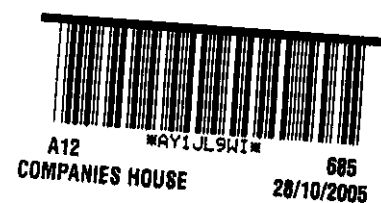


Silvertown UK Limited
(formerly Silentbloc UK Limited)

**Directors' report and financial
statements**

Registered number 03456907

31 December 2004



Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Report of the independent auditors to the members of Silvertown UK Limited (formerly Silentbloc UK Limited)	4
Profit and loss account	5
Balance sheet	6
Notes	7

Company information

Directors

R Gogerty
M Harris

Company secretary

M Harris

Registered office

Thrumpton Lane
Retford
Nottinghamshire
DN22 6HH

Company number

03456907

Auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Bankers

Lloyds TSB Bank plc
Colmore Row
Birmingham
West Midlands
B3 3SQ

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004

Principal activities

The principal activity of the company is the manufacture and sale of metal to rubber bonded products, principal markets being engineering and rail industries.

On 24 December 2004 the Silvertown Holdings Limited group was purchased by Icon Polymer Group Limited.

Business review

The directors are satisfied with the performance of the company in 2004.

Research and development

During the period the company maintained its strong emphasis on research and development. Activities consisted of company personnel working with established and potential customers to improve products and develop new ones.

Dividends

The directors do not recommend the payment of a dividend (2003: £600,000).

Directors and directors' interests

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

R Gogerty	Appointed 24 December 2004
A Sunter	Appointed 24 December 2004, resigned 12 March 2005
M Harris	Appointed 12 March 2005
G Lacey	Resigned 24 December 2004
N Wharmby	Resigned 24 December 2004
F Cutri	Resigned 24 December 2004

None of the directors above held any shares in Silvertown UK Limited (formerly Silentbloc UK Limited) at 31 December 2004. R Gogerty and M Harris are directors of Icon Polymer Group Limited, the ultimate parent company at 31 December 2004, and their interests in the shares of Icon Polymer Group Limited are disclosed in the report and financial statements of that company.

Post balance sheet event

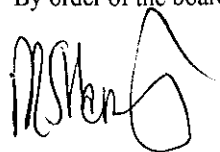
Trading operations of the company are being relocated to Wellington Road in Burton-On-Trent. The relocation is expected to be substantially complete by the end of 2005.

On 3 October 2005 the company changed its name to Silvertown UK Limited.

Auditors

Messrs PricewaterhouseCoopers LLP resigned as auditors during the year and KPMG LLP were appointed in their place. In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



M Harris
Company Secretary

Dated: 21 October 2005

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 LLP

St Nicholas House
Park Row
Nottingham
NG1 6FQ
United Kingdom

**Report of the independent auditors to the members of Silvertown UK Limited
(formerly Silentbloc UK Limited)**

We have audited the financial statements on pages 5 to 13.

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 auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 directors' report 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.

Basis of audit 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

*Chartered Accountants
Registered Auditor*

Dated: *21st October 2005*

Profit and loss account
for the year ended 31 December 2004

	<i>Note</i>	2004 £000	2003 £000
Turnover	2	5,585	4,761
Operating costs	3	(5,034)	(4,597)
Operating profit and profit on ordinary activities before taxation	4	551	164
Tax on profit on ordinary activities	6	(34)	(10)
Profit on ordinary activities after taxation		517	154
Dividends	7	-	(600)
Retained profit/(accumulated loss) for year	15	517	(446)

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet
as at 31 December 2004

	<i>Note</i>	£000	2004 £000	£000	2003 £000
Fixed assets					
Tangible assets	8		854		803
Current assets					
Stocks	9	563		440	
Debtors	10	1,441		1,447	
Cash at bank and in hand		331		165	
			<u>2,335</u>	<u>2,052</u>	
Creditors: amounts falling due within one year	11	<u>(2,188)</u>		<u>(3,635)</u>	
Net current assets/(liabilities)			<u>147</u>		<u>(1,583)</u>
Total assets less current liabilities			<u>1,001</u>		<u>(780)</u>
Provisions for liabilities and charges	12		<u>(642)</u>		<u>(682)</u>
Net assets/(liabilities)			<u>359</u>		<u>(1,462)</u>
Capital and reserves					
Called up share capital	14		1,000		-
Share premium	15		400		400
Profit and loss account	15		(1,041)		(1,862)
Shareholders' funds/(deficit)	16		<u>359</u>		<u>(1,462)</u>

These financial statements were approved by the board of directors on 21/10/05 and were signed on its behalf by:



R Gogerty
Director

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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

Turnover

Turnover is the amount derived from the sale of goods and services falling within the company's ordinary activities excluding trade discounts and sales taxes.

Research and development

Research and development expenditure is expensed as incurred.

Depreciation

Depreciation is provided to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the estimated useful economic lives as follows:

Plant and equipment	5% to 33.5%
---------------------	-------------

Goodwill

Goodwill, representing the premium of the purchase price over the fair value of the separable net assets acquired, is capitalised as an intangible asset.

Goodwill is amortised to the profit and loss account on a straight line basis over its useful life.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Raw materials, consumables and goods for resale	Purchase cost on a first-in, first-out basis
Work in progress and finished goods	Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated sales price less any further costs expected to be incurred to completion and disposal.

Operating leases

Rentals payable under operating leases are charged to the profit and loss on a straight line basis over the lease term.

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred taxation'.

Notes (continued)

1 Principal accounting policies (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period and transactions are recorded at the rate of exchange relevant to the date of the transaction or a relevant forward contract rate. Exchange differences are taken to the profit and loss account in the period in which they arise.

Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Cash flow statement

The company has taken advantage of the exemption for wholly owned subsidiaries contained in Financial Reporting Standard 1 (revised 1996) from preparing a cash flow statement.

2 Turnover

The directors have taken advantage of the exemption under section 55(2) of the Companies Act 1985 from disclosure of segmental reporting on the grounds that such disclosure would be prejudicial to the company's interests.

3 Operating costs

	2004 £000	2003 £000
Raw materials and consumables	1,740	1,276
Change in stocks and work in progress	(149)	(21)
Depreciation and amortisation	268	255
Distribution costs (net of recharges)	81	67
Administrative expenses	3,104	3,016
Other operating (income)/costs	(10)	4
	<hr/>	<hr/>
Operating costs	5,034	4,597
	<hr/>	<hr/>

4 Profit on ordinary activities before taxation

	2004 £000	2003 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation on tangible fixed assets - owned	268	255
Operating lease rentals - land and buildings	100	100
Loss on disposal of fixed assets	-	4
Auditors' remuneration - audit services	-	-
- non-audit services	-	-
Hire of plant and machinery	6	5
Research and development	115	98
	<hr/>	<hr/>

Auditors' remuneration is borne by other group companies.

Notes (continued)

5 Employees numbers and staff costs

	2004 Number	2003 Number
<i>The average monthly number of persons (including executive directors) employed by the company during the year was:</i>		
Manufacturing	57	57
Administration	15	16
	<hr/> 72	<hr/> 73
	<hr/> <hr/> £000	<hr/> <hr/> £000
<i>Staff costs:</i>		
Wages and salaries	1,170	1,145
Social security costs	110	104
Pension costs	25	25
	<hr/> 1,305	<hr/> 1,274
	<hr/> <hr/>	<hr/> <hr/>

The directors received their remuneration from other group companies.

6 Taxation

Analysis of charge in year

	2004 £000	2003 £000
<i>UK corporation tax:</i>		
Current tax on profits for the year	34	-
	<hr/> 34	<hr/> -
Deferred tax	-	10
	<hr/> 34	<hr/> 10
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting tax charge for the current year

The current tax charge for the year is lower (2003: lower) than the standard rate of corporation in the UK of 30% (2003: 30%). The differences are explained below:

	2004 £000	2003 £000
Profit on ordinary activities before tax	551	164
	<hr/> 165	<hr/> 49
Current tax at 30% (2003: 30%)		
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	-
Accelerated capital allowances and other timing differences	(63)	(12)
Group relief claimed not paid	(10)	(48)
Overseas tax	-	11
Brought forward tax losses	(58)	-
	<hr/> 34	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>
Current tax charge for the year		

Notes (continued)

7 Dividends

	2004	2003
	£000	£000
Equity dividend of £nil (2003: £1,091) per ordinary share	-	600
	<u> </u>	<u> </u>

8 Intangible assets

	Goodwill
	£000
<i>Cost:</i>	
At 1 January 2004 and 31 December 2004	109
	<u> </u>
<i>Accumulated amortisation:</i>	
At 1 January 2004 and 31 December 2004	109
	<u> </u>
<i>Net book value:</i>	
At 31 December 2004	-
	<u> </u>
At 31 December 2003	-
	<u> </u>

9 Tangible fixed assets

	Plant and equipment
	£000
<i>Cost:</i>	
At 1 January 2004	4,570
Additions	147
Transfer between group companies	30
Disposals	(40)
	<u> </u>
At 31 December 2004	4,707
	<u> </u>
<i>Accumulated depreciation:</i>	
At 1 January 2004	3,451
Charge for the year	268
Disposals	(40)
	<u> </u>
At 31 December 2004	3,679
	<u> </u>
<i>Net book value:</i>	
At 31 December 2004	1,028
	<u> </u>
At 31 December 2003	1,119
	<u> </u>

Notes *(continued)*

9 Tangible fixed assets *(continued)*

	2004 £000	2003 £000
<i>Future capital expenditure contracted for but not provided:</i>		
Contracts placed for future expenditure - plant and machinery	1	2
	<u>1</u>	<u>2</u>

10 Stocks

	2004 £000	2003 £000
Raw materials and consumables	55	9
Work in progress	411	300
Finished goods and goods for resale	56	64
	<u>522</u>	<u>373</u>

11 Debtors

	2004 £000	2003 £000
Trade debtors	1,005	725
Other debtors	10	11
Prepayments and accrued income	40	22
Deferred taxation (note 13)	50	50
	<u>1,105</u>	<u>808</u>

12 Creditors: amounts falling due within one year

	2004 £000	2003 £000
Trade creditors	350	290
Amounts due to group undertakings	358	678
Taxation and social security	247	154
Other creditors	28	33
Accruals and deferred income	86	76
	<u>1,069</u>	<u>1,231</u>

Notes (continued)

13 Deferred taxation

	£000
At 1 January 2004	(50)
Transfer from profit and loss account	-
	<hr/>
At 31 December 2004	(50)
	<hr/>

The amounts of provided and unprovided deferred taxation are set out below:

	Provided		Unprovided	
	2004	2003	2004	2003
	£000	£000	£000	£000
Accelerated capital allowances	(50)	(50)	(118)	(128)
Other short term timing differences	-	-	-	(45)
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax asset (note 11)	(50)	(50)	(118)	(173)
	<hr/>	<hr/>	<hr/>	<hr/>

14 Share capital

	2004	2003
	£000	£000
<i>Authorised, allotted, called up and fully paid:</i>		
550 ordinary shares of £1 each	1	1
	<hr/>	<hr/>

15 Share premium and reserves

	Share premium	Profit and loss account
	£000	£000
At 1 January 2004	549	519
Profit for the year	-	517
	<hr/>	<hr/>
At 31 December 2004	549	1,036
	<hr/>	<hr/>

16 Reconciliation of movements in shareholders' funds

	2004	2003
	£000	£000
Profit for the financial period	517	154
Dividends paid	-	(600)
	<hr/>	<hr/>
Net addition to/(reduction in) shareholders' funds	517	(446)
Opening shareholders' funds	1,069	1,515
	<hr/>	<hr/>
Closing shareholders' funds	1,586	1,069
	<hr/>	<hr/>

Notes (continued)

17 Contingent liabilities

At 31 December 2004 the company has a cross guarantee in respect of loans and bank borrowing with fellow group undertakings, which amounted to £23,240,000 (2003: £2,262,000).

18 Operating lease commitments

The company has financial commitments in respect of non-cancellable operating leases. The annual commitment under these leases in the next year is as follows:

	Land and buildings	
	2004	2003
	£000	£000
Expiring within one year	-	-
Expiring between two and five years inclusive	-	-
Expiring in over five years	100	100
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

19 Pension commitments

The company made payments to a defined contribution pension scheme throughout the year. The company's liability to pension costs in respect of service is limited to the value of contributions made which are charged to the profit and loss account in the period in which they fall due.

The pension contributions to the scheme were £25,108 (2003: £24,614) of which £769 (2003: £nil) was accrued at the year end.

20 Related party transactions

The company has taken advantage of the exemption in FRS 8 and has not disclosed transactions or balances with entities that are part of the group.

21 Post balance sheet event

Trading operations of the company are being relocated to Wellington Road in Burton-On-Trent. The relocation is expected to be substantially complete by the end of 2005.

22 Ultimate parent undertaking

The immediate parent undertaking at 31 December 2004 was Silvertown Holdings Limited.

The ultimate parent undertaking at 31 December 2004, following the acquisition on 24 December 2004, was Icon Polymer Group Limited, a company incorporated in England and Wales. Copies of the group financial statements are available from Victoria Works, Thrumpton Lane, Retford, Nottinghamshire.