

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



DIRECTORS	:	M.M. Freeman A.S. Garner C.A. Holroyd
SECRETARY	:	M.M. Freeman
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 twenty fourth annual general meeting of R.T.Z. OVERSEAS SERVICES LIMITED will be held at 6 St James's Square, London SW1Y 4LD on 8 March 1996 at 11.00 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 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



M.M. Freeman
Secretary

6 St James's Square
London SW1Y 4LD

8 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.

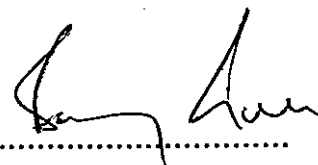
For and on behalf of:
RTZ LIMITED



.....

Secretary

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



.....
Director

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

R.T.Z. Overseas Services Limited is a wholly-owned subsidiary of The RTZ Corporation PLC ("RTZ"). The Company continues to provide services to an overseas company.

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

DIVIDENDS

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

DIRECTORS

The names of the directors at the date of this report are shown on page 2.
Mr. T.R. Ball resigned as a director on 31 December 1995. Mr. C.A. Holroyd was appointed a director on 1 January 1996.

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>31.12.1995</u>	<u>01.01.1995</u>	<u>Granted in 1995</u>	<u>Exercised in 1995</u>
A.S. Garner	77,082*	3,191	325	494

* includes an interest, with others, in 72,881 shares as a potential beneficiary of the RTZ Share Ownership Trust

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 twenty fourth 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 dark ink, appearing to read 'M.M. Freeman', with a small flourish at the end.

M.M. FREEMAN
Secretary

6 St James's Square
London SW1Y 4LD

8 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. OVERSEAS SERVICES LIMITED

We have audited the accounts on pages 8 to 12.

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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

8 March 1996

.....
Date

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Note</u>	<u>1995</u> £000	<u>1994</u> £000
Turnover	1	2,051	2,509
Operating costs	2	<u>2,082</u>	<u>2,550</u>
Operating loss		(31)	(41)
Interest receivable		<u>129</u>	<u>120</u>
Profit on ordinary activities before taxation		98	79
Taxation on profit on ordinary activities	3	<u>20</u>	<u>37</u>
Retained profit for the year		<u>78</u>	<u>42</u>
Movement in retained earnings			
At 1 January		177	135
Retained profit for the year		<u>78</u>	<u>42</u>
At 31 December		<u>255</u>	<u>177</u>

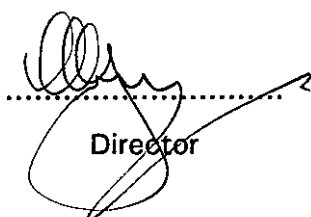
The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

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

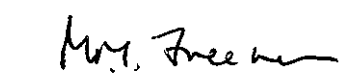
The notes on pages 10 to 12 form part of these accounts.

BALANCE SHEET AS AT 31 DECEMBER 1995

	<u>Note</u>	<u>1995</u> £000	<u>1994</u> £000
CURRENT ASSETS			
Debtors	4	4	-
Cash at bank and in hand		<u>1,227</u>	<u>1,116</u>
		1,231	1,116
Creditors: Amounts falling due within one year	5	<u>976</u>	<u>939</u>
NET CURRENT ASSETS		<u>255</u>	<u>177</u>
CAPITAL AND RESERVES			
Called up share capital	6	-	-
Profit and loss account		<u>255</u>	<u>177</u>
		<u>255</u>	<u>177</u>



.....
Director



.....
Director

8 March 1996

The notes on pages 10 to 12 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) Turnover

Turnover for the year represents fees receivable.

c) Currency Translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. 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.

2. OPERATING COSTS

- a) Operating costs comprise:-

	<u>1995</u> £000	<u>1994</u> £000
Staff costs:		
Wages and salaries	1,901	2,298
Pension costs	73	115
Other	<u>77</u>	<u>95</u>
	2,051	2,508
Exchange losses	<u>31</u>	<u>42</u>
	<u><u>2,082</u></u>	<u><u>2,550</u></u>

- b) The average number of persons employed during the year, excluding directors, was 43 (1994 - 48). All employees work outside the United Kingdom.
- c) No emoluments were paid to any of the directors in respect of their services to the Company (1994 - nil).
- d) The auditors' remuneration is borne by a fellow group undertaking (1994 - nil).

NOTES TO THE 1995 ACCOUNTS continued

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is made up as follows:

	<u>1995</u> £000	<u>1994</u> £000
UK Tax		
Corporation tax at 33% (1994 - 33%)	14	37
Underprovision in respect of prior years	<u>6</u>	<u>-</u>
	<u>20</u>	<u>37</u>

4. DEBTORS

	<u>1995</u> £000	<u>1994</u> £000
Other debtors	<u>4</u>	<u>-</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u> £000	<u>1994</u> £000
Amounts owed to fellow subsidiary undertaking	962	890
Amounts owed to parent undertaking	-	12
Corporation tax	<u>14</u>	<u>37</u>
	<u>976</u>	<u>939</u>

NOTES TO THE 1995 ACCOUNTS continued

6. SHARE CAPITAL

	<u>1995</u> £000	<u>1994</u> £000
Authorised ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	£	£
Issued, called up and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

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

7. CONTINGENT LIABILITY

Under a group banking arrangement balances of £709,696 (1994 - £241,391) could be used to offset the liabilities of other members of the group.

8. 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.

9. 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.

DIRECTORS' REPORT

DONATIONS

Donations for charitable purposes made by the company during the period amounted to £9,261 (1994 - £9,456). No donations were made by the company during the period for political purposes as defined by the Companies Act 1985.

EMPLOYMENT OF DISABLED PERSONS

The company employs disabled persons where the requirements of the job and the individual's disability make this possible. The company accepts the need to maintain and develop the careers of disabled employees and supports training and other programmes to that end.

EMPLOYEE INVOLVEMENT

The company recognises the need for employee involvement. Employees are systematically informed of the company's performance by way of regular meetings including financial statistics.

AUDITORS

On 1 February 1996 the auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution to reappoint Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



B.G. Gale

Secretary

6 St James's Square
London SW1Y 4LD

29 February 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chartered Accountants

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

Telephone: National 0171 936 3000
International + 44 171 936 3000
Telex: 884739 TRLNDN G
Fax (Gp. 3): 0171 583 8517
LDE: DX 599

ANGLESEY ALUMINIUM METAL LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 7 to 19 which have been prepared under the accounting policies set out on pages 12 and 13.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of its profit for the 53 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

4 March 1996

ANGLESEY ALUMINIUM METAL LIMITED

PROFIT AND LOSS ACCOUNT 53 weeks ended 31 December 1995

	Note	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
TURNOVER	2	149,862	105,970
Cost of sales		(106,838)	(86,293)
GROSS PROFIT		43,024	19,677
Distribution costs		24	(1,087)
Administrative expenses		(6,242)	(4,335)
OPERATING PROFIT		36,806	14,255
Interest receivable and similar income	6	345	160
Interest payable and similar charges	7	(1,325)	(2,384)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	35,826	12,031
Tax charge on profit on ordinary activities	8	(14,570)	(2,631)
PROFIT AFTER TAX		21,256	9,400
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		21,256	9,400
Opening balance		(22,454)	(31,854)
Closing balance		(1,198)	(22,454)

The above results relate to continuing operations.

There are no recognised gains or losses or movements in shareholders' funds for the current or preceding financial period other than shown above.

ANGLESEY ALUMINIUM METAL LIMITED

BALANCE SHEET 31 December 1995

	Note	31 December 1995 £'000	25 December 1994 £'000
FIXED ASSETS			
Tangible assets	9	29,409	31,800
Investment	11	11,518	13,556
		<u>40,927</u>	<u>45,356</u>
CURRENT ASSETS	12	43,151	22,460
CREDITORS: amounts falling due within one year	13	(26,160)	(18,376)
NET CURRENT ASSETS		<u>16,991</u>	<u>4,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		57,918	49,440
CREDITORS: amounts falling due after more than one year	14	(46,114)	(63,961)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(9,100)	(3,324)
ACCRUALS AND DEFERRED INCOME	16	(3,902)	(4,609)
		<u>(1,198)</u>	<u>(22,454)</u>
CAPITAL AND RESERVES			
Called up share capital	18	-	-
Profit and loss account		(1,198)	(22,454)
Equity shareholders' funds attributable to equity interests		<u>(1,198)</u>	<u>(22,454)</u>

These financial statements were approved by the Board of Directors on 29 February 1996.

Signed on behalf of the Board of Directors



W.R. Hale



R C Shaw

ANGLESEY ALUMINIUM METAL LIMITED

CASH FLOW STATEMENT 53 weeks ended 31 December 1995

	Note	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
Net cash inflow from operating activities	1	36,262	19,395
Returns on investments and servicing of finance			
Interest received		345	120
Interest paid		(1,325)	(2,384)
Net cash outflow from returns on investments and servicing of finance		(980)	(2,264)
Taxation			
Corporation tax paid		(513)	-
Tax paid		(513)	-
Investing activities			
Payments to acquire tangible fixed assets		(2,058)	(1,157)
Receipts from sales of tangible fixed assets		3	24
Net cash outflow from investing activities		(2,055)	(1,133)
Net cash inflow before financing		32,714	15,998
Financing			
Loan principal repayments		(17,714)	(1,777)
Loans received		-	290
Net cash outflow from financing	4	(17,714)	(1,487)
Increase in cash and cash equivalents	2, 3	15,000	14,511

NOTES TO THE CASH FLOW STATEMENT
53 weeks ended 31 December 1995

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
Operating profit	36,806	14,255
Government grant released	(707)	(705)
Deferred expenditure written-off	72	71
Amortisation of contribution to power supply	1,966	1,801
Depreciation charges	4,366	4,226
Loss/(profit) on sale of tangible fixed assets	79	(12)
Increase in stocks	(280)	(466)
Increase in debtors	(6,530)	(2,336)
Increase in creditors	490	2,561
Net cash inflow from operating activities	36,262	19,395

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
Opening balance	(2,255)	(16,766)
Net cash inflow	15,000	14,511
Closing balance	12,745	(2,255)

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £'000	Change in 53week period £'000	1994 £'000	Change in 52 week period £'000	1993 £'000
Cash at bank and in hand	3,381	3,381	-	-	-
Cash on deposit with RTZ Finance Plc	10,500	10,500	-	-	-
Bank overdrafts and acceptance credits	(1,136)	1,119	(2,255)	14,511	(16,766)
	12,745	15,000	(2,255)	14,511	(16,766)

NOTES TO THE CASH FLOW STATEMENT
53 weeks ended 31 December 1995

4. ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD

	Loans 1995 £'000	Loans 1994 £'000
Balance at 26 December 1994	65,862	67,349
Net cash outflow from financing	(17,714)	(1,487)
Balance at 31 December 1995	<u>48,148</u>	<u>65,862</u>

There were no changes in the issued share capital of two £1 ordinary shares in the current or preceding period.

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 1995

1. BASIS OF ACCOUNTING

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

The financial statements are prepared in accordance with the historical cost convention.

The accounts include the trading results for the fifty-three weeks ended 31 December 1995.

Going concern

The directors have prepared the accounts on the going concern basis as the parent company, Anglesey Aluminium Limited, has undertaken to provide continuing financial support as is necessary.

2. ACCOUNTING POLICIES

Turnover

Turnover represents net sales in the United Kingdom of metal at prices based on the terms of sales agreements made with the shareholders of the company.

Depreciation

No depreciation is provided on freehold land and assets in the course of construction.

Mobile plant and office equipment are written off over five years.

For all other tangible fixed assets depreciation is calculated to write them down to their estimated residual values over the period of their estimated useful economic lives, which for those acquired prior to 1 January 1987 were considered to end in the year 2001. For subsequent additions estimated useful life is considered to be fifteen years.

Deferred income - government grants

Government grants received in respect of tangible assets are transferred to profit and loss account at rates consistent with those at which the relevant assets are being depreciated.

Contribution for power supply

A capital payment was made to the Central Electricity Generating Board as a contribution for power supply. The capital payment was transferred to Nuclear Electric Plc on privatisation of the Central Electricity Generating Board. This payment was financed through a secured loan from the Department of Trade and Industry and interest accruing thereon during the construction period was carried forward. The capital payment together with the amount carried forward are being amortised by a charge against operating results on an annuity basis over the period of the power contract ending in 2001 so that, together with current interest on the Department of Trade and Industry loan, the combined charge represents an equal annual amount.

Deferred taxation

Deferred taxation is provided on timing differences arising from the different treatment of items for accounting and taxation purposes which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value on a F.I.F.O basis with the exception of certain alumina stocks which are valued at a fixed cost. Cost, in the case of work in progress and finished stocks of metal, includes materials, labour and all appropriate overheads.

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 1995

2. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pensions

The expected cost of pensions in respect of RTZ group defined benefit pension schemes in which the company participates is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the schemes. Contributions are based on pension costs across the RTZ group as a whole. Variations from the regular cost are spread over the expected remaining service lives of current employees in the schemes in line with allocation by the principal employer of such variation between companies in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

Operating leases

Rentals are charged to profit and loss in equal annual amounts over the lease term.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
Profit on ordinary activities before taxation is arrived at after charging/(crediting):		
Depreciation of tangible assets	4,366	4,226
Government grants released to profit and loss account	(707)	(705)
	3,659	3,521
Amortisation of contribution for power supply (note 2)	1,966	1,801
Auditors' remuneration	75	74
Hire of plant and machinery	175	186
Operating lease rentals:		
Hire of plant and machinery	19	16
Other operating leases	17	17
Directors' emoluments:		
Management remuneration	304	259
Exceptional item	-	(991)

The exceptional item in 1994 was a rates rebate. The rebate related to years 1990/91 to 1993/94.

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 1995

4. EMPLOYEES

	53 weeks ended 31 December 1995 No.	52 weeks ended 25 December 1994 No.
The average number of persons employed in each of the following categories was:		
Production	627	610
Administration	45	43
	<u>672</u>	<u>653</u>
	£'000	£'000
Staff costs during the period:		
Wages and salaries	15,156	12,864
Social security costs	1,487	1,313
Other pension costs	406	338
	<u>17,049</u>	<u>14,515</u>

Pension costs

The company participates in two RTZ Group pension schemes in the UK. These schemes are of the defined benefit type. The assets of the schemes are held in separate trustee administered funds. The details from the most recent actuarial reviews which were carried out as at 31 March 1995 are disclosed in the accounts of The RTZ Corporation PLC, the ultimate parent company.

The total pension cost for the company was £405,735 (1994 - £338,438).

5. DIRECTORS

The emoluments (excluding pension scheme contributions) of the directors were as follows:

	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
Highest paid director	<u>112</u>	<u>122</u>
	No.	No.
Other directors:		
£ 0 - £ 5,000	2	2
£ 5,001 - £ 10,000	-	1
£ 40,001 - £ 45,000	-	-
£ 50,001 - £ 55,000	2	2
£ 60,001 - £ 65,000	<u>1</u>	<u>-</u>

ANGLESEY ALUMINIUM METAL LIMITED

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 1995

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
Interest received on bank deposits	345	-
Interest received on rates rebate	-	160
	<u>345</u>	<u>160</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
Interest charged to profit and loss account comprises:		
On loans partly repayable after five years		
Amortisation of deferred interest	-	71
Current loan interest	-	1,044
	-	<u>1,115</u>
On loans repayable within five years:		
Bank overdrafts, bills of exchange and acceptance		
credit commissions	139	979
Medium term partner loan	180	290
Amortisation of deferred interest	72	-
Current loan interest	934	-
	<u>1,325</u>	<u>2,384</u>

8. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	53 weeks ended 31 December 1995 £'000	52 weeks ended 25 December 1994 £'000
UK corporation tax charge on the period's result comprises:		
Corporation tax at 33% (1994: 33%)	13,111	1,417
ACT from prior periods	-	(3,386)
Prior period adjustments	59	-
Deferred taxation (see note 15)	1,400	4,600
	<u>14,570</u>	<u>2,631</u>

The tax charge for the year is high because of the move from partial provision for deferred tax to a full provision.

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 1995

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Assets in course of construction £'000	Total £'000
Cost:					
At 26 December 1994	1,542	87,574	2,775	60	91,951
Additions during the year	-	13	-	2,045	2,058
Disposals	-	(423)	(23)	-	(446)
Assets completed during the year	-	1,686	299	(1,985)	-
At 31 December 1995	1,542	88,850	3,051	120	93,563
Accumulated depreciation:					
At 26 December 1994	350	57,319	2,482	-	60,151
Amount charged in the year	39	4,163	164	-	4,366
Disposals	-	(340)	(23)	-	(363)
At 31 December 1995	389	61,142	2,623	-	64,154
Net book value:					
At 31 December 1995	1,153	27,708	428	120	29,409
At 26 December 1994	1,192	30,255	293	60	31,800

10. CAPITAL COMMITMENTS

	31 December 1995 £'000	25 December 1994 £'000
Contracted for but not provided for in the accounts	818	606
Authorised by the directors but not contracted for	1,650	899

11. INVESTMENT

	31 December 1995 £'000	25 December 1994 £'000
Capital contribution to Nuclear Electric Plc (formerly Central Electricity Generating Board)	32,351	32,351
Less amortisation to date	(21,165)	(19,199)
	11,186	13,152
Deferred expenditure, being interest on loan capital accrued prior to the start of commercial operations, less amounts written off	332	404
	11,518	13,556

NOTES TO THE ACCOUNTS
53 weeks ended 31 December 1995

12. CURRENT ASSETS

	31 December 1995 £'000	25 December 1994 £'000
Stocks:		
Raw materials and stores	8,175	8,709
Work in progress	2,458	2,085
Finished goods	713	272
	<u>11,346</u>	<u>11,066</u>
Debtors:		
Trade debtors	685	569
Amounts owed by The RTZ Corporation PLC subsidiary undertakings	8,691	5,527
Short term loan to RTZ Finance PLC	10,500	-
Amounts owed by Kaiser Aluminum and Chemical Corporation subsidiary undertakings	8,133	4,740
Other debtors	265	362
Prepayments and accrued income	150	196
	<u>28,424</u>	<u>11,394</u>
Cash:	<u>3,381</u>	<u>-</u>
	<u>43,151</u>	<u>22,460</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 1995 £'000	25 December 1994 £'000
Bank overdraft	1,136	2,255
Current portion of long term loans (see note 14)	2,034	1,901
Trade creditors	8,300	8,165
Amounts owed to The RTZ Corporation PLC subsidiary undertakings	181	189
Amounts owed to Kaiser Aluminum and Chemical Corporation subsidiary undertakings	1,756	2,529
Taxation (other than corporation tax) and social security payable	3,981	2,695
Corporation tax	8,772	492
Accruals and deferred income	-	150
	<u>26,160</u>	<u>18,376</u>

The bank overdraft is the amount shown in the cash book. The bank balance was not overdrawn at the period end. The difference between the cash book figure and the amount at the bank is due to unrepresented cheques.

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 1995

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 1995 £'000	25 December 1994 £'000
Secured 7% loan from Department of Trade and Industry (see note 2)		
Principal repayable 1996 - 2000	11,699	13,600
Medium term partner loans	-	5,476
Less portions repayable within one year	(2,034)	(1,901)
	<u>9,665</u>	<u>17,175</u>
Amounts owed to immediate parent company	36,449	46,786
	<u>46,114</u>	<u>63,961</u>
Amounts repayable, other than by instalments, falling due after more than five years	36,449	46,786
Amounts repayable by instalment which fall due between one and two years	2,177	2,034
Amounts repayable by instalments which fall due between two and five years	7,488	12,474
Amounts repayable by instalments which fall due after more than five years	-	2,667
	<u>46,114</u>	<u>63,961</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	£'000
Deferred tax:	
Movement in year	
At 26 December 1994	3,324
Current period charge	1,400
Reversal of ACT set-off	4,376
At 31 December 1995	<u>9,100</u>

The major elements of the amount of deferred tax provided and unprovided in the accounts are as follows:

	Provided 31 December 1995 £'000	Provided 25 December 1994 £'000	Unprovided 31 December 1995 £'000	Unprovided 25 December 1994 £'000
Accelerated capital allowances	9,200	7,700	-	2,600
Trading losses	-	-	-	-
Other timing differences	(100)	-	-	-
	<u>9,100</u>	<u>7,700</u>	<u>-</u>	<u>2,600</u>
Unrelieved advance corporation tax	-	(4,376)	-	-
	<u>9,100</u>	<u>3,324</u>	<u>-</u>	<u>2,600</u>

NOTES TO THE ACCOUNTS

53 weeks ended 31 December 1995

16. ACCRUALS AND DEFERRED INCOME

	31 December 1995 £'000	25 December 1994 £'000
Government grants received in respect of tangible assets, less amortisation	3,902	4,609

17. OPERATING LEASE COMMITMENTS

At 31 December 1995 the company was committed to make the following payments during the next year in respect of operating leases:

	Land and buildings £'000	Other £'000
Leases which expire:		
Within one year	-	5
Within two to five years	-	14
After five years	17	-
	17	19

18. CALLED UP SHARE CAPITAL

	31 December 1995 £	25 December 1994 £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted and fully paid:		
2 ordinary shares of £1 each	2	2

19. ULTIMATE PARENT COMPANY

The ultimate parent company is The RTZ Corporation PLC which is registered in England and Wales. The financial statements of that company can be obtained from 6 St James's Square, London SW1Y 4LD.