

**COMPANY NUMBER 932630**

**MELLOWES PG 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

**NOTICE OF MEETING**

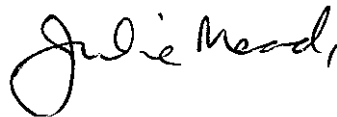
NOTICE IS HEREBY GIVEN that the annual general meeting of MELLOWES PG LIMITED will be held at 10/11 Babmaes Street, London SW1Y 6HD on 4 February 1997 at 9.15 a.m. for the following purposes:-

1. To receive and, if approved, adopt the report of the directors and the statement of accounts for the year ended 31 December 1996
2. 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

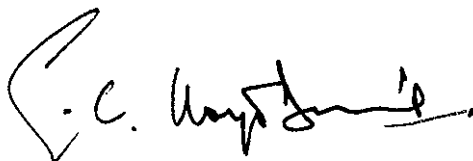
10/11 Babmaes Street  
London SW1Y 6HD

4 February 1997

**CONSENT TO SHORT NOTICE**

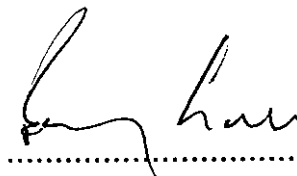
We, the undersigned, being registered as the holders of the entire issued share capital of the above Company, HEREBY CONSENT to the annual general meeting being held on the date and at the time and place set forth and we hereby waive all rights to other notice of such meeting notwithstanding that less 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 statement of the accounts of the Company for the year ended 31 December 1996.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

Mellowes PG Limited is a wholly-owned subsidiary of The RTZ Corporation PLC ("RTZ"). The Company was dormant throughout the period under review.

### DIRECTORS

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

### 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<br/>of RTZ</u> |                   | <u>Options on ordinary shares of<br/>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                    |

### AUDITORS

The Company satisfies the provisions of Section 250 of the Companies Act 1985 relating to dormant companies and has previously passed a Special Resolution to exempt the Company from the obligation to appoint auditors.

BY ORDER OF THE BOARD



J.E. Mead  
Secretary

10/11 Babmaes Street  
London SW1Y 6HD

4 February 1997

## BALANCE SHEET AS AT 31 DECEMBER 1996

|  | <u>Note</u> | <u>1996</u><br>£ | <u>1995</u><br>£ |
|--|-------------|------------------|------------------|
| Creditors: amounts due to parent company |             | <u>(112,478)</u> | <u>(112,478)</u> |
| CAPITAL AND RESERVES                     |             |                  |                  |
| Called up share capital                  | 2           | 200,100          | 200,100          |
| Share premium account                    |             | 265,185          | 265,185          |
| Profit and loss account                  |             | <u>(577,763)</u> | <u>(577,763)</u> |
|  |             | <u>(112,478)</u> | <u>(112,478)</u> |

## NOTES TO THE 1996 ACCOUNTS

1. ACCOUNTING POLICIES

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

2. SHARE CAPITAL

|   | <u>1996</u><br>£000 | <u>1995</u><br>£000 |
|---|---------------------|---------------------|
| Authorised, issued and fully paid<br>200,100 ordinary shares of £1 each | <u>200</u>          | <u>200</u>          |

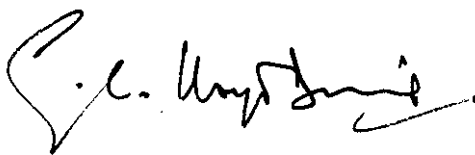
3. CONTINGENT LIABILITY

The Company has assigned under English law a property lease which expires in 2050.

4. ULTIMATE HOLDING COMPANY

The RTZ Corporation PLC, registered in England and Wales, is the Company's ultimate holding company at 31 December 1996. Its registered office is 6 St James's Square, London.

Throughout the year ended 31 December 1996 the Company was dormant within the meaning of Section 250 of the Companies Act 1985.



.....  
Director

4 February 1997