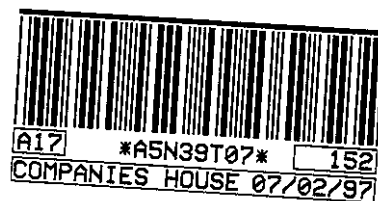


COMPANY NUMBER 440059

ARCHITAL LUXFER LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1996



DIRECTORS : M.M. Freeman  
B.G. Gale  
G.C. Lloyd-Davis

SECRETARY : J.E. Mead

REGISTERED OFFICE : 10/11 Babmaes Street  
London SW1Y 6HD

AUDITORS : Coopers & Lybrand  
1 Embankment Place  
London WC2N 6NN

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of ARCHITAL LUXFER LIMITED will be held at 10/11 Babmaes Street, London SW1Y 6HD on 30 January 1997 at 10.00 a.m. for the following purposes:-

1. To receive and, if approved, adopt the report of the directors and the audited accounts for the year ended 31 December 1996.
2. To consider, and if thought fit, pass the following resolution which will be proposed as a Special Resolution:

## Special Resolution

In accordance with the provisions of Section 250 of the Companies Act 1985, and the company being a dormant company within the meaning of the said Section, the company resolves to make itself exempt from the obligation to appoint auditors as otherwise required by Companies Act 1985, Section 384.

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



J.E. Mead  
Secretary

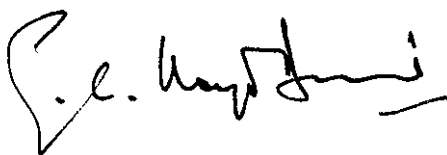
10/11 Babmaes Street  
London SW1Y 6HD

30 January 1997

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. METALS LIMITED



.....  
Secretary

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



.....  
Director

## REPORT OF THE DIRECTORS

The directors have pleasure in submitting the annual report and the audited accounts of the Company for the year ended 31 December 1996.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company has not traded during the year. During the year the Company disposed of an interest in leasehold premises used in its former trade. The Company also sold its subsidiary to a fellow Group company, at book value.

The results of the Company for the year ended 31 December 1996 are set out on page 8.

DIVIDENDS

The directors do not recommend a dividend for the year ended 31 December 1996 (1995 - nil).

DIRECTORS

The names of the directors at the date of this report are shown on page 2. Mr T H Moss resigned on 31 July 1996.

DIRECTORS' INTERESTS AND OPTIONS

According to the register required to be kept by section 325 of the Companies Act 1985, the directors' (other than those who are directors of the parent company) interests in and options on shares and debentures of Group companies, were as follows:-

	<u>Ordinary shares of 10p each of RTZ</u>		<u>Options on ordinary shares of 10p each of RTZ</u>	
	<u>31.12.1996</u>	<u>01.01.1996</u>	<u>Granted in 1996</u>	<u>Exercised in 1996</u>
B.G. Gale	2,573	3,828	913	2,214

POLICY REGARDING PAYMENT OF TRADE CREDITORS

It is the company's policy to abide by terms of payment agreed with suppliers. In many cases, the terms of payment are as stated in the supplier's own literature. In other cases, the terms of payment are determined by specific written or oral agreement. The company does not follow any published code or standard on payment practice.

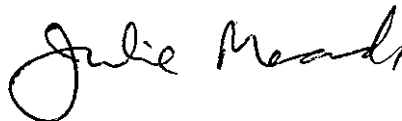
ANNUAL GENERAL MEETING

Notice convening the annual general meeting is attached.

AUDITORS

The company satisfies the provisions of Section 250 of the Companies Act 1985 relating to dormant companies and accordingly a Special Resolution will be put to the annual general meeting to exempt the company from the obligation to appoint auditors as otherwise required by Companies Act 1985, Section 384.

BY ORDER OF THE BOARD

A handwritten signature in cursive script, appearing to read 'Julie Mead'.

J.E. MEAD  
Secretary

10/11 Babmaes Street  
London SW1Y 6HD

30 January 1997

**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 ARCHITAL LUXFER LIMITED

We have audited the accounts on pages 8 to 13.

**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.

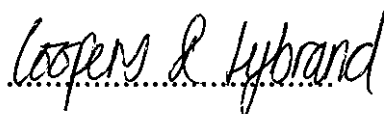
**Basis of opinion**

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 1996 and of its profit 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

30 January 1997

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996

	<u>Note</u>	<u>1996</u> £000	<u>1995</u> £000
Operating Income	2	1,410	-
Operating costs	2	<u>(87)</u>	<u>(307)</u>
Operating profit/(loss) and profit/(loss) on ordinary activities before taxation		1,323	(307)
Tax on profit/(loss) on ordinary activities	3	<u>-</u>	<u>-</u>
Profit/(loss) for the year		1,323	(307)
Accumulated losses brought forward		<u>(4,355)</u>	<u>(4,048)</u>
Accumulated losses carried forward		<u>(3,032)</u>	<u>(4,355)</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.

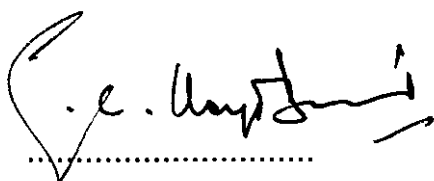
All items dealt with in the above profit and loss account relate to discontinued operations. —

The notes on pages 10 to 13 form part of these accounts

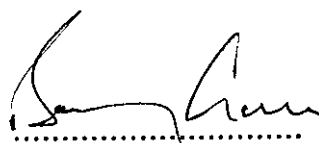


## BALANCE SHEET AS AT 31 DECEMBER 1996

	<u>Note</u>	<u>1996</u> £000	<u>1995</u> £000
<b>FIXED ASSETS</b>			
Investment	4	—	—
<b>CURRENT ASSETS</b>			
Debtors	5	-	65
Cash at bank		—	1
		-	66
<b>CREDITORS: amounts falling due within one year</b>			
	6	<u>(2,904)</u>	<u>(2,883)</u>
Net current liabilities		(2,904)	(2,817)
Provisions for liabilities and charges	7	—	<u>(1,410)</u>
Net liabilities		<u>(2,904)</u>	<u>(4,227)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	128	128
Profit and loss account		<u>(3,032)</u>	<u>(4,355)</u>
		<u>(2,904)</u>	<u>(4,227)</u>



Director



Director

30 January 1997

The notes on pages 10 to 13 form part of these accounts

## NOTES TO THE 1996 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) Group accounts have not been prepared as the Company is itself a wholly-owned subsidiary of another company incorporated in Great Britain.

2. OPERATING INCOME/COSTS

Operating income of £1,410,000 comprises the release of a provision for future rental liabilities, following the transfer of the lease to a fellow group undertaking.

Operating costs comprise:

	<u>1996</u> £000	<u>1995</u> £000
Rent of land and buildings	77	282
Other operating charges	<u>10</u>	<u>25</u>
	<u>87</u>	<u>307</u>

The exceptional profit relates to a provision for future rental liabilities

- a) The auditors' remuneration is borne by a fellow group undertaking (1995 - nil).
- b) The average number of persons employed during the year, excluding directors, was nil (1995 - nil).
- c) No emoluments were paid to any of the directors in respect of their services to the Company (1995 - nil).

3. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	<u>1996</u> £000	<u>1995</u> £000
UK corporation tax @ 33% (1995 - 33%)	<u>-</u>	<u>-</u>

## NOTES TO THE 1996 ACCOUNTS continued

4. INVESTMENTS

During the year the company sold its wholly-owned subsidiary of PMF Limited, to R.T.Z. Metals Limited at its book value of £100.

5. DEBTORS

	<u>1996</u> £000	<u>1995</u> £000
Prepayments	<u>-</u>	<u>65</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1996</u> £000	<u>1995</u> £000
Accruals and deferred income	-	65
Amounts owed to parent undertaking	<u>2,904</u>	<u>2,818</u>
	<u>2,904</u>	<u>2,883</u>

## NOTES TO THE 1996 ACCOUNTS continued

7. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1996</u> £000	<u>1995</u> £000
Estimated rental loss:		
Provision at 1 January	1,410	1,410
Credited to the profit and loss account	<u>(1,410)</u>	<u>-</u>
Provision at 31 December	<u>-</u>	<u>1,410</u>

8. SHARE CAPITAL

	<u>1996</u> £000	<u>1995</u> £000
Authorised 130,000 ordinary shares of £1 each	<u>130</u>	<u>130</u>
Issued and fully paid 127,500 shares of £1 each	<u>128</u>	<u>128</u>

The only movements in shareholder's funds are those in accumulated losses which are shown on page 8

## NOTES TO THE 1996 ACCOUNTS continued

9. GOING CONCERN

The accounts have been drawn upon the basis that the Company is a going concern. The parent undertaking has informed the directors that it will continue to provide financial support.

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. CONTROLLING PARTIES

The Company is controlled by R.T.Z. Metals Limited, which owns 100% of the issued share capital. The RTZ Corporation PLC, registered in England and Wales, is the Company's ultimate holding company and also its ultimate controlling party at 31 December 1996. Copies of the ultimate parent's consolidated financial statements may be obtained from its registered office at 6 St. James's Square, London.