

Corndrive Limited

Registered No. 27398445

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DIRECTORS

L J P O'Hagan

R G Turner

SECRETARY

R J Crilly

AUDITORS

Ernst & Young

Bedford House

16 Bedford Street

Belfast

BT2 7DT

REGISTERED OFFICE

200 Aldersgate Street

London

EC1A 4JJ

 ERNST & YOUNG



DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES AND RESULTS

The company was incorporated on 14 August 1992.

The principal activity of the company is to hold an investment in the shares of its parent undertaking, Erne Holdings Limited, upon trust for the employees and former employees from time to time of Erne Holdings Limited and any subsidiaries of that company.

The company did not trade during the period and accordingly no profit and loss account has been prepared. The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year ended 31 December 1995 were those listed on page 2, and Mr D R Shaw who resigned on 5 September 1995.

The directors have no beneficial interests in the shares of the company.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



Secretary

23 May 1996

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 that are reasonable and prudent; 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 to 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.

Corndrive Limited

AUDITORS' REPORT

**REPORT OF THE AUDITORS
to the members of Corndrive Limited**

We have audited the accounts on pages 6 and 7, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

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 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1995 and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants

Registered Auditor

Belfast

24 May 1996

Corndrive Limited

BALANCE SHEET

at 31 December 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Investments	3	50,000	50,000
CURRENT ASSETS			
Amounts owed by group undertakings		2	2
		2	2
CREDITORS: amounts falling due within one year	4	50,000	50,000
NET CURRENT LIABILITIES		49,998	49,998
TOTAL ASSETS LESS LIABILITIES		2	2
CAPITAL AND RESERVES			
Called up share capital	5	2	2

Directors




23 May 1996

Corndrive Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

1. ACCOUNTING POLICIES

Accounting convention

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

2. PROFIT AND LOSS ACCOUNT

No profit and loss account has been prepared as the company has not traded during the period.

3. INVESTMENTS

Investments consist of 500 ordinary shares of £1 each and 49,500 management redeemable preference shares of £1 each in Erne Holdings Limited, the company's parent undertaking.

This investment and the income thereof is held upon trust for the employees and former employees from time to time of Erne Holdings Limited and any subsidiaries of Erne Holdings Limited.

4. CREDITORS - amounts falling due within one year

	1995	1994
	£	£
Loan from parent undertaking	50,000	50,000

This loan is interest free and is repayable on demand.

5. SHARE CAPITAL

	<i>Authorised</i>			<i>Allotted and fully paid</i>		
	1995	1994		1995	1994	
	£	£	No.	£	No.	£
Ordinary shares of £1 each	100	100	2	2	2	2

6. PARENT UNDERTAKING

The company is a subsidiary undertaking of Erne Holdings Limited, a company incorporated in England.