

COMPANY NUMBER 339168

(58)

R.T.Z. CANADIAN HOLDINGS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995



DIRECTORS	:	J.S. Bradley M.M. Freeman G.C. Lloyd-Davis S.F. McAdam I.C. Ratnage
SECRETARY	:	B.G. Gale
REGISTERED OFFICE	:	6 St. James's Square London SW1Y 4LD
AUDITORS	:	Coopers & Lybrand 1 Embankment Place London WC2N 6NN

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the fifty eighth annual general meeting of R.T.Z. CANADIAN HOLDINGS LIMITED will be held at 6 St James's Square, London SW1Y 4LD on 19 March 1996 at 10.30 a.m. for the following purposes:-

1. To receive and, if approved, adopt the report of the directors and audited accounts for the year ended 31 December 1995.
2. To re-appoint the auditors.
3. To transact any other ordinary business of the Company.

NOTE

A member of the Company who is entitled to attend and vote is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company.

By Order of the Board



B.G. Gale
Secretary

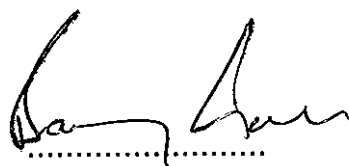
6 St. James's Square
London SW1Y 4LD

19 March 1996

CONSENT TO SHORT NOTICE

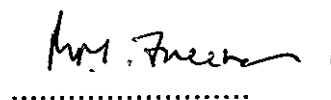
We, the undersigned, being registered as the holders of the entire issued share capital of the above Company, HEREBY CONSENT to the annual general meeting being held on the date and at the time and place set forth and we hereby waive all rights to other notice of such meeting notwithstanding that less than 21 days' notice has been given of the meeting.

For and on behalf of:
R.T.Z. NOMINEES LIMITED



Director

For and on behalf of:
R.T.Z. INTERNATIONAL HOLDINGS
LIMITED



Director

REPORT OF THE DIRECTORS

The directors have pleasure in submitting the fifty eighth annual report and the audited accounts of the Company for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

R.T.Z. Canadian Holdings Limited is a wholly-owned subsidiary of The RTZ Corporation PLC ("RTZ") and acts as a holding company. During the year the Company continued to invest the proceeds from share capital redemptions by its Canadian subsidiary.

The results of the Company for the year ended 31 December 1995 are set out on page 8.

DIVIDENDS

The directors do not recommend a dividend for the year ended 31 December 1995 (1994 - nil).

FIXED ASSETS - INVESTMENTS

As shown in note 5, RTZ Canada Holdings Inc redeemed part of its capital during the year.

DIRECTORS

The names of the directors at the date of this report are shown on page 2.

DIRECTORS' INTERESTS AND OPTIONS

No director is interested in any contract with the Company. The interests of directors need not be shown as they are directors of the parent company.

INSURANCE FOR DIRECTORS AND OFFICERS

Directors and officers' liability insurance is maintained which provides insurance cover against certain personal liabilities which directors and officers may incur by reason of their duties.

ANNUAL GENERAL MEETING

Notice convening the fifty eighth annual general meeting is attached.

AUDITORS

A resolution to re-appoint Coopers & Lybrand as auditors, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'B.G. Gale', written over a horizontal line.

B.G. GALE
Secretary

6 St. James's Square
London SW1Y 4LD

19 March 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required by UK company law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. In preparing the accounts, which have been prepared on a going concern basis, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The directors are responsible for maintaining proper accounting records, in accordance with the Companies Act 1985, for safeguarding the assets of the Company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS**TO THE MEMBERS OF R.T.Z. CANADIAN HOLDINGS LIMITED**

We have audited the accounts on pages 8 to 14.

Respective responsibilities of directors and auditors

As described on page 6, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

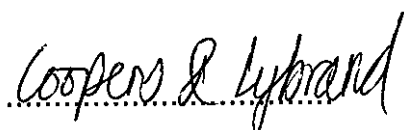
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

19 March 1996

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Date

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Note</u>	<u>1995</u> £000	<u>1994</u> £000
Income from shares in subsidiary undertakings		-	5,304
Interest receivable from loan to parent undertaking		-	412
Other interest receivable and similar income	2	3,904	654
Other operating charges	3	<u>(5,701)</u>	<u>(7,529)</u>
Operating loss/loss on ordinary activities before taxation		(1,797)	(1,159)
Tax on loss on ordinary activities	4	<u>(819)</u>	<u>(1,945)</u>
Retained loss for the year		<u>(2,616)</u>	<u>(3,104)</u>
Movement in retained earnings			
At 1 January		9,009	12,113
Retained loss for the year		<u>(2,616)</u>	<u>(3,104)</u>
At 31 December		<u>6,393</u>	<u>9,009</u>


The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

All items dealt with in the above profit and loss account relate to continuing operations.

The notes on pages 10 to 14 form part of these accounts

BALANCE SHEET AS AT 31 DECEMBER 1995

	<u>Note</u>	<u>1995</u> £000	<u>1994</u> £000
FIXED ASSETS			
Investments	5	<u>10,946</u>	<u>115,908</u>
CURRENT ASSETS			
Debtors	6	146,731	2,040
Investments	7	<u>34,810</u>	<u>77,830</u>
		181,541	79,870
CREDITORS: Amounts falling due within one year	8	<u>(185,200)</u>	<u>(185,875)</u>
NET CURRENT LIABILITIES		<u>(3,659)</u>	<u>(106,005)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,287</u>	<u>9,903</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account		6,393	9,009
Other reserves		<u>794</u>	<u>794</u>
		<u>7,287</u>	<u>9,903</u>


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Director


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Director

19 March 1996

The notes on pages 10 to 14 form part of these accounts

NOTES TO THE 1995 ACCOUNTS

1. ACCOUNTING POLICIES

- a) The accounts have been prepared on the historical cost basis and in accordance with applicable U.K. accounting standards.

b) Currency Translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year. Exchange differences are dealt with in the profit and loss account.

c) Current Asset Investments

Current asset investments are included at the lower of cost and net realisable value. In the case of deep discounted securities, cost is adjusted for discount accrued to the balance sheet date. Where the net realisable value of an investment falls below its original cost, provision for the loss is made. Such provisions are reversed if they are no longer necessary because of a change in circumstances.

d) Investment Income

Dividend income is accounted for on a cash received basis. Interest and other income from investments is recognised on an accruals basis.

e) Group Accounts

Group accounts have not been prepared as the Company is itself a wholly-owned subsidiary of another company incorporated in England and Wales. In the opinion of the directors, the aggregate value of the assets of the Company consisting of shares in, and amounts owing from, its subsidiaries is not less than the aggregate of the amount at which those assets are included in the balance sheet.

f) Investments

The investments are shown at cost less any provisions made for permanent diminutions in value.

2. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1995</u> £000	<u>1994</u> £000
Bank interest	-	33
Other interest receivable and discount accrued	3,591	231
Profit on disposal of current asset investments	65	137
Exchange gains on current asset investments	<u>248</u>	<u>253</u>
	<u>3,904</u>	<u>654</u>

3. OTHER OPERATING CHARGES

	<u>1995</u> £000	<u>1994</u> £000
Exchange loss	<u>5,701</u>	<u>7,529</u>

- a) The auditors' remuneration is borne by a fellow group undertaking (1994 - nil).
- b) The average number of persons employed during the year, excluding directors, was nil (1994 - nil).
- c) No emoluments were paid to any of the directors in respect of their services to the Company (1994 - nil).

4. TAXATION

The tax charge comprises:-

	<u>1995</u> £000	<u>1994</u> £000
<u>UK tax</u>		
Corporation tax @ 33% (1994 - 33%)	704	2,006
Prior year under/(over) provision	115	(61)
Less: Double taxation relief	<u>-</u>	<u>(530)</u>
	819	1,415
<u>Overseas tax</u>		
Withholding taxes	<u>-</u>	<u>530</u>
Charge to the profit and loss account	<u>819</u>	<u>1,945</u>

NOTES TO THE 1995 ACCOUNTS continued

5. INVESTMENTSInterests in subsidiaries

The following information relates to the Company's principal subsidiaries at 31 December 1995:-

Company	Country of Incorporation	Class of shares	% held	Nature of business
The Consolidated Zinc Corp of Canada Inc	Canada	Ordinary shares of no par value	100	Holding company
RTZ Canada Holdings Inc (formerly Tinto Holdings Canada Inc)	Canada	Class B shares of no par value	100	Holding company
		Class C shares of no par value	100	
		Class D shares of no par value	100	
and through RTZ Canada Holdings Inc				
QIT Fer et Titane Inc	Canada	Common Can \$100 Class 'A' Preferred	100	Titanium dioxide feedstock producer

During the year RTZ Canada Holdings Inc repaid C\$200,000,000 by way of a capital redemption.

	<u>Loans</u> £000	<u>Shares</u> £000	<u>Total</u> £000
<u>Cost</u>			
At 1 January	3,000	112,908	115,908
Disposals	-	(96,261)	(96,261)
Transfer to debtors	(3,000)	-	(3,000)
Exchange	-	(5,701)	(5,701)
At 31 December	-	10,946	10,946
<u>Net book value</u>			
At 31 December 1995	-	10,946	10,946
At 31 December 1994	3,000	112,908	115,908

NOTES TO THE 1995 ACCOUNTS continued

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u> £000	<u>1994</u> £000
Amounts due from ultimate parent undertaking	146,728	2,040
Other debtors	<u>3</u>	<u>-</u>
	<u>146,731</u>	<u>2,040</u>

7. CURRENT ASSET INVESTMENTS

	<u>1995</u> £000	<u>1994</u> £000
More than three months from maturity when acquired	16,045	64,961
Less than three months from maturity when acquired	<u>18,765</u>	<u>12,869</u>
	<u>34,810</u>	<u>77,830</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u> £000	<u>1994</u> £000
Amounts due to parent undertaking	184,400	184,400
Accruals	18	-
Other creditors including taxation and social security	<u>782</u>	<u>1,475</u>
	<u>185,200</u>	<u>185,875</u>

NOTES TO THE 1995 ACCOUNTS continued

9. SHARE CAPITAL

	<u>1995</u> £000	<u>1994</u> £000
Authorised, issued and fully paid ordinary shares of £1 each	<u>100</u>	<u>100</u>

The only movements on shareholder's funds are those in retained earnings which are shown on page 8.

10. CASH FLOW STATEMENT

The accounts do not include a cash flow statement because the Company is a wholly-owned subsidiary and the conditions of Financial Reporting Standard No.1 exempting inclusion are satisfied.

11. ULTIMATE HOLDING COMPANY

The RTZ Corporation PLC, registered in England and Wales, is the Company's ultimate holding company at 31 December 1995. Copies of the parent's consolidated financial statements may be obtained from its registered office at 6 St James's Square, London.