statements

31 December 1996

**Deloitte & Touche
Verulam Point
Station Way
St Albans
Hertfordshire
AL1 5HE**



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A Chaston
J F Keaney

SECRETARY

P D Ansell

REGISTERED OFFICE

Eastern Avenue
Luton Road
Dunstable
Bedfordshire
LU5 4JY

AUDITORS

Deloitte & Touche
Chartered Accountants
Verulam Point
Station Way
St Albans
Hertfordshire
AL1 5HE

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

ACTIVITIES

The company did not trade during 1996 and there are no plans to begin trading in the foreseeable future.

DIVIDENDS

No dividend is recommended (1995: £nil).

DIRECTORS AND THEIR INTERESTS

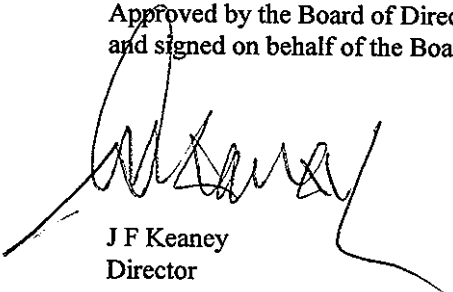
The membership of the Board during the year is set out on page 1. The directors are also directors of DRC Holdings Limited, the ultimate parent company. Their interests in the shares of DRC Holdings Limited are disclosed in the financial statements of that company.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions relating to small companies under Section 246 of the Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board



J F Keaney
Director

29 October 1997

**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 as at the end of the financial year 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 a 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. 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.



Chartered Accountants

Deloitte & Touche
Verulam Point
Station Way
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Hertfordshire AL1 5HE

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DUNSTABLE RUBBER (MANAGEMENT) LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 6 which have been prepared under the accounting policies set out on page 6.

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 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 1996 and the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

29 October 1997

BALANCE SHEET
31 December 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Investments	4	100	100
CURRENT ASSETS			
Debtors	5	99,900	99,900
		<u>100,000</u>	<u>100,000</u>
CAPITAL AND RESERVES			
Called up share capital	6	100,000	100,000
Profit and loss account		-	-
EQUITY SHAREHOLDERS' FUNDS			
		<u>100,000</u>	<u>100,000</u>

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of, and Schedule 8 to the Companies Act 1985. The company has been dormant throughout the financial period.

These financial statements were approved by the Board of Directors on October 1997.

Signed on behalf of the Board of Directors


 JF Keaney
 Director

29/10/97


NOTES TO THE ACCOUNTS
Year ended 31 December 1996
1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments in subsidiaries

Investments in subsidiary companies are stated at cost.

Basis of preparation

The company has not prepared consolidated accounts as it is exempt from the requirement under section 228 of the Companies Act 1985. These financial statements present information about it as an individual undertaking and not about its group.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the period and has made neither profit nor loss or any other recognised gain or loss, and has accordingly, not prepared a profit and loss account.

3. DIRECTORS AND AUDITORS

Directors and auditors received remuneration for their services from other group companies (1995: £Nil).

4. INVESTMENTS HELD AS FIXED ASSETS

	1996 £	1995 £
Shares in subsidiary companies at cost	100	100

The company owns the entire issued share capital of Dunstable Rubber (Leasing) Limited which is registered in England and Wales. This company has been dormant throughout the year and does not carry on a trade.

5. DEBTORS

	1996 £	1995 £
Amounts owed by fellow subsidiary	99,900	99,900

6. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Called up, allotted and fully paid 100,000 ordinary shares of £1 each	100,000	100,000

7. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling entity of Dunstable Rubber (Management) Limited is DRC Holdings Limited a company registered in England and Wales. Copies of the accounts can be obtained at its registered office at Eastern Avenue, Luton Road, Dunstable, Bedfordshire, LU5 4JY.