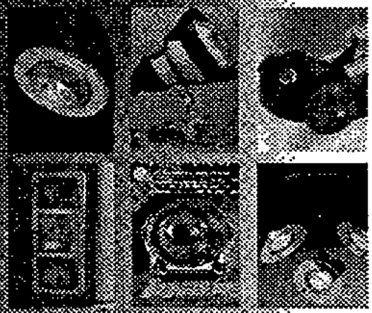

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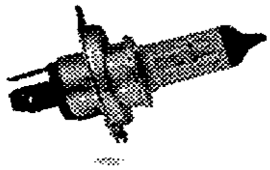
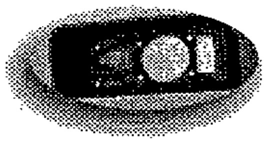
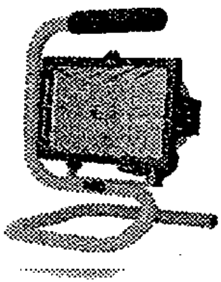
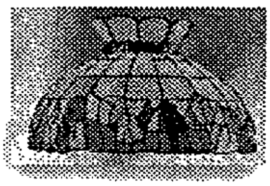
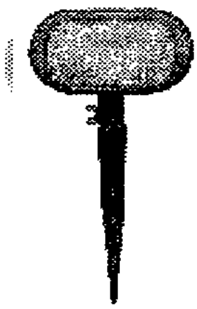

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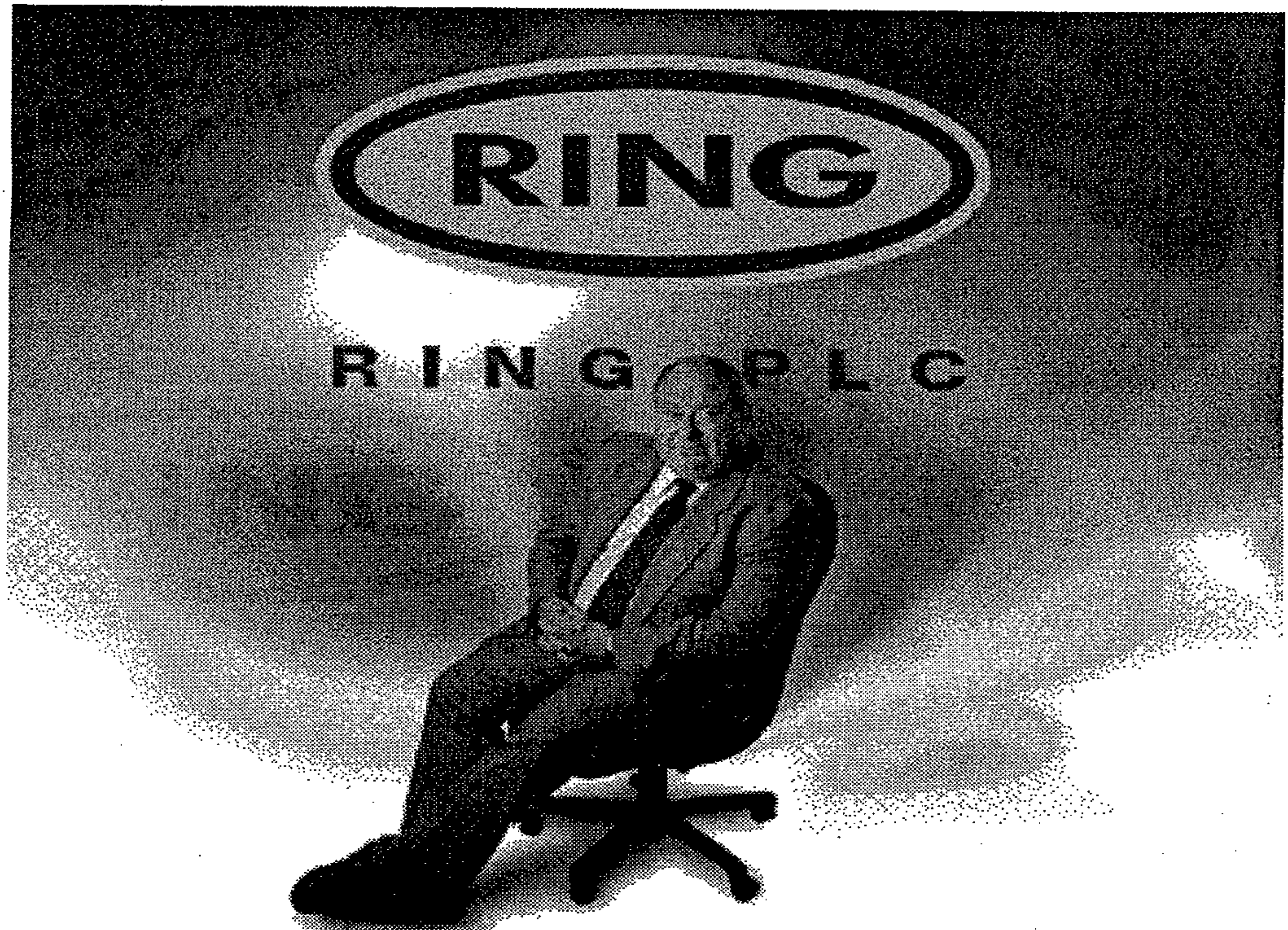


lighting the way ahead

Chairman's Statement

Results

I am pleased to report a good set of results for the year ended 30 June 1998 with a significant increase in turnover and operating profit from continuing operations. This was largely due to a strong performance in the Consumer Lighting Division.

Turnover on continuing operations rose by 14.2% to £69.1 million and operating profit on continuing operations before exceptional items by 21.3% to £3.3 million.

Following the sale of the Engineering Division in November 1997 and of Ptarmigan Hotels Limited, Mary Ford Publications Limited and the Gainsborough (Porth) Limited business this year, the Group has now concluded its programme of disposal of non-core businesses.

The Group made a pre-tax profit of £2.6 million before losses of £18.5 million relating to activities discontinued during the year. This resulted in a pre-tax loss of £15.9 million (1997: profit £2.3 million) and a loss per ordinary share of 42.4p (1997: earnings 2.4p).

The net funds realised from these disposals, £15.8 million in aggregate, have restored the Group's balance sheet. At 30 June 1998, shareholders' funds were £11.1 million (1997: £5.0 million) and net debt of £13.0 million for the previous year has been transformed into net funds of £2.2 million at the year end.

Ring now has a strong balance sheet and is in a position to expand its activities both organically and selectively by acquisition.

RING PLC

Dividends

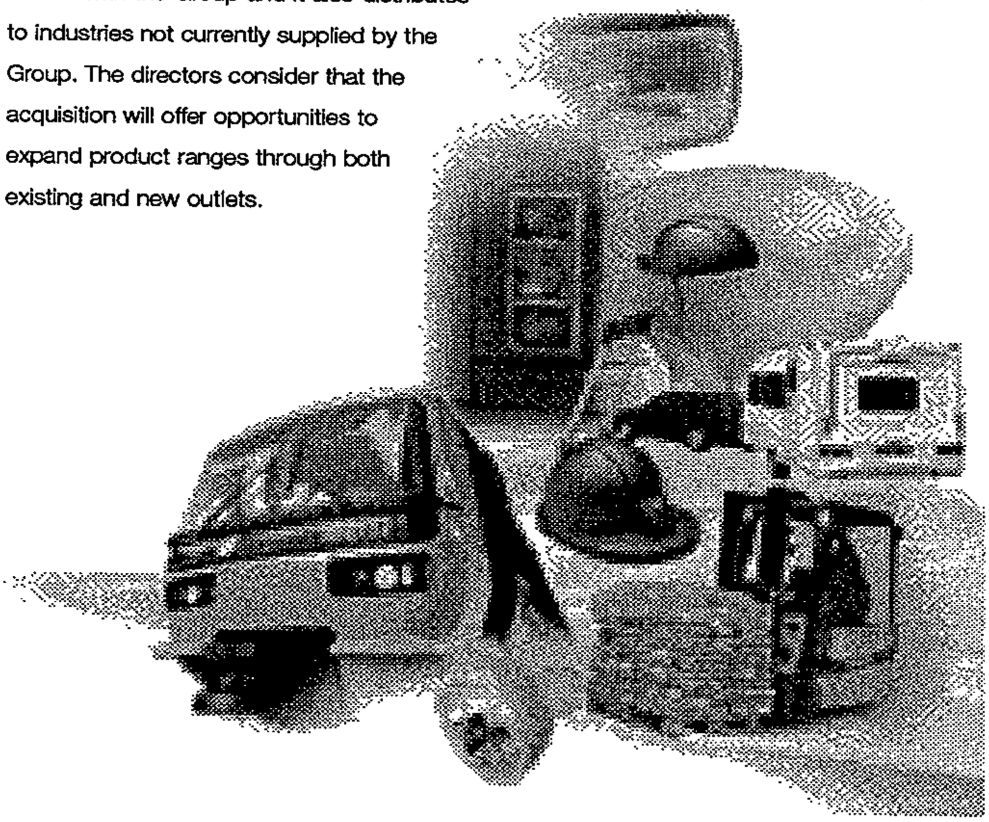
Following a High Court Order on 25 March 1998 to transfer the sum of £10 million from the share premium account to distributable reserves, the deficit on the Company's profit and loss account, which arose as a result of the disposal of the Engineering Division, was eliminated.

In view of the Group's progress this year and its continuing good prospects, the directors are delighted to recommend the resumption of dividends and accordingly are proposing a final dividend of 1.6p per ordinary share in respect of the year ended 30 June 1998 (1997: 2.2p).

Strategy

The directors focused the Group's resources onto the development of the Distribution Division based around the Ring business and its experienced management team. To emphasise the fundamental change in the nature and management of the businesses the name of the Group was changed from Graystone PLC to Ring PLC and the FTSE actuaries' classification changed from the engineering to distribution sector.

Shortly after the end of the year, in line with this strategy, the Group acquired PH Products Limited in Wellingborough, a distributor of consumable products to the domestic plumbing and gas installation industries, for a cash consideration of £1.4 million. PH Products' product range includes smoke pellets and matches, carbon monoxide detectors and gas leak detector sprays. A number of its customers are shared with the Group and it also distributes to industries not currently supplied by the Group. The directors consider that the acquisition will offer opportunities to expand product ranges through both existing and new outlets.



Business Review

Lighting Division sales for the year continued the trend of the first half, 30% ahead of the corresponding period last year, as a result of increased consumer demand and the introduction of new products. New products included landscape lighting, ceiling fans, air conditioning and, in the second half, a new range of security products.

The automotive market continued to be affected by customer consolidation and the strength of sterling, which adversely impacted our export market. However, this was more than compensated for by a strong performance in domestic markets as a result of the introduction of the new premium performance bulbs, Vision and Xenon, and the full year's contribution from Grove Products (Caravan Accessories) Limited, acquired in October 1996.

As part of our cost reduction programme, the Wilmslow head office was closed and the administration functions carried out there were transferred to the Ring site in Leeds. We also relocated Grove Products (Caravan Accessories) Limited onto the BMAC Limited site at Hyde. Following the completion of the disposal of the non-distribution businesses a reduction in headcount was undertaken at a cost of £310,000, which is shown as an exceptional item in the profit and loss account.

The results of the discontinued operations were disappointing with an operating loss of £276,000 on sales of £8.7 million. Before adjustment for goodwill the Group made a profit of £5.3 million on the sale of the discontinued businesses. After adjusting for goodwill of £23.5 million, the loss on disposal was £18.2 million.

Changes to the Board

Following the appointment of John Hall as Chief Executive in August 1997 and Tony Welham as Group Finance Director in October 1997, I joined the Board in November 1997 as Chairman. Further changes were made to the Board of Directors this year as a result of the focus of the Group on its distribution activities.

Bob Wickham and Alan McClue, whose support during the changes was appreciated, resigned on 30 January 1998 and were succeeded on 2 February 1998, by Brian Doe and George Hardie. Brian has had many years' experience in distribution businesses and is currently Managing Director of Wavin Plastics Limited. George, an accountant by training, has had considerable experience in a number of businesses and is currently Chairman of The Harbury Group Limited.

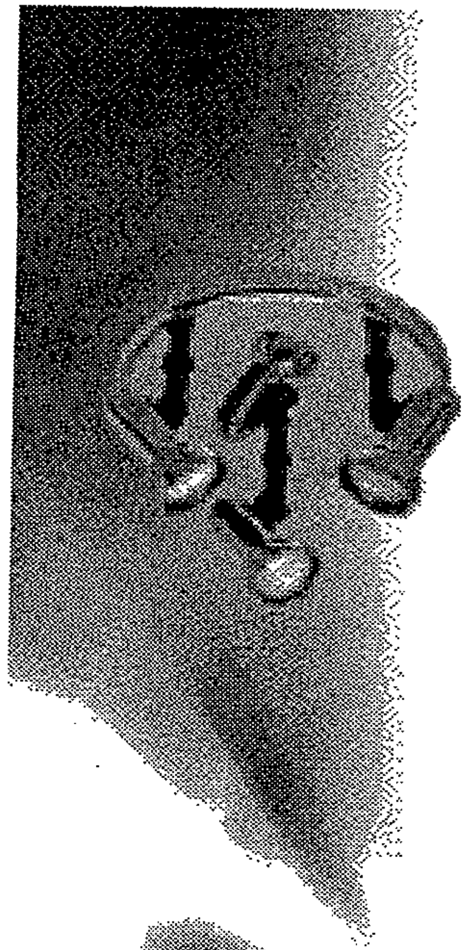
Prospects

The uncertain economic environment and the pace of change in our markets may limit overall market growth. However, we believe that we can continue to grow and increase market share by the continued development of new products, the maintenance of a high level of customer care and tight cost control. To assist this growth we will continue to look selectively for suitable acquisitions.

Employees

I would like to record my thanks to all employees for their efforts and support during the year. They have consistently risen to meet the challenges imposed by significant changes in the business and we owe a great deal to their loyalty, enthusiasm and skill.

Ken Jackson
Chairman
28 September 1998



RING PLC

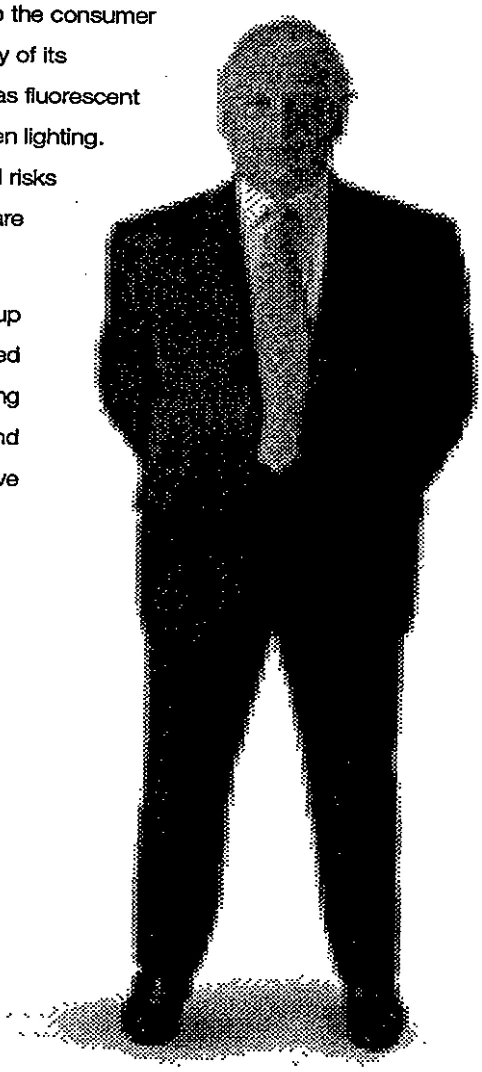
Operational Review

The business of Ring PLC has now divisionalised into three business units.

Divisional Turnover Analysis

Division	1998 £ Million	1997 £ Million	% Difference
Lighting	37.1	28.6	30%
Automotive	27.8	26.7	4%
Consumables	4.2	5.2	(19%)
Total	69.1	60.5	14%

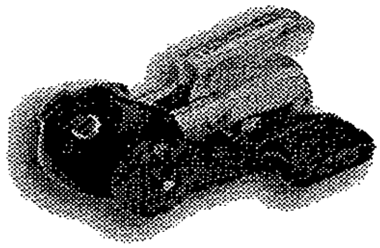
The LIGHTING DIVISION is our largest business, distributing light fittings and lamps into the consumer and commercial markets. The majority of its products are utility or functional such as fluorescent fittings, low voltage halogen and garden lighting. These do not give us the stock related risks of decorative lighting products which are fashion orientated.

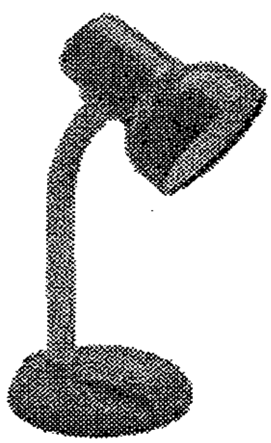


Our AUTOMOTIVE DIVISION is made up of a number of niche transport related businesses, the largest of which is Ring distributing automotive lamps, bulbs and related products into the automotive aftermarket.

Our other automotive companies are Grove Products, distributors of caravan and leisure accessories; BMAC, manufacturers and distributors of train and bus lighting; Lighten Point, distributors of vehicle electrics; and Lancer Products and M&F Components, both distributors of vehicle parts and accessories.

The CONSUMABLES DIVISION was separately identified following the acquisition of PH Products. PH Products along with our existing businesses, Van-Line and RP Whitehead, are niche businesses that do not fall into the category of automotive or lighting. Their products are used in production and in workshops by fitters and installers, or, as in the case of PH Products, by plumbers.





Group Overview

During the year our priority has been to refocus the Group and continue the development of the ongoing businesses. We are pleased to report further organic growth for the business primarily through the lighting division.

With the disposal of the Engineering Division and the other non-core activities, we have refinanced the Group and restored its balance sheet. Approximately 80% of the Group trading now emanates from companies acquired over the past four years.

The most significant of these was the Ring Group whose central management has formed the core of the newly named Ring PLC. The senior management team had worked together successfully for an average of 12 years prior to its acquisition.

RING

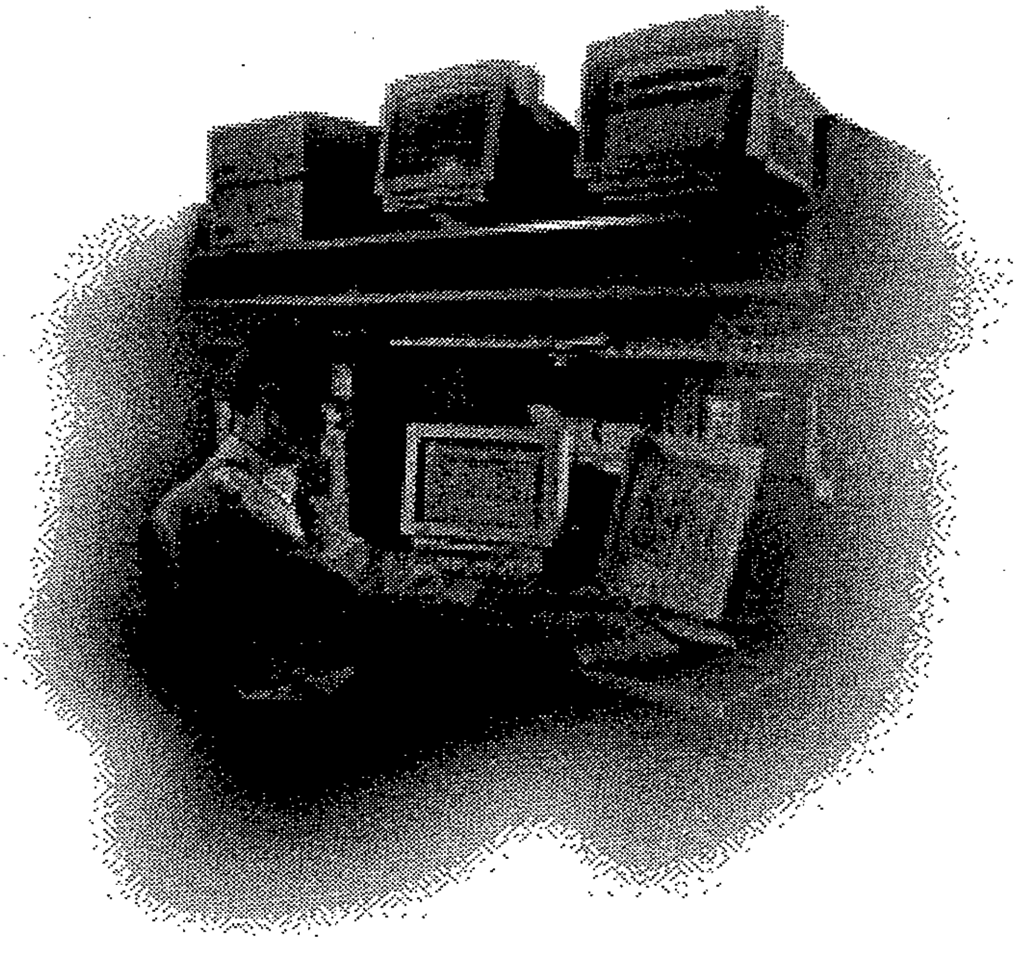
RING PLC

We have continued our investment in new IT systems, in particular a new generation IBM AS/400 at the Ring site, all of which meet the Year 2000 requirements for Ring, M&F Components, Lancer Products and BMAC. These systems are being introduced to enhance customer service and improve efficiency and we have already benefited by improved stock availability and lower stock holding days.

We also intend to continue our investment in the business by leasing a further 58,000 sq ft warehouse at the main Gelderd Road site which is expected to be built and operational by September 1999. This will improve efficiency by reducing the amount of external warehousing and transport used by the Group.

The business now has around 500 employees many of whom are long serving. I am extremely pleased that, during the turbulent times of last year, our employees showed great resilience and remained committed to our future. I am sure this commitment will hold us in good stead for the future.

In the coming year we plan to introduce new training initiatives to further motivate and develop our staff to ensure we have the continuing quality of employees available for future expansion.



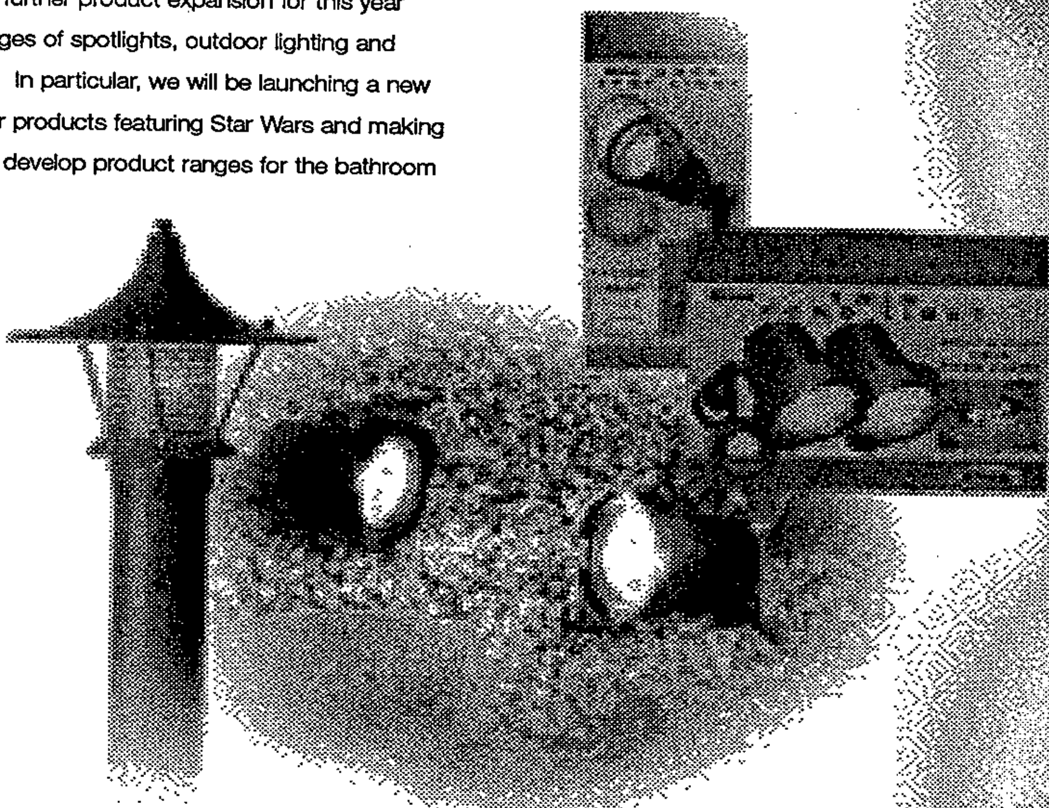
Lighting Division

The lighting division is now our largest business entity, predominantly supplying the UK DIY stores, and operates in what we believe is the largest channel of distribution for consumer lighting. B&Q, by their size and rate of growth, is the largest customer, but we have continued to develop our business in independent lighting shops and with commercial lighting wholesalers in order to widen our customer base. Commercial lighting turnover increased over 10% year on year in a static market.

The new product introductions across the business have resulted in an improvement in the business's operating profit, coming largely from the consumer lighting division. Its products are sourced throughout the world with an increased proportion imported from the Far East, especially the new ranges.

The policy of rapid product innovation has been very successful; over a quarter of the division's turnover for the year related to new or redesigned and improved products introduced over the last two years.

We have planned further product expansion for this year including new ranges of spotlights, outdoor lighting and character lighting. In particular, we will be launching a new range of character products featuring Star Wars and making our first moves to develop product ranges for the bathroom lighting market.



RING PLC

Automotive Division

Our automotive division covers a broad section of transport related products.

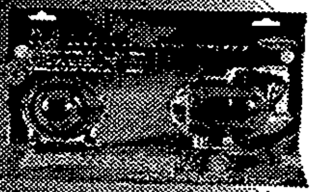
The largest business, the automotive division of Ring Lamp Company together with M & F Components, specialises in the distribution of vehicle lighting, vehicle electrics and hard parts, such as water pumps, to motor factors, retailers and cash & carry outlets.

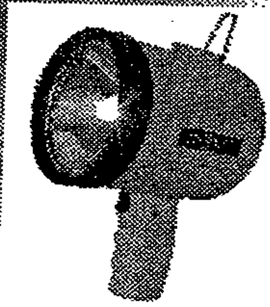
This market has undergone continued consolidation with two of our major customers increasing their market dominance. Any adverse effect of this consolidation has been reduced through the rapid introduction of new and innovative products such as the Vision, Xenon and Electra Blue automotive lamps thereby creating a product range unique to Ring which is being supported with advertising campaigns in popular automotive magazines.

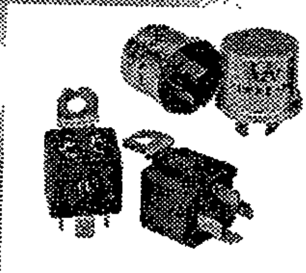
Our smaller niche businesses generally performed well during the year. BMAC has begun to benefit from a larger share of the increased investment in public transport and we anticipate future gains in market share from this expanding area as Government policies take effect. We benefited from a full year's trading from Grove Products, which has also grown year on year in both sales and profitability.

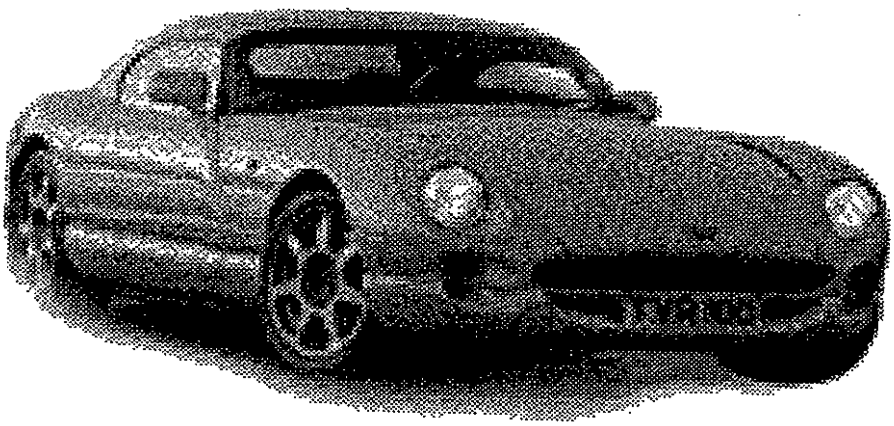
Lighten Point showed a reduction in its sales during the year due to a fall in demand for ignition module testers and the acquisition of a major customer by a competitor. Lighten Point has a limited product range and this is being broadened to reduce the reliance on any one product. Our other automotive companies continue to benefit from its skills at sourcing new products from the Far East.

Lancer Products showed little growth, reflecting reduced sales to its former partner company, Starbuck Motor Spares Limited, which was sold in the previous year.









RING PLC

Consumables Division

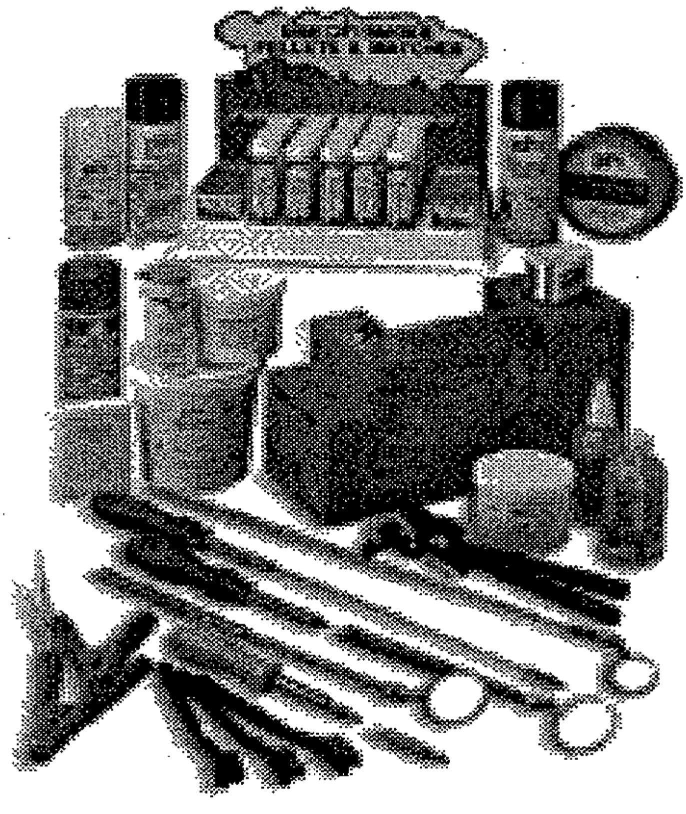
We were pleased to announce recently our first acquisition since the change of management. PH Products was acquired on 7 August 1998 and, along with Van-Line and R P Whitehead, has formed the base for a new consumables division with its range of gas and plumbing installation products. PH Products has integrated very smoothly into the Group and traded well in its first month.

The product range for Van-Line and PH Products includes smoke pellets, abrasives, adhesives, tools and chemicals and that of R P Whitehead includes packaging materials used both by our businesses and outside customers.

Van-Line had a stable year in a market that has also shown no growth but during the year they launched a number of new products, including commercial lighting products and automotive bulbs sourced from other group businesses. After the year end three of its competitors merged to form a new group. We see the consolidation as an opportunity and have subsequently seen an increase in new account enquiries.

Sales by R P Whitehead were significantly reduced in the year due to the change in its operations. It had historically been loss making but in its new format, as a telesales operation, is now making a profitable contribution to the Group.

J M Hall
Chief Executive



Financial Review

Format of the accounts

The accounts have been presented on a basis consistent with the previous year to provide a direct comparison with the results for that year. However, we consider that profit and loss account 'Format 1', as set out in the Companies Act 1985 Schedule 4, to be more appropriate for a distribution group and, for the year ending 30 June 1999, the Board intends to present the accounts in this format with the results to 30 June 1998 restated.

Results

The Group made a pre-tax profit of £2.6 million before losses of £18.5 million relating to activities discontinued during the year. This resulted in a pre-tax loss of £15.9 million (1997: profit £2.3 million).

The profit on the continuing business reflected the release of fair value provisions amounting to £118,000 (1997 £569,000). These related to projects planned prior to the period including costs of a management reorganisation and computer systems integration around the Group.

Following the completion of the disposal of the non-core activities the Board has restructured the senior management of the Group. The associated redundancy cost of £310,000 has been shown in the profit and loss account as an exceptional operating cost.

Year 2000

The Group is well advanced with a programme designed to:

- Identify and implement modifications where necessary within the software programs developed and maintained by the Group;
- Identify where similar changes are needed within computer programs supplied to the Group or maintained by suppliers to the Group;
- Introduce new programs which may replace other software which is not yet Year 2000 compliant;
- Identify where the Group may be vulnerable to problems which could arise from computer chips embedded in non-IT equipment in use.

Specific costs related to Year 2000 are not thought to be significant as all the systems in the Group were planned to be upgraded before the year 2000. Although it is impossible to guarantee that no Year 2000 problems will remain, the directors believe the Group will achieve an acceptable state of readiness in due time.

Economic & Monetary Union

The United Kingdom will not be a member of the initial phase effective on 1 January 1999.

The costs to the Group associated with the introduction of the euro in the 11 participating countries are not thought to be significant. It is too early to forecast accurately the potential costs of the euro's introduction in the UK.

RING PLC

Financial Review

Tax

The effective rate of tax for the Group, excluding exceptional items, has fallen from 34% to 32% reflecting the fall in the rate of corporation tax in the UK from 33% to 31%. The tax charge shown in the accounts is reduced by the relief assumed from costs associated with the sale of the non-core activities and the exceptional operating costs.

Treasury policy

The Group hedges known currency exposures without taking currency risks.

Financing

As previously reported, the Board considered the level of gearing in the Group, 259% at 30 June 1997, to be too high and announced its decision to dispose of the non-core activities.

By the end of the financial year this process had been completed realising, in aggregate, cash proceeds of £15.8 million. At the end of the period the Group had net funds of £2.2 million and shareholders' funds had more than doubled to £11.1 million.

Convertible loan stock of £750,000 was totally repaid in August 1997 and loans totalling £5.3 million were repaid following receipt of consideration from the sale of the engineering companies.

In February 1998 a final payment of £2 million cash was made to the vendors of Lighten Point Corporation Europe Ltd who achieved the maximum pay out under their earn-out agreement.

In April 1998 a final payment of £350,000 cash was made to the vendors of Grove Products (Caravan Accessories) Ltd who achieved the maximum pay out under their earn-out agreement.

The net interest charge of £753,000 was £543,000 lower than the previous year but still reflected the high level of gearing in the Group prior to the sale of the Engineering Division.

Goodwill on disposal

Before adjustment for goodwill the Group made a profit of £5.3 million on the sale of the discontinued businesses. After adjusting for goodwill of £23.5million the loss on disposal was £18.2 million.

A F Welham
Group Finance Director

RING PLC

Current Directors

Mr K Jackson* - ***Non-Executive Chairman*** (aged 59), was appointed to the Board in November 1997. He has over 20 years management experience in a wide variety of industries. Since 1993 he has been Chief Executive of Carbo PLC. He is also a Non-Executive Director of Nightfreight PLC.

Mr J M Hall** - ***Chief Executive*** (aged 50), who joined the Board in July 1995 following the acquisition of Ring Group Limited, of which he has been Managing Director since 1986, was appointed Chief Executive in August 1997. Previously he worked for Asda PLC.

Mr A F Welham - ***Group Finance Director*** (aged 49), was appointed to the Board in October 1997. Admitted to the Association of Chartered Certified Accountants in 1976, he had been Finance Director of Ring Group Limited for nine years prior to its acquisition by the Group in 1995. Previously he was a director of EMAP National Publications Ltd and EMAP Pursuit Publishing Ltd.

Mr B P Doe* - ***Non-Executive Director*** (aged 58), was appointed to the Board in February 1998. He is Managing Director of Wavin Plastics Limited, the largest European manufacturer and distributor of plastic pipe systems. Before 1993, he was Managing Director of GTE Lighting Limited, which was involved in the manufacture and distribution of lighting equipment.

Mr R G Hardie* - ***Non-Executive Director*** (aged 59) was appointed to the Board in February 1998. He is chairman of Harbury Group Limited and a Non-Executive Director of Carbo PLC. Before 1994, he was Group Finance Director and, latterly, Joint Group Managing Director of Johnson Firth Brown PLC (now Firth Rixson PLC).

* Member of the Audit, Remuneration and Nomination Committees
** Member of Nomination Committee

Registered Office and Advisers

Secretary and registered office

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4 Broadgate
London
EC2M 7LE

Henry Cooke, Lumsden plc
One King Street
Manchester
M60 3AH

Financial Advisers

Hoare Govett Limited
4 Broadgate
London
EC2M 7LE

Auditors

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Neville Street
Leeds LS1 4DW

Bankers

National Westminster Bank PLC
Leeds City Office
8 Park Row
Leeds LS1 1QT

Bank of Scotland
Douglas House
117 Foregate Street
Chester CH1 1HE

Registrars

IRG plc
34 Beckenham Road
Beckenham
Kent BR3 4TU

RING PLC

Directors' Report

The directors present their report and the audited accounts for the year ended 30 June 1998.

Change of Company name

The name of the Company was changed from Graystone PLC to Ring PLC on 6 January 1998.

Principal activities and review

The principal activities of the Group during the year were in distribution, comprising the merchanting of automotive components and lighting products, and for the first four months, engineering, comprising the manufacture of electrical and mechanical components and equipment. During the year, as approved at the Extraordinary General Meeting held on 10 November 1997, the Engineering Division was sold.

Results and dividends

The operating profit for the year amounted to £3,050,000 (1997:£4,112,000) and, after adjusting for goodwill of £23,514,000 relating to the sale of the non-core businesses, the loss before taxation was £15,862,000 (1997: profit £2,269,000).

The directors recommend the payment of a final dividend of 1.6p (net) (1997: Nil) per ordinary share. If approved the final dividend will be payable on 15 December 1998 to shareholders on the register at the close of business on 20 November 1998 and will represent the total distribution for the year.

Acquisitions and disposals

On 10 November 1997, following shareholders' approval at the Extraordinary General Meeting held that day, the companies comprising the Engineering Division were sold to an investment company. The consideration of £17.7m was adjusted in accordance with the disposal agreement to £17.4m reflecting the £0.3m residual taxation liability of the Engineering Division. The £17.4m was settled by payment of £16.6m in cash and the assumption by the acquirer of the £0.8m overdraft held within the Division.

On 11 November 1997, Gainsborough (Porth) Ltd, a manufacturer of decorative products, sold its business and certain assets to Gainsborough Decorations Ltd for a consideration of £1.

On 21 May 1998 the entire issued share capital of Mary Ford Publications Ltd, a book publisher, was sold to Michael O'Mara Holdings Limited for a consideration of £60,000 paid on completion.

On 26 June 1998 the entire issued share capital of Ptarmigan Hotels Ltd, a hotel company, was sold to Tradeway Consultants Ltd for a consideration of £345,000 payable in cash on completion. The consideration is subject to an adjustment in accordance with the disposal agreement to eliminate any net current liabilities or assets within the company at completion.

Post balance sheet event

On 7 August 1998 the Company acquired the entire issued share capital of PH Products Limited, a specialist distributor of consumable products to the plumbing and gas installation industry. The consideration paid on completion was £1,385,000 in cash.

RING
RING PLC

Directors' Report

Share capital and reorganisation

Although the disposal of the companies comprising the Engineering Division resulted in a profit in the Group's consolidated profit and loss account before adjustments in respect of goodwill reinstated on disposal, the need to write down the carrying value of the investment in certain of those companies gave rise to a deficit balance in the Company's profit and loss account. The Company was not in a position to pay any dividends until the deficit was made good. The Board therefore proposed a reduction of the Company's share premium account at the last Annual General Meeting to create a special capital reserve to be used to eliminate the deficit on the Company's profit and loss account. This was approved and a special resolution passed on 23 December 1997. The High Court granted an Order to reduce the share premium account from £21,783,000 to £11,783,000 on 25 March 1998.

Directors

The directors at the date of this report are listed on page 12. B P Doe and R G Hardie were not appointed until 2 February 1998. Accordingly, having been appointed since the last Annual General Meeting, each of them retires and being eligible offers himself for re-election. Messrs B P Doe and R G Hardie do not have service agreements. Mr A F Welham was appointed on 22 October 1997. Mr K Jackson, who was appointed on 10 November 1997, retires by rotation and offers himself for re-election and does not have a service agreement. Mr J M Hall served throughout the year. Mr R E Richardson resigned on 21 August 1997. Messrs M A Fawcett and D W Hammond resigned on 22 October 1997 and Messrs W A McClue and R J J Wickham resigned on 30 January 1998.

Directors' interests

Full details are given in the report of the Remuneration Committee.

Substantial shareholdings

The Company has been notified, or was made aware of, the following shareholdings representing 3% or more of the issued ordinary share capital as at 18 September 1998:

	No. of Ordinary Shares of 50p	Percentage
Melton Medes Ltd & Mr N R Puri	7,955,000	20.07%
Edinburgh Fund Managers	5,580,000	14.07%
Mr D R Rivlin	3,975,778	10.03%
AIG Europe Small Companies plc	1,500,000	3.78%
N M Rothschild Asset Management	1,342,644	3.39%

Employment policies

The Group recognises the need for good communications and is committed to involving all employees in its development. Employees are kept informed of, consulted and encouraged to express their views on, matters which are likely to affect their interest in and contribution to their company, its profitability and performance.

It is the Group's policy to give full consideration to suitable applications for employment by disabled persons. Where an employee becomes disabled whilst employed, arrangements are made wherever practicable to continue that employment or provide training for any other suitable position. Disabled persons are eligible to participate in all career development opportunities available to staff.

Charitable and political donations

Charitable donations made by the Group during the year amounted to £3,535. There were no political donations.

Directors' Report

Supplier payment policy
The Group does not follow any published code or statement on supplier payment practice. However it is the Group's policy to pay its suppliers in accordance with agreed terms.

At 30 June 1998 the Company's trade creditors falling due within one year represented approximately 27 days of purchases.

Special business
The resolutions referred to below will be proposed at the Annual General Meeting, the formal notice of which is enclosed with the accounts.

The directors seek the renewal for a further year of their general authority in accordance with section 80 of the Companies Act 1985 to allot unissued shares. If shares are to be allotted using that authority and are to be paid for in cash, generally they must be offered first to shareholders in proportion to their existing holdings. This is the statutory pre-emption right of shareholders. However, there may be circumstances in which it is in the interests of the Company for the directors to have the flexibility to finance business opportunities by issuing shares for cash other than by way of a rights issue. Part (b) of the special resolution numbered 6 again seeks to renew the directors' authority for a further year to disapply the pre-emption rights, but only up to a limit of 5% of the Company's existing issued ordinary share capital. If approved, such authority would expire at the conclusion of the Annual General meeting for 1999 or 15 months after the date of passing the resolution, whichever is the earlier.

The directors support employee participation in the Company through employee share schemes which they believe play an important part in motivating employees and strengthens the link between their personal interests and those of shareholders.

Resolution 7 seeks to approve a Savings Related Share Option Scheme.

Resolutions 8 and 9 seek approval for two new Executive Share Option Schemes, one of which is intended to be Inland Revenue approved, to replace the Company's existing Executive Share Option Schemes. Following changes to the relevant legislation in 1996, the maximum value of shares over which options may be granted under an Inland Revenue approved scheme to any one individual may not exceed £30,000. The unapproved scheme will enable additional options to be granted to employees and directors on an unapproved basis in excess of this limit.

Further details of these option schemes are included with the formal notice of the Annual General Meeting.

Notice of Annual General Meeting
The Annual General Meeting of the Company will be held at the Company's registered office at Gelderd Road, Leeds on Monday 2 November 1998 at 10.30 am and formal notice of the meeting is enclosed with these accounts.

Auditors
Ernst & Young resigned as auditors in April 1998 and the directors appointed KPMG Audit Plc in accordance with section 388(1) of the Companies Act 1985. Following receipt of special notice, an ordinary resolution will be proposed at the Annual General Meeting to re-appoint KPMG Audit Plc as auditors.

Approved by the Board
on 28 September 1998

A F Welham
Secretary

Report of the Remuneration Committee

Membership and terms of reference

The remuneration of the executive directors and other senior executives who report to the Chief Executive is determined by the Remuneration Committee which comprises the three non-executive directors and is chaired by Mr B P Doe.

None of its members has any personal financial interest in the Group, other than as a shareholder, or day to day involvement in the Group's businesses, or a service contract with the Company. Meetings are held periodically as required to review and present recommendations to the Board regarding the remuneration of the executive directors and senior management.

The Remuneration Committee's composition, responsibilities and operation comply with the best practice provisions in section A annexed to the Listing Rules of the London Stock Exchange and, in framing its remuneration policy, it has given full consideration to section B of the Annex to the Listing Rules.

Remuneration policy

The remuneration policy is intended to attract, motivate and retain executives of the right calibre through a remuneration package, which is competitive in terms of three basic components: salary and benefits, annual bonus and long term incentives in the form of Executive Share Option Schemes.

Salary and benefits

In determining basic salaries, the Committee takes account not only of the individual's ability and performance but also the rates of salary being paid for similar jobs in companies of comparable size and complexity. In addition to salary, executives are entitled to a fully expensed company car, pensions contributions, private medical expenses insurance and telephone expenses.

Annual bonus

Executive directors and senior executives participate in bonus schemes which are either linked directly to the financial performance of the Group or based on actual achievement against performance targets set by the Committee. Targets have regard to the budget agreed at the beginning of each financial year. Awards can be up to a maximum of 30% of salary. Additional discretionary bonuses are payable for exceptional performance which results in incremental profit to the Group.

No bonus has been paid, or is payable, to any executive director for the year under review.

Long-term incentive schemes

The Committee believes that share ownership by executive directors and senior executives strengthens the link between their personal interests and those of shareholders. At the Annual General Meeting the introduction of new executive share option schemes, which impose conditions in compliance with best practice provisions of the Listing Rules and competitive practice, and an all employee SAYE share option scheme will be put to the members.

Service contracts

The policy of the Committee is normally to appoint executives on contracts containing not more than 12 months notice but each existing executive director has a service agreement, terminable by either party giving two years notice at any time. These agreements took into account the contractual arrangements with Ring Group Ltd prior to its acquisition by the Company.

Non-Executive Directors

The remuneration of non-executive directors is determined by the Board following independent advice concerning comparable appointments. The fees payable to the current Chairman on an annual basis amount to £27,000 and to each of the other non-executives £17,000. No other benefits accrue.

RING PLC

Report of the Remuneration Committee

Directors' emoluments excluding pension

	Basic salary and fees £000	Annual bonus £000	Benefits £000	Total 1998 £000	Total 1997 £000
Executive Directors					
J M Hall	124	–	13	**137**	136
A F Welham (appointed 22 October 1997)	59	–	8	**67**	–
R E Richardson (resigned 21 August 1997)	18	–	2	**20**	256
M A Fawcett (resigned 22 October 1997)	26	–	11	**37**	113
D W Hammond (resigned 22 October 1997)	36	–	–	**36**	109
M P Goodchild (resigned 2 December 1996)	–	–	–	**–**	75
C E Davies (resigned 22 May 1997)	–	–	–	**–**	121
P A C Fox (resigned 22 May 1997)	–	–	–	**–**	92
Non-Executive Directors					
K Jackson (appointed 10 November 1997)	17	–	–	**17**	–
B P Doe (appointed 2 February 1998)	7	–	–	**7**	–
R G Hardie (appointed 2 February 1998)	7	–	–	**7**	–
W A McClue (resigned 30 January 1998)	12	–	1	**13**	17
R J J Wickham (resigned 30 January 1998)	10	–	–	**10**	17
	316	–	35	**351**	936

Compensation payments

In addition to the emoluments shown above, consequent upon the termination of their employment by the Company, three of the directors who resigned received the following payments by way of compensation for breach of contract for the year ended 30 June 1998:

Mr R E Richardson - £356,500 together with an additional pension contribution of £49,680
Mr W A McClue - £17,500
Mr R J J Wickham - £4,375

Under the terms of their consultancy agreements with the Company, former directors, Messrs. C E Davies and P A C Fox received payments during the period of £31,000 and £41,123 respectively. Their agreements terminated in November 1997.

Directors' pension information

Retirement benefits are provided either under money purchase schemes, on an individual basis, or a Group defined benefit scheme with contribution rates up to 10% of pensionable salary.

(1) Money purchase schemes

	Contributions paid 1998 £000	Contributions paid 1997 £000
J M Hall	**12**	12
A F Welham	**6**	-
R E Richardson	**2**	26
C E Davies	**–**	12
P A C Fox	**–**	13
	20	63

RING PLC

Report of the Remuneration Committee

(2) Defined benefits scheme

The Group operates a contracted-out pension scheme, which is an exempt approved scheme under the Income and Corporation Taxes Act 1988. It is funded by contributions from members at 5% of pensionable salary inclusive of bonus and by contributions from the participating companies at rates periodically reviewed and recommended by an independent actuary. The employer's contribution rate presently is 9.7% of the member's pensionable salary. The scheme is referred to in note 22 to the accounts.

The scheme provides a pension at normal retirement age of 65 of 1/60th of the member's final pensionable salary for each year's pensionable employment. Once in payment, a pension is guaranteed to increase by 3% per annum compound or, in respect of pensionable service after 6 April 1997, in line with the retail prices index or 5%, whichever is less. In the event of a member's death whilst either in employment or in receipt of a pension, a pension will be payable to the spouse equal to one half of the member's prospective or actual pension respectively.

The directors, who were in the scheme during the year, are:-

	Age at 30 June 1998	Director's contributions in the year	Total accrued pension at year end	Increase in accrued pension during the year
M A Fawcett	42	£4,883	£7,200	£1,611
D W Hammond	64	£4,500	£54,861	£14,062

The total accrued pension entitlement shown above is that which would be paid annually on retirement based on service to 30 June 1998. The increase in the accrued pension during the year to that date excludes price inflation of 3.7% and any benefit purchased by any additional voluntary contribution paid by the member.

Directors' interests

The beneficial interests of the directors, who were in office at the end of the financial year, and their families at the end and beginning of the year in the share capital of the Company were as follows:

	Ordinary shares of 50p 30 June 1998	Ordinary shares of 50p 1 July 1997*
K Jackson	-	-
J M Hall	501,703	201,703
A F Welham	70,690	35,690
B P Doe	-	-
R G Hardie	30,000	-

*or date of the director's appointment, if later.

During the period from 30 June 1998 to 28 September 1998 there has been no change in the directors' interests.

No director had any interest in the non-equity shares of the Company.

Report of the Remuneration Committee

Directors' share options

Beneficial interest in options to subscribe for ordinary shares of 50p each under the executive share option schemes at the end and beginning (or date of appointment if later) of the year were as follows:

	No.	Price
J M Hall	30,000	127.5p
A F Welham	4,000	127.5p

The company's mid market ordinary share price on 30 June 1998 was 32.5p, and the range of prices during the year was 30.5p to 84.5p.

No options were granted or exercised during the year.

The options set out above are exercisable as follows:

127.5p from 8 December 1998 expiring in the case of J M Hall on 7 December 2005 and in the case of A F Welham on 7 December 2000

Annual General Meeting

The Chairman of the Committee will be present at the Annual General Meeting to answer any questions raised relating to the remuneration policy and practice.

B P Doe
Chairman, Remuneration Committee
28 September 1998

RING PLC

Corporate Governance

The Board supports the principles of corporate governance outlined in the Code of Best Practice issued by the Cadbury Committee on the Financial Aspects of Corporate Governance ("the Code"). The Company has complied with the provisions of the Code throughout the financial year except those regarding the number of non-executive directors and the period of office of the executive directors and has adopted the recommendations of the Greenbury Committee insofar as required by the Listing Rules of the London Stock Exchange.

The Board has established that any director can take independent professional advice in the furtherance of their duties at the Company's expense.

Audit Committee
The Audit Committee comprises the three non-executive directors and is chaired by Mr R G Hardie. The external auditors attend each meeting and when appropriate executive directors are invited. The Committee's terms of reference include the review of the Group's financial statements and internal control systems together with the conduct of the external audit.

Remuneration Committee
The Remuneration Committee comprises the non-executive directors and is chaired by Mr B P Doe. The terms of reference and the Committee's report to shareholders appears on pages 16 to 19. .

Nomination Committee
The Nomination Committee is chaired by Mr K Jackson and comprises the non-executive directors and the Chief Executive. It is responsible for nominating for approval candidates for appointment to the Board.

Non-executive directors
The non-executive directors are not appointed for specified fixed terms, but they retire by rotation and are presented periodically for re-election by shareholders. Following the appointment of Mr K Jackson, the three non-executive members comprise a majority of the Board. The roles of Chairman and Chief Executive are separate.

Going concern
After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Internal financial controls
The Board of Directors has overall responsibility for the Group's systems of internal financial control and for monitoring their effectiveness.

The systems are designed to safeguard the Group's assets against unauthorised use or disposition, to ensure the maintenance of proper accounting records and the reliability of financial information used within the business and for publication.

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues, and has put in place an organisational structure with formally defined lines of responsibility and delegation of authority. There are established procedures for planning and capital expenditure, for information and reporting systems, and for monitoring the Group's businesses and their performances.

Corporate Governance

The systems of internal financial control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- Comprehensive budgeting systems with an annual budget approved by the Board;
- Regular consideration by the Board of actual results compared with budgets and forecasts;
- Regular reviews by the Board of year-end forecasts;
- Clear capital investment control guidelines and procedures set by the Board;
- Comment by the external auditors on any significant weaknesses in the control systems noted as part of their review.

The Group's control systems address key business and financial risks. Internal audit work is focused on areas of greatest risk as defined by risk analysis. This process includes the identification and assessment of the business and financial risks inherent in each operating area.

The directors, through the Audit Committee, have reviewed the effectiveness of the Group's systems of internal financial control during the year and to the date of this report. The Auditors' Report on Corporate Governance is set out on page 22.

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 Group and of the profit or loss of the Group for that period. In preparing these accounts, 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RING PLC

Report by KPMG Audit Plc

To Ring PLC on corporate governance matters

In addition to our audit of the accounts we have reviewed the directors' statements on pages 20 to 21 on the Company's compliance with the paragraphs of the Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the accounts. The objective of our review is to draw attention to any non-compliance with Listing Rules 12.43(j) and 12.43(v).

Basis of opinion

We carried out our review in accordance with guidance issued by the Auditing Practices Board. This guidance does not require us to perform any additional work necessary to express a separate opinion on the effectiveness of either the Group's system of internal financial control or the Company's corporate governance procedures nor on the ability of the Group to continue in operational existence.

Opinion

With respect to the directors' statements on internal financial control and going concern on pages 20 to 21, in our opinion the directors have provided the disclosures required by the Listing Rules referred to above and such statements are not inconsistent with the information of which we are aware from our audit work on the accounts.

Based on enquiry of certain directors and officers of the Company, and examination of relevant documents, in our opinion the directors' statements on pages 20 to 21 appropriately reflect the Company's compliance with the other paragraphs of the Code specified for our review by the Listing Rules.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Leeds
28 September 1998

RING PLC

Report of the Auditors

To the members of Ring PLC

We have audited the accounts on pages 24 to 47. We have also examined the amounts disclosed relating to emoluments, share options and pension entitlements of the directors which form part of the report of the Remuneration Committee on pages 16 to 19.

Respective responsibilities of directors and auditors

As described on page 21 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 Group'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 and the Group as at 30 June 1998 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds
28 September 1998

RING PLC

Accounting Policies

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

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

Basis of consolidation
The consolidated accounts incorporate the accounts of the Company and each of its subsidiary undertakings for the year ended 30 June. The results of subsidiary undertakings acquired or disposed of during the year, and requiring to be acquisition accounted, are included in the consolidated profit and loss account from or up to the effective date of acquisition or disposal.

Turnover
Turnover comprises the invoiced value of goods and services supplied by the Group exclusive of VAT and intra-group transactions.

Leased assets
Assets held under leasing arrangements that give rights approximating to ownership are capitalised as finance leases. The amount capitalised is the present value of the minimum payments payable during the term of each lease. The corresponding leasing commitments are included in creditors. The interest element of the rental obligations is charged to the profit and loss account using the annuity method.

Rentals in respect of all other leases are charged to the profit and loss account on a straight line basis over the lease term.

Depreciation
Freehold and long leasehold land is not depreciated. Depreciation on other assets is calculated to write off the cost or valuation on a straight line basis over the estimated useful lives, at the following rates:

Freehold buildings	–	50 years
Short leasehold property	–	over period of lease
Plant and equipment	–	4 - 5 years
Motor vehicles	–	4 - 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Stocks and work in progress
Stocks are valued at the lower of cost, on a first in first out basis, and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of production overheads.

Accounting Policies

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

Pension benefits

Pension benefits are funded over the employees' periods of service. Contributions to certain personal pension policies are charged to the profit and loss account as incurred.

Goodwill

Purchased goodwill is written off immediately to reserves.

Foreign currency translation

On consolidation, foreign currency values in the profit and loss accounts of overseas subsidiaries are translated into sterling at the average rate of exchange ruling throughout the period. Foreign currency values in the balance sheets of overseas subsidiary companies are translated at the rates of exchange ruling at the balance sheet date. The difference between the average rate and closing rate for the profit and loss account is taken to reserves.

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Consolidated Profit and Loss Account

for the year ended 30 June 1998

	Continuing operations £'000	Discontinued operations £'000	Note	1998 £'000	1997 £'000
Turnover	69,143	8,714	1	77,857	89,505
Operating costs					
– pre exceptional item	(65,817)	(8,680)	2	(74,497)	(84,109)
– exceptional item	–	(310)	3	(310)	(1,284)
Total operating costs	(65,817)	(8,990)		(74,807)	(85,393)
Operating profit/(loss)	3,326	(276)		3,050	4,112
Profit on sale of discontinued activity				–	220
Loss on sale of discontinued activities including goodwill reinstated of £23,514,000 (1997: £50,000)			23	(18,159)	(275)
Provision for loss on sale of prior year discontinued activities				–	(60)
Provision for loss on sale of activities to be discontinued				–	(432)
(Loss)/profit on ordinary activities before interest				(15,109)	3,565
Interest receivable			6	4	527
Interest payable and similar charges			6	(757)	(1,823)
(Loss)/profit on ordinary activities before taxation				(15,862)	2,269
Tax on (loss)/profit on ordinary activities			7	(438)	(764)
(Loss)/profit on ordinary activities after taxation				(16,300)	1,505
Minority interest				(12)	(19)
(Loss)/profit for the year				(16,312)	1,486
Dividends – non-equity shares			8	(509)	(517)
Dividends – equity shares			8	(634)	(883)
(Accumulated deficit)/retained profit for the year			19	(17,455)	86
(Loss)/earnings per ordinary share			9	(42.4)p	2.4p

RING PLC

Balance Sheets

30 June 1998

	Note	Group 30 June 1998 £'000	Group 30 June 1997 £'000	Company 30 June 1998 £'000	Company 30 June 1997 £'000
Fixed assets					
Tangible assets	10	3,027	8,704	64	252
Investments	11	60	91	33,632	45,326
		3,087	8,795	33,696	45,578
Current assets					
Stocks	12	11,801	16,728	–	–
Debtors: amounts falling due within one year	13	11,728	17,425	16,457	13,017
amounts falling due after more than one year	13	173	253	280	403
Cash at bank and in hand		4,398	2,125	228	1,499
		28,100	36,531	16,965	14,919
Creditors: amounts falling due within one year	14	(18,186)	(33,898)	(14,763)	(20,310)
Net current assets/(liabilities)		9,914	2,633	2,202	(5,391)
Total assets less current liabilities		13,001	11,428	35,898	40,187
Creditors: amounts falling due after more than one year	15	(841)	(5,028)	(416)	(3,994)
Provisions for liabilities and charges	17	(358)	(559)	–	(6)
Minority interests – equity shares		–	(92)	–	–
– non-equity shares		(743)	(743)	–	–
		11,059	5,006	35,482	36,187
Capital and reserves					
Called-up share capital – equity shares	18	19,823	19,822	19,823	19,822
– non-equity shares	18	2,386	2,387	2,386	2,387
		22,209	22,209	22,209	22,209
Share premium account	19	10,405	21,783	10,405	21,783
Other reserves	19	1,050	1,050	2,333	955
Profit and loss account	19	(22,605)	(40,036)	535	(8,760)
Total shareholders' funds		11,059	5,006	35,482	36,187

The accounts on pages 24 to 47 were approved by the Board of Directors on 28 September 1998 and were signed on its behalf by:

J M Hall
A F Welham

RING PLC

Other Primary Statements

Statement of total recognised gains and losses

	1998 £'000	1997 £'000
(Loss)/profit for the year	(16,312)	1,486
Exchange differences - overseas subsidiaries	(6)	(370)
Write off of revaluation reserve for hotel property	–	(30)
Total recognised gains and losses relating to the year	(16,318)	1,086

Reconciliation of movements in shareholders' funds

	1998 £'000	1997 £'000
(Loss)/profit for the year	(16,312)	1,486
Dividends	(1,143)	(1,400)
	(17,455)	86
New share capital issued in consideration for the acquisition of Grove Products (Caravan Accessories) Ltd	–	200
New share capital issued on conversion of convertible loan stock including share premiums of £240,000	–	400
Share issue costs	–	(5)
Goodwill written off	–	(3,540)
Goodwill reinstated on disposals	23,514	50
Other recognised gains and losses	(6)	(370)
Write off of revaluation reserve for hotel property	–	(30)
Net increase/(decrease) in shareholders' funds	6,053	(3,209)
Opening shareholders' funds	5,006	8,215
Closing shareholders' funds	11,059	5,006
Attributable to:		
Equity share interests	8,673	2,619
Non-equity share interests	2,386	2,387
	11,059	5,006

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Consolidated Cash Flow Statement

for the year ended 30 June 1998

	1998 £'000	1997 £'000
Cash flow from operating activities (note 1)	4,403	3,240
Returns on investments and servicing of finance (note 2)	(1,522)	(1,744)
Taxation	(909)	(1,777)
Capital expenditure (note 2)	78	(494)
Acquisitions and disposals (note 2)	13,433	(1,803)
Equity dividends paid	–	(2,571)
Cash inflow/(outflow) before financing	15,483	(5,149)
Financing (note 2)		
–decrease in debt	(6,603)	(1,734)
Increase/(decrease) in cash in the year	8,880	(6,883)

Reconciliation of net cash flow to movement in net funds/(debt):

	1998 £'000	1997 £'000
Increase/(decrease) in cash in the year	8,880	(6,883)
Cash outflow from decrease in debt and lease financing	6,603	1,734
Change in net debt resulting from cash flows	15,483	(5,149)
Loans and finance leases acquired with subsidiary undertakings	–	(42)
Loans and finance leases transferred on sale of subsidiary undertakings	235	–
New finance leases	(506)	(352)
Conversion of debt into share capital	–	400
Reclassification of ESOP loan as a secured bank loan	–	(200)
Translation difference	(2)	(128)
Movement in debt in the year	15,210	(5,471)
Net debt at 1 July	(12,973)	(7,502)
Net funds/(debt) at 30 June	2,237	(12,973)

	1998 £'000	1997 £'000
Net funds/(debt) is comprised of:		
Bank overdraft and short term loans net of cash at bank	4,278	(4,600)
Other secured bank loans	(1,371)	(6,299)
Other loans	(8)	(527)
Convertible loan stock	–	(750)
Obligations under finance leases	(662)	(797)
Net funds/(debt) at 30 June	2,237	(12,973)

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RING PLC

Notes to the Consolidated Cash Flow Statement

1 Reconciliation of operating profit to operating cash flows

	1998 £'000	1997 £'000
Operating profit	**3,050**	4,112
Depreciation charges	**1,376**	1,545
Provision to write down goodwill	**–**	460
Provision to write down ESOP investment	**31**	109
Loss on disposal of fixed assets	**–**	(56)
Fair value and other provision movements	**(155)**	(1,207)
Increase in stocks	**(943)**	(1,242)
Increase in debtors	**(713)**	(25)
Increase/(decrease) in creditors	**1,757**	(456)
Net cash inflow from operating activities	**4,403**	3240

2 Analysis of cash flows for headings netted in the cash flow statement

	1998 £'000	1997 £'000
Returns on investments and servicing of finance		
Interest received	**4**	527
Interest paid	**(952)**	(1,646)
Preference dividends paid	**(511)**	(536)
Interest element of finance lease rental payments	**(63)**	(84)
Minority interests	**–**	(5)
Net cash outflow for returns on investments and servicing of finance	**(1,522)**	(1,744)
Capital expenditure		
Purchase of tangible fixed assets, net of leasing finance	**(546)**	(808)
Sale of tangible fixed assets	**624**	314
Net cash inflow/(outflow) for capital expenditure	**78**	(494)
Acquisitions and disposals		
Purchase of subsidiary undertakings	**–**	(1,122)
Net cash balances acquired with subsidiary undertakings	**–**	32
Net cash balances transferred on sale of subsidiary undertakings	**620**	–
Sale of subsidiary undertakings and deferred consideration from prior year disposals	**15,163**	397
Costs associated with acquisitions in prior years	**(2,350)**	(1,110)
Net cash inflow/(outflow) for acquisitions and disposals	**13,433**	(1,803)
Financing		
Debt due within a year:		
– repayment of loans	**(1,932)**	(3,116)
– new base rate linked term loans repayable quarterly over 5 years	**–**	410
Debt due beyond a year:		
– repayment of loans	**(4,111)**	–
– new base rate linked term loans repayable quarterly over 5 years	**–**	1,640
Capital element of finance lease rental payments	**(560)**	(668)
Net cash outflow from financing	**(6,603)**	(1,734)

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Notes to the financial statements

1 Segmental analysis

An analysis of turnover, operating profit (net of allocation of head office costs) and capital employed by division and by geographical location is:

	1998 Turnover £'000	1998 Operating profit £'000	1998 Capital employed £'000	1997 Turnover £'000	1997 Operating profit £'000	1997 Capital employed £'000
Continuing operations						
Distribution	**69,143**	**3,326**	**10,495**	60,550	2,741	13,387
Exceptional items (note 3)	**–**	**–**	**–**	–	(798)	–
	69,143	**3,326**	**10,495**	60,550	1,943	13,387
Discontinued operations						
Engineering	**8,119**	**259**	**–**	27,118	3,001	8,643
Distribution	**–**	**–**	**–**	1,196	93	–
Other	**595**	**(225)**	**–**	641	(439)	153
	8,714	**34**	**–**	28,955	2,655	8,796
Exceptional items (note 3)	**–**	**(310)**	**–**	–	(486)	–
	8,714	**(276)**	**–**	28,955	2,169	8,796
Total	**77,857**	**3,050**	**10,495**	89,505	4,112	22,183
Geographical location by origin						
United Kingdom	**75,676**	**3,201**	**10,460**	83,593	3,021	19,041
Rest of Europe	**418**	**(148)**	**–**	2,001	767	1,904
North America	**1,173**	**(30)**	**–**	3,172	301	922
Rest of World	**590**	**27**	**35**	739	23	316
	77,857	**3,050**	**10,495**	89,505	4,112	22,183
Turnover by destination						
United Kingdom	**72,189**			77,351		
Rest of Europe	**2,834**			5,596		
Far and Middle East	**288**			1,417		
North America	**1,621**			3,816		
Rest of World	**925**			1,325		
	77,857			89,505		

Reconciliation of capital employed to total net assets:	1998 £'000	1997 £'000
Net operating assets as above	**10,495**	22,183
Net bank balances and short term loans	**3,419**	(7,547)
Net corporation tax and ACT creditor	**(378)**	(1,222)
Investments	**60**	91
Deferred consideration receivable	**253**	347
Deferred consideration payable	**–**	(2,350)
Finance lease and hire purchase contracts	**(662)**	(797)
Proposed dividend	**(865)**	(233)
Loans due after more than one year	**(520)**	(4,631)
	11,802	5,841
Minority interests	**(743)**	(835)
	11,059	5,006

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Notes to the financial statements

2 Operating costs

	1998			1997		
	Continuing operations	**Discontinued operations**	**Total**	Continuing operations	Discontinued operations	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£000
Changes in stocks of finished goods and work in progress	**229**	**(21)**	**208**	(1,429)	619	(810)
Raw materials and consumables	**46,518**	**3,075**	**49,593**	42,823	9,019	51,842
Employee costs (note 4)	**8,051**	**3,518**	**11,569**	8,032	10,393	18,425
Depreciation	**1,148**	**228**	**1,376**	887	658	1,545
Other operating expenses	**9,871**	**1,880**	**11,751**	7,496	5,611	13,107
	65,817	**8,680**	**74,497**	57,809	26,300	84,109
Exceptional items (note 3)	**–**	**310**	**310**	798	486	1,284
	65,817	**8,990**	**74,807**	58,607	26,786	85,393

Operating costs are stated after charging/(crediting):

	1998	1997
	£'000	£'000
Hire of plant, equipment and vehicles under operating leases	**472**	546
Leasehold property rents (net of rents received)	**528**	523
Auditors' remuneration - KPMG Audit Plc	**52**	–
Other fees paid to KPMG Audit Plc and its associates	**10**	–
Auditors' remuneration – Ernst & Young (prior to their date of resignation)	**10**	223
Other fees payable to Ernst & Young*	**102**	174
Profit on the disposal of tangible fixed assets	**–**	(56)

*In addition fees payable to Ernst & Young amounting to £193,000 were charged as a cost relating to the sale of the Engineering Division.

3 Exceptional items

	1998	1997
	£'000	£'000
Exceptional items comprise:		
Continuing operations		
Provision established against prior year losses which are the subject of litigation and the fall in the value of Ring PLC ordinary shares within the Group Employee Share Ownership Plan	**–**	798
Discontinued operations		
Write down of assets and provisions, less exceptional credits, relating to activities subsequently discontinued and the relocation of the head office	**–**	486
Redundancy costs connected to the disposal of non-distribution businesses	**310**	–
	310	1,284

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Notes to the financial statements

4 Staff costs and numbers

	1998 £'000	1997 £'000
Wages	**10,296**	16,293
Social security costs	**904**	1,451
Other pension costs	**369**	681
	11,569	18,425

The average number of persons employed by the Group during the year, including directors, was as follows:

	Number	Number
Management and administration	**199**	311
Production	**272**	596
Sales and distribution	**244**	267
	715	1,174

5 Emoluments of directors

	1998 £'000	1997 £'000
Emoluments	**351**	936
Contributions to money purchase schemes	**20**	63
	371	999

Full details of the directors' emoluments and compensation payments are given in the report of the Remuneration Committee on pages 16 to 19.

6 Interest receivable, payable and similar charges

	1998 £'000	1997 £'000
Interest receivable		
On cash deposits	**4**	497
Other	**–**	30
	4	527
Interest payable and similar charges		
Bank loans and overdrafts and other loans repayable within 5 years	**684**	1,587
Other loans	**5**	54
Convertible loan stock	**–**	83
Finance lease charges	**63**	84
Other	**5**	15
	757	1,823

Notes to the financial statements

7 Taxation

	1998 £'000	1997 £'000
The charge based on the (loss)/profit for the year comprises:		
Corporation tax at 31% (1997: 32.5%)	**530**	1,207
Adjustments relating to prior years	**(99)**	(655)
Overseas tax	**(42)**	319
Deferred taxation	**49**	(107)
	438	764

The current year tax charge reflects credits amounting to £383,000 in respect of allowable costs charged to the sale of the Engineering Division and the exceptional item.

The prior year tax charge reflects the disallowance for taxation purposes of various disallowable expenditure, the goodwill write-off relating to Gainsborough (Porth) Ltd and the writing down of assets in activities subsequently discontinued.

8 Dividends

	1998 £'000	1997 £'000
Preference – non-equity shares	**509**	517
Ordinary – equity shares – Interim dividend nil per share (1997: 2.2p)	**–**	883
– Final dividend proposed 1.6p per share (1997: nil)	**634**	–
	1,143	1,400

9 (Loss)/earnings per ordinary share

The calculation of (loss)/earnings per share is based on the loss on ordinary activities, after taxation, minority interests and preference share dividends, of £16,821,000 (1997: profit £969,000). The weighted average number of shares in issue during the year was 39,645,417 (1997: 39,609,829).

Notes to the financial statements

10 Tangible fixed assets

Group	Freehold land and buildings £'000	Long leasehold property £'000	Short leasehold property £'000	Plant, equipment and vehicles £'000	Total £'000
Cost					
At 1 July 1997	5,049	751	488	23,365	29,653
Additions	1	23	–	1,028	1,052
Disposals	(336)	–	(12)	(1,408)	(1,756)
Disposal of subsidiary undertakings	(4,115)	–	(326)	(15,631)	(20,072)
At 30 June 1998	**599**	**774**	**150**	**7,354**	**8,877**
Depreciation					
At 1 July 1997	1,682	140	293	18,834	20,949
Exchange differences	4	–	–	–	4
Charge for year	63	23	10	1,280	1,376
Disposals	(93)	–	(13)	(1,026)	(1,132)
Disposal of subsidiary undertakings	(1,564)	–	(141)	(13,642)	(15,347)
At 30 June 1998	**92**	**163**	**149**	**5,446**	**5,850**
Net book amounts					
At 30 June 1998	**507**	**611**	**1**	**1,908**	**3,027**
At 1 July 1997	3,367	611	195	4,531	8,704

Company	Plant, equipment and vehicles £'000
Cost	
At 1 July 1997	369
Additions	25
Disposals	(286)
At 30 June 1998	**108**
Depreciation	
At 1 July 1997	117
Charge for year	43
Disposals	(116)
At 30 June 1998	**44**
Net book amounts	
At 30 June 1998	**64**
At 1 July 1997	252

Notes to the financial statements

10 Tangible fixed assets (continued)

The net book amounts of plant, equipment and vehicles for the Group and Company respectively included £812,000 (1997: £976,000) and £58,000 (1997: £151,000) in respect of leased assets.

Included in freehold land and buildings for the Group at 30 June 1998 is land with a net book value of £295,000 (1997: £1,196,000) which is not depreciated.

11 Fixed asset investments

	Group		Company	
	30 June 1998	30 June 1997	**30 June 1998**	30 June 1997
	£'000	£'000	**£'000**	£'000
(i) Investment in subsidiary undertakings				
Cost				
At 1 July 1997	**–**	–	**63,313**	60,023
Additions	**–**	–	**–**	3,730
Disposals	**–**	–	**(16,994)**	(440)
At 30 June 1998	**–**	–	**46,319**	63,313
Provisions				
At 1 July 1997	**–**	–	**18,078**	2,878
Charge for year	**–**	–	**–**	15,200
Disposals	**–**	–	**(5,331)**	–
At 30 June 1998	**–**	–	**12,747**	18,078
Net book amount	**–**	–	**33,572**	45,235
(ii) Investment in own shares	**60**	91	**60**	91
Total investments	**60**	91	**33,632**	45,326

Notes to the financial statements

11 Fixed asset investments (continued)

(iii) Investment in subsidiary undertakings

The principal subsidiary undertakings at 30 June 1998 which have traded during the year were:

Principal subsidiary undertakings by division	*Principal activity*
Distribution	
Ring Group Ltd	Distribution holding company
Ring Lamp Company Ltd	Automotive parts and lighting distributor
BMAC Ltd	Transportation lighting equipment assembler and distributor
M&F Components Ltd	Automotive accessories and spares distributor
Van-Line Ltd	Automotive and industrial consumables distributor
Lancer Products Ltd*	Automotive parts distributor
Lighten Point Corporation Europe Ltd*	Automotive parts distributor
Grove Products (Caravan Accessories) Ltd*	Caravan accessories distributor
Head office	
British Syphon Industries Ltd*	Distribution holding company
Marshall's Universal PLC	Distribution holding company
Newton Mill Ltd	Distribution holding company
Graystone Ring Ltd*	Distribution holding company
Other	
Ptarmigan (Porth) Ltd (formerly known as Gainsborough (Porth) Ltd)	Sold its business and ceased trading during the year

* Direct subsidiaries of the parent undertaking, Ring PLC

The parent undertaking or its subsidiary undertakings own 100% of the ordinary and preference issued share capitals of the above undertakings, with the exception of:

Marshall's Universal PLC – in which 31.3% of preference shares are held by others

Newton Mill Ltd – in which 49.4% of preference shares are held by others

All subsidiaries have a co-terminous year end with Ring PLC .

All the above companies are registered in England and Wales and based in the United Kingdom.

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Notes to the financial statements

11. Fixed asset investments (continued)

During the year the following companies were sold:

Engineering	
Cableform Ltd	Lighting products, controls and electrical equipment
Cableform Inc	Electrical equipment
Greenspear Products Ltd	Dormant
H A Birch & Company Ltd	Dormant
Inter Cable Systems Ltd	Dormant
Airmatic Engineering (UK) Ltd	Precision engineering
Portobello Fabrications Ltd	Metal fabricator
Thomas Eaves Ltd	Cold forged steel and brass fasteners
Maschinenfabrik Eimeldingen GmbH	Precision engineering
Eimeldingen Corporation	Precision engineering
Campden Instruments Ltd	Laboratory equipment and instruments
Flowcool Systems Ltd	Temperature control equipment manufacturer
Parking Equipment and Services Ltd	Car parking and security systems supplier
Parking Control Systems (Pty) Ltd	Car parking and security systems supplier
Other	
Mary Ford Publications Ltd	Book publisher
Ptarmigan Hotels Ltd	Hotels

(iv) Investment in own shares

The Graystone Employee Share Ownership Plan (ESOP) trust was established in January 1995 to hedge the future obligations of the Group in respect of shares awarded under the Graystone PLC Executive Share Option Scheme (1995). During the year options to subscribe for 44,000 ordinary shares in the Company lapsed and options to subscribe for 157,621 ordinary shares were granted and no options were exercised.

As required by UITF Abstract 13 (Accounting for ESOP Trusts) the assets and liabilities of the ESOP have been recognised as the assets and liabilities of the sponsoring company. The administration costs of the ESOP trust are charged to the profit and loss account of the Group as they accrue.

Provision has been made against the cost of the shares held in the Company's ESOP scheme reflecting the diminution in the value of the shares held.

Notes to the financial statements

12 Stocks

	Group	
	30 June 1998	30 June 1997
	£'000	£'000
Raw materials and consumables	**308**	2,370
Work in progress	**30**	1,442
Finished goods	**11,463**	12,916
	11,801	16,728

13 Debtors

	Group		Company	
	30 June 1998	30 June 1997	**30 June 1998**	30 June 1997
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade debtors	**10,216**	14,396	**–**	–
Amounts owed by subsidiary undertakings	**–**	–	**15,448**	11,392
Other debtors	**256**	1,175	**60**	17
Prepayments and accrued income	**343**	1,362	**26**	554
Corporation tax and ACT recoverable	**833**	398	**843**	960
Deferred consideration for sale of operations of subsidiary undertakings	**80**	94	**80**	94
	11,728	17,425	**16,457**	13,017
Amounts falling due after more than one year:				
Deferred consideration for sale of operations of subsidiary undertakings	**173**	253	**280**	403
	11,901	17,678	**16,737**	13,420

Notes to the financial statements

14 Creditors: amounts falling due within one year

	Group		Company	
	30 June 1998	30 June 1997	30 June 1998	30 June 1997
	£'000	£'000	£'000	£'000
Bank overdrafts and short term bank loans (secured)	120	6,725	6,414	11,195
Convertible loan stock (note 21)	–	750	–	750
Other secured bank loans (note 15)	851	1,678	–	1,141
Other loans (note 15)	8	517	8	508
Consideration for acquisition of subsidiaries (note 23)	–	2,350	–	2,350
Trade creditors	9,755	11,655	24	183
Amounts owed to subsidiary undertakings	–	–	6,423	2,588
Other taxation and social security	796	1,994	65	59
Other creditors and accruals	4,238	5,976	689	569
Obligations under finance leases (note 16)	341	400	15	47
Corporation tax and ACT payable	1,212	1,620	263	692
Proposed equity dividends	634	–	634	–
Non-equity dividends	231	233	228	228
	18,186	33,898	14,763	20,310

15 Creditors: amounts falling due after more than one year

	Group		Company	
	30 June 1998	30 June 1997	30 June 1998	30 June 1997
	£'000	£'000	£'000	£'000
Secured bank loans	520	4,621	378	3,878
Other loans	–	10	–	8
Obligations under finance leases (note 16)	321	397	38	108
	841	5,028	416	3,994

£991,000 (1997: £1,280,000) of the secured bank loans are secured by charges over the borrowing subsidiary companies' assets, the remainder being secured on assets of the Group.

The total borrowings of the Group at 30 June 1998 are repayable as follows:

	Bank loans and overdrafts		Other borrowings	
	1998	1997	1998	1997
	£'000	£'000	£'000	£'000
Within one year	971	8,403	8	517
Between one and two years	142	1,574	–	10
Between two and five years	378	3,047	–	–
	1,491	13,024	8	527

Notes to the financial statements

16 Obligations under finance leases

	Group 1998 £'000	Group 1997 £'000	Company 1998 £'000	Company 1997 £'000
Obligations under finance leases fall due as follows:				
Between one and two years	**204**	335	**27**	87
Between two and five years	**117**	62	**11**	21
	321	397	**38**	108
Within one year (note 14)	**341**	400	**15**	47
	662	797	**53**	155

17 Provisions for liabilities and charges

	Group 1998 £'000	Group 1997 £'000	Company 1998 £'000	Company 1997 £'000
Fair value provisions (see below)	**358**	521	**–**	–
Deferred taxation (see below)	**–**	32	**–**	–
Other provisions	**–**	6	**–**	6
	358	559	**–**	6

Fair value provisions

Movements in fair value provisions during the year are as follows:

	Group 1998 £'000	Group 1997 £'000
At 1 July 1997	**521**	1,368
Created during year following the prior year acquisition of subsidiary undertakings	**–**	33
Released during year	**(163)**	(880)
At 30 June 1998	**358**	521

Deferred taxation

Movements in deferred taxation balances during the year are as follows:

	Group 1998 £'000	Group 1997 £'000
At 1 July 1997	**32**	139
Released during year	**–**	(107)
Transferred on sale of subsidiary undertakings	**(32)**	–
At 30 June 1998	**–**	32

Deferred taxation provided in the Group accounts and the amounts not provided, calculated at the rate of 30.75% (1997: 31%), are as follows:

	Provided 1998 £'000	Provided 1997 £'000	Not provided 1998 £'000	Not provided 1997 £'000
Accelerated capital allowances	**–**	174	**–**	–
Other timing differences	**–**	(120)	**–**	–
Losses carried forward	**–**	(22)	**–**	–
	–	32	**–**	–

The Company had no deferred tax liabilities, either provided or unprovided, at 30 June 1998 (1997:nil).

Notes to the financial statements

18 Called-up share capital

The authorised and allotted share capital at 30 June 1998 and 1997 was:

	Authorised		Allotted and fully paid	
	1998	1997	**1998**	1997
	£'000	£'000	**£'000**	£'000
Equity shares				
Ordinary shares of 50p each	**28,250**	28,250	**19,823**	19,822
Non-equity shares				
19.2% convertible preference shares of 25p each	**5,000**	5,000	**2,373**	2,374
3.5% cumulative preference shares of 62.5p each	**13**	13	**13**	13
	5,013	5,013	**2,386**	2,387
Total	**33,263**	33,263	**22,209**	22,209

On 5 January 1998 a holder of 420 25p 19.2% convertible preference shares exercised their option to convert into 168 ordinary 50p shares.

The holders of the convertible preference shares of 25p each are entitled to receive in priority to the equity shareholders a fixed cumulative dividend of 19.2% per annum until 1 January 2004. From 1 January 1996, the shares can be converted into fully paid equity shares on the basis of two ordinary 50p for every five 25p preference shares. Any outstanding preference shares at 1 January 2004 shall automatically convert into fully paid ordinary shares on the same basis. The holders of the preference shares are not entitled to vote at general meetings so long as dividends are not greater than six months in arrears. On a winding-up, the assets available for distribution shall be applied to repaying the preference shareholders, in priority to the equity shareholders, at a rate of £1 per fully paid share and arrears of dividends due.

The holders of the cumulative preference shares of 62.5p each are entitled to receive, with equal priority to the convertible preference shareholders, a fixed dividend of 3.5% per annum. Voting rights and entitlement to assets on a winding-up are identical to those held by the holders of the convertible preference shares.

Notes to the financial statements

19 Reserves

	Share premium £'000	Other non distributable £'000	Profit and loss account £'000
Group			
At 1 July 1997	21,783	1,050	(40,036)
Reduction in share premium account	(10,000)	–	10,000
Exchange differences	–	–	(6)
Goodwill reinstated on disposals	–	–	23,514
Reclassification of premium on shares issued in respect of prior years acquisitions	(1,378)	–	1,378
Loss absorbed for the year	–	–	(17,455)
At 30 June 1998	**10,405**	**1,050**	**(22,605)**
Company			
At 1 July 1997	21,783	955	(8,760)
Reduction in share premium account	(10,000)	–	10,000
Reclassification of premium on shares issued in respect of prior years acquisitions	(1,378)	1,378	–
Loss absorbed for the year	–	–	(705)
At 30 June 1998	**10,405**	**2,333**	**535**

The special resolution passed at the last Annual General Meeting held on 23 December 1997 reducing the share premium account of the Company from £21,783,000 to £11,783,000 was confirmed by an Order of the High Court of Justice, Chancery Division dated 25 March 1998.

The reclassification of the premium on shares issued in respect of prior years' acquisitions has been made to comply with section 131 of the Companies Act 1985.

In accordance with the exemption allowed by section 230 (1) of the Companies Act 1985 the Company has not presented its own profit and loss account. The profit for the year before dividends paid and proposed was £386,000 (1997: loss £10,823,000).

The cumulative amount of goodwill written off in relation to acquisitions, net of goodwill relating to businesses disposed of, is £27,277,000 (1997: £51,866,000).

RING PLC

Notes to the financial statements

20 Financial commitments

Authorised future capital expenditure amounted to:

	Group		Company	
	30 June 1998	30 June 1997	**30 June 1998**	30 June 1997
	£'000	£'000	**£'000**	£'000
Contracted	**75**	20	**–**	–

The annual commitment under non-cancellable operating leases was as follows:

	Group		Company	
	Land and buildings	Plant, equipment and vehicles	Land and buildings	Plant, equipment and vehicles
	£'000	£'000	£'000	£'000
Leases expiring:				
Within one year	38	49	38	–
Within one to two years	–	104	–	–
Within two to five years	26	261	–	–
Thereafter	532	1	–	–
	596	415	38	–

21 Convertible loan stock

The movement on the convertible loan stock during the year was:

	£'000
At 1 July 1997	750
Redeemed at par	(750)
At 30 June 1998	–

22 Pensions

The Group operates a contracted-out defined benefit pension scheme, contributions to which are administered externally and the assets of which are held separately by professional investment managers.

The scheme is funded by contributions from members at 5% of pensionable salary and by contributions from participating companies at rates recommended by an independent actuary. The last triennial actuarial valuation was carried out as at 5 April 1997 using the projected unit method. The principal assumptions on a continuing prospective rights basis used by the actuary in his valuation were an investment return of 9% pa, salary increases of 7.5% pa and dividend growth of 4.25% pa. The market value of the assets as at the valuation date was £20,620,000 (in addition to a number of insured annuities) and their total actuarial value on a discounted income basis was £18,789,000 which exceeded the value of the liabilities and represented 102% of the benefits that had accrued to members after allowing for expected future salary increases. The amount charged to the profit and loss account is £249,000 (1997: £394,000). In the light of the actuarial valuation referred to above, and the funding position of the scheme, no prepayment or provision is included in the accounts to recognise differences between amounts of the regular cost of pension contributions and the amounts funded or paid directly.

The Group also operates a defined contribution scheme.

Notes to the financial statements

23 Acquisitions and disposals

Acquisitions

During the year the Company, in accordance with the terms of the respective purchase agreements, made deferred consideration payments in respect of these prior years acquisitions:

	£'000
Lighten Point Corporation Europe Ltd	2,000
Grove Products (Caravan Accessories) Ltd	350
	2,350

These amounts had been fully provided for in last year's accounts.

Disposals

On 10 November 1997 the Company disposed of its Engineering Division to Broomco, a newly formed company, which is a subsidiary of IMI, an investment company. The consideration of £17.7m was adjusted in accordance with the disposal agreement for the division's net taxation liability (£0.3m) and net bank loans and overdrafts (£0.8m) which were assumed by the purchaser.

On 11 November 1997 Ptarmigan (Porth) Ltd (formerly known as Gainsborough (Porth) Ltd) sold its business to Gainsborough Decorations Ltd for a consideration of £1.

On 21 May 1998 the entire share capital of Mary Ford Publications Ltd was sold for a consideration of £60,000 to Michael O'Mara Holdings Ltd.

On 26 June 1998 the entire share capital of Ptarmigan Hotels Ltd was sold to Tradeway Consultants Ltd. The consideration of £345,000 payable on completion is subject to an adjustment in accordance with the terms of the disposal agreement to eliminate net current assets or liabilities at the completion date. A provision of £9,000 has been made in the accounts for this adjustment.

Notes to the financial statements

23 Acquisitions and disposals (continued)

	Net tangible assets disposed of £'000
Fixed assets	4,725
Stock	5,870
Debtors	6,878
Creditors (including hire purchase liabilities)	(6,525)
Corporation tax	(324)
Deferred tax	(32)
	10,592
Minority interest	(104)
	10,488
Goodwill reinstated on disposal	23,514
	34,002
Loss on sale of Engineering Division	(17,980)
Loss on sale of Gainsborough (Porth) Ltd business	(59)
Loss on sale of Ptarmigan Hotels Ltd	(112)
Loss on sale of Mary Ford Publications Ltd	(8)
	(18,159)
	15,843
Discharged by:	
Cash received (net of expenses)	15,069
Other secured loans assumed by purchaser	154
Net overdrafts assumed by purchaser	620
	15,843

Net cash flow from acquisitions and disposals

	£'000
Cash received from current year disposals	15,689
Deferred consideration from prior year disposals	94
Deferred consideration relating to prior year acquisitions	(2,350)
	13,433

Notes to the financial statements

24 Contingent liabilities

The Company together with certain other group companies is party to a composite guarantee given in respect of bank overdrafts and loans of the participating companies. At 30 June 1998 the total of overdrafts and loans guaranteed by the Company was £2,373,000 (1997: £2,579,000).

The Company is party to a composite guarantee given in favour of H M Customs & Excise in respect of the deferment of import duties of a subsidiary undertaking amounting to £700,000 (1997: £700,000).

Guarantees have been given by the Company in respect of amounts drawn against a revolving credit facility which amounted to £nil at 30 June 1998 (1997: £4,819,000).

A counter indemnity has been given by the Company to a subsidiary of Barclays Bank PLC who have guaranteed up to £350,000 loaned to an independent trust for the purposes of establishing an Employees Share Option Plan.

25 Post balance sheet event

On 7 August 1998 the Company acquired the entire share capital of PH Products Limited, a specialist distributor of consumable products to the plumbing and gas installation industry, for a consideration of £1,385,000.

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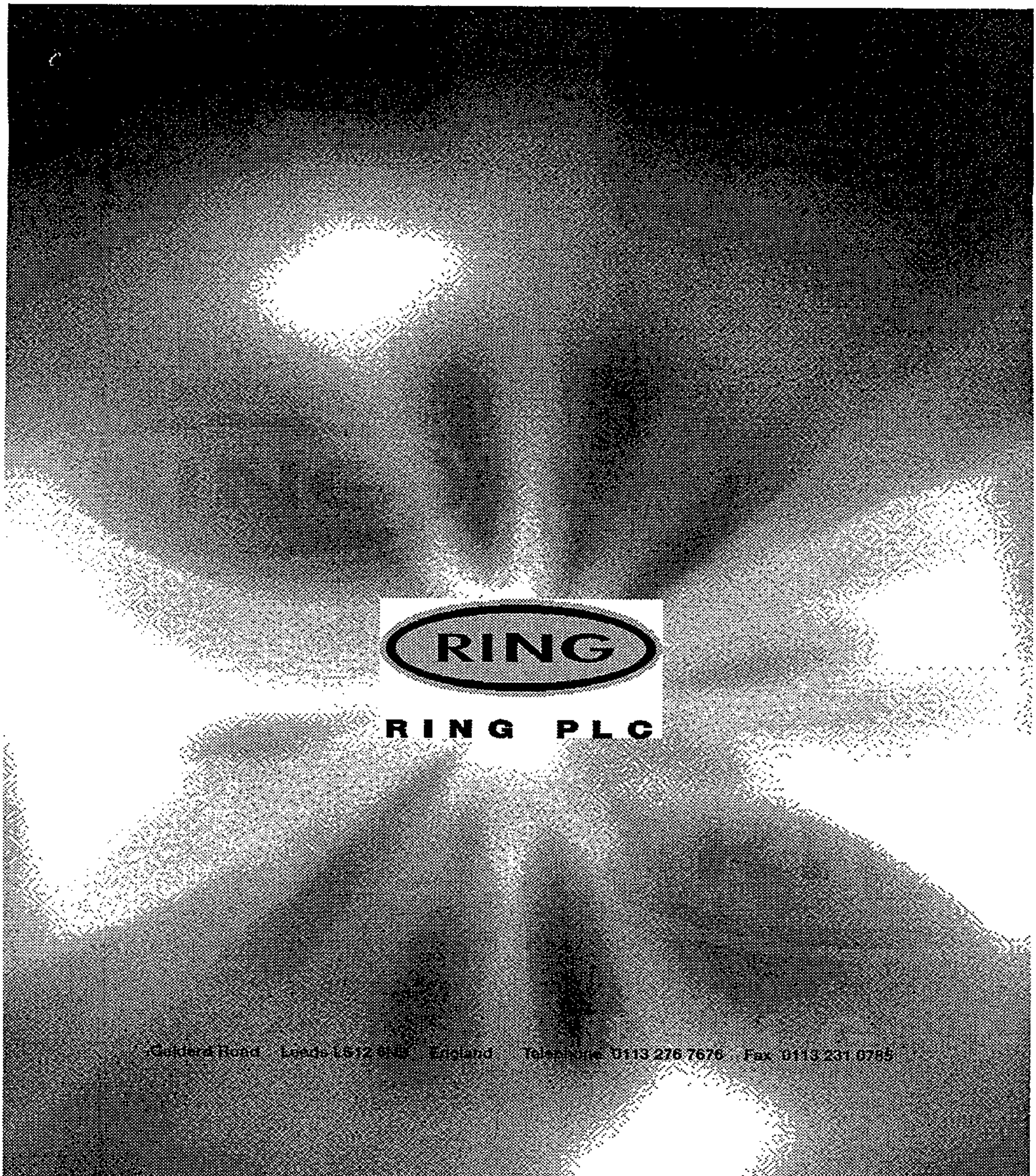
Five Year Statement

	1997/98	1996/97	1995/96	1994/95	1993/94 (as restated)
	£'000	£'000	£'000	£'000	£'000
Turnover	77,857	89,505	92,061	46,969	36,151
(Loss)/profit on ordinary activities before taxation	(15,862)*	2,269	9,329	6,362	4,131
Taxation on ordinary activities	(438)	(764)	(2,705)	(1,515)	(844)
(Loss)/profit on ordinary activities after taxation	(16,300)	1,505	6,624	4,847	3,287
Minority interests	(12)	(19)	–	–	–
Dividends	(1,143)	(1,400)	(2,954)	(2,349)	(935)
(Accumulated deficit)/retained profit for the year	(17,455)	86	3,670	2,498	2,352
(Loss)/earnings per ordinary share	(42.4)p	2.4p	15.8p	15.4p	14.5p
Fixed assets	3,087	8,795	11,003	10,733	7,832
Current assets less current and deferred liabilities and deferred income	9,073	(1,645)	1,646	2,463	(1,011)
Provision for liabilities and charges	(358)	(559)	(1,713)	(935)	(1,066)
Net assets	11,802	6,591	10,936	12,261	5,755
Convertible loan stock	–	(750)	(1,900)	(2,300)	(2,700)
Minority interest	(743)	(835)	(821)	(743)	(743)
Total shareholders' funds	11,059	5,006	8,215	9,218	2,312

*Includes goodwill reinstated of £23,514,000.



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RING PLC

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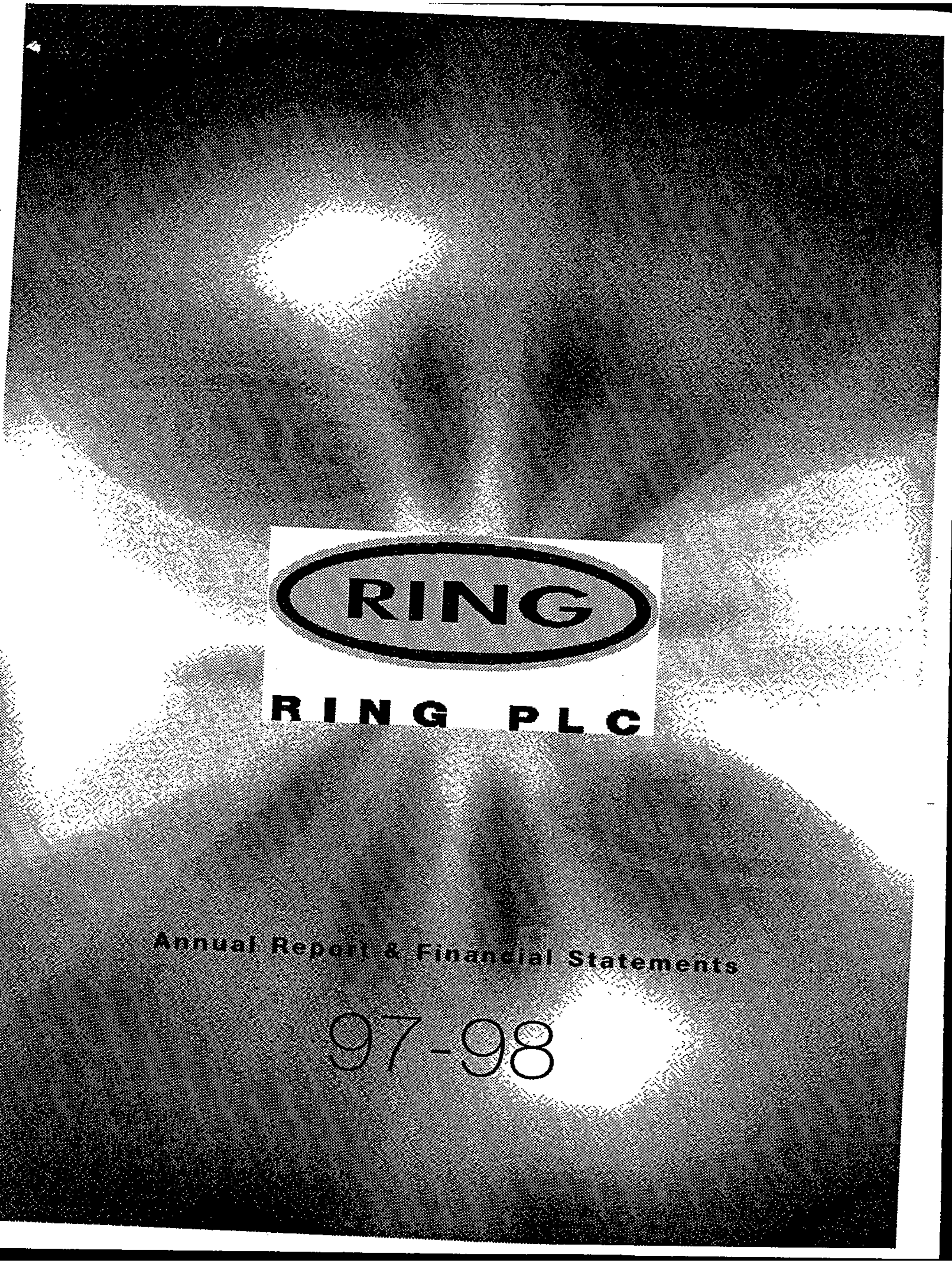

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