

COMPANY NUMBER 440059

ARCHITAL LUXFER LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994



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COMPANIES HOUSE 09/03/95

DIRECTORS	:	M.M. Freeman B.G. Gale G.C. Lloyd-Davis T.H. Moss
SECRETARY	:	J.E. Mead
REGISTERED OFFICE	:	10/11 Babmaes Street London SW1Y 6HD
AUDITORS	:	Coopers & Lybrand Plumtree Court London EC4A 4HT

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 7 March 1995 at 10.30 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 1994.
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



J.E. Mead
Secretary

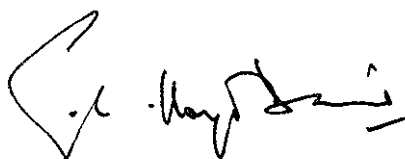
10/11 Babmaes Street
London SW1Y 6HD

7 March 1995

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



.....
Secretary

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 1994.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company has not traded during the year. The Company retained an interest in leasehold premises used in its former trade.

The results of the Company for the year ended 31 December 1994 are set out on page 8.

DIVIDENDS

The directors do not recommend a dividend for the year ended 31 December 1994 (1993 - nil).

DIRECTORS

The names of the directors at the date of this report are shown on page 2. M.M. Freeman, B.G. Gale and G.C. Lloyd-Davis were appointed as directors on 22 April 1994. W.R.V. Archer, E. Race and J.W. Ray resigned as directors on 30 April 1994.

DIRECTORS' INTERESTS AND OPTIONS

No director is interested in any contract with the Company. 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</u> <u>of RTZ</u>		<u>Options on ordinary shares of</u> <u>10p each of RTZ</u>	
	<u>31.12.1994</u>	<u>01.01 1994*</u>	<u>Granted in 1994</u>	<u>Exercised in 1994</u>
B.G. Gale	3,304	2,751	728	9,098
T.H. Moss	No interests			

* or at date of appointment to the board of directors

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 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



J.E. MEAD
Secretary

10/11 Babmaes Street
London SW1Y 6HD

7 March 1995

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.

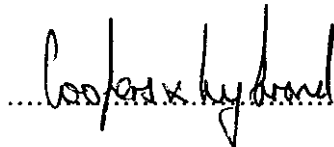
Basis of opinion

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 1994 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

7 March 1995

.....
Date

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

	<u>Note</u>	<u>1994</u> £000	<u>1993</u> £000
Operating costs	2	<u>(1,724)</u>	<u>(306)</u>
Operating loss		(1,724)	(306)
Bank interest receivable		<u>3</u>	<u>3</u>
Loss on ordinary activities before taxation		(1,721)	(303)
Tax on loss on ordinary activities	3	<u>(1)</u>	<u>10</u>
Loss for the year		(1,722)	(293)
Retained loss brought forward		<u>(2,326)</u>	<u>(2,033)</u>
Retained loss carried forward		<u>(4,048)</u>	<u>(2,326)</u>

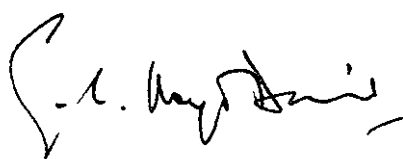
The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

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

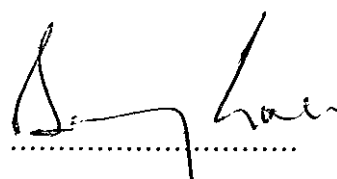
The notes on pages 10 to 13 form part of these accounts

BALANCE SHEET AS AT 31 DECEMBER 1994

	<u>Note</u>	<u>1994</u> £000	<u>1993</u> £000
FIXED ASSETS			
Investment	4	—	—
CURRENT ASSETS			
Debtors	5	65	85
Cash at bank		<u>9</u>	<u>116</u>
		74	201
CREDITORS: amounts falling due within one year	6	<u>(2,584)</u>	<u>(2,399)</u>
Net current liabilities		(2,510)	(2,198)
Provisions for liabilities and charges	7	<u>(1,410)</u>	—
Net liabilities		<u>(3,920)</u>	<u>(2,198)</u>
Capital and Reserves			
Called up share capital	8	128	128
Profit and loss account		<u>(4,048)</u>	<u>(2,326)</u>
		<u>(3,920)</u>	<u>(2,198)</u>



Director



Director

7 March 1995

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

NOTES TO THE 1994 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
Group accounts have not been prepared as the Company is itself a wholly owned subsidiary of another corporation 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.

2. OPERATING COSTS

- a) The auditors' remuneration is borne by a fellow group undertaking (1993 - nil).
- b) The average number of persons employed during the year, excluding directors, was nil (1993 - nil).
- c) No emoluments were paid to any of the directors in respect of their services to the Company (1993 - nil).
- d)

	<u>1994</u> £000	<u>1993</u> £000
Rent of land and buildings	282	282
Other operating charges	32	24
Exceptional loss	<u>1,410</u>	<u>—</u>
	<u>1,724</u>	<u>306</u>

The exceptional loss relates to a provision for future rental liabilities

3. TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>1994</u> £000	<u>1993</u> £000
UK corporation tax @ 33% (1993 - 33%)	(1)	(1)
Adjustment in respect of prior year	<u>—</u>	<u>11</u>
	<u>(1)</u>	<u>10</u>

NOTES TO THE 1994 ACCOUNTS continued

4. INVESTMENTS

The following information relates to the Company's principal subsidiary at 31 December 1994:-

Company	Country of Incorporation	Number held and class of shares	% held	Nature of Business Activities
PMF Limited	England and Wales	100 ordinary shares of £1 each	100	Inactive

5. DEBTORS

	<u>1994</u> £000	<u>1993</u> £000
Prepayments	<u>65</u>	<u>85</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1994</u> £000	<u>1993</u> £000
Accruals and deferred income	65	69
Amounts owed to parent undertaking	2,505	2,030
Amounts owed to fellow group undertaking	13	300
Corporation tax	<u>1</u>	<u>-</u>
	<u>2,584</u>	<u>2,399</u>

NOTES TO THE 1994 ACCOUNTS continued

7. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1994</u> <u>£000</u>
Estimated rental loss:	
Provision at 1 January	-
Charged to the profit and loss account	<u>1,410</u>
Provision at 31 December	<u>1,410</u>

8. SHARE CAPITAL

	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
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 retained earnings which are shown on page 8

NOTES TO THE 1994 ACCOUNTS continued

9. FINANCIAL COMMITMENTS AND CONTINGENCIESAnnual charge under a non cancellable operating lease

	<u>Land and buildings</u>	
	<u>1994</u>	<u>1993</u>
	<u>£000</u>	<u>£000</u>
Expiry date after five years	<u>282</u>	<u>282</u>

The Company has title to a property lease which expires in November 2012. The annual rent payable is currently £282,000 with rent reviews due in November 1998 and November 2005. The property is currently vacant and a provision has been established representing the estimated liability to be funded over the next five years. The directors believe that steps to sub-let the property will be successful such that the Company's loss under the lease will not exceed this amount. If the property cannot be sub-let or the lease otherwise disposed of, further losses will be incurred by the Company.

10. GOING CONCERN

The accounts have been drawn up on the basis of a going concern. The parent company has informed the directors that it will continue to provide support for the Company's operations.

11. 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.

12. ULTIMATE HOLDING COMPANY

The RTZ Corporation PLC, registered in England and Wales, is the Company's ultimate holding company at 31 December 1994. Its registered office is 6 St James's Square, London.