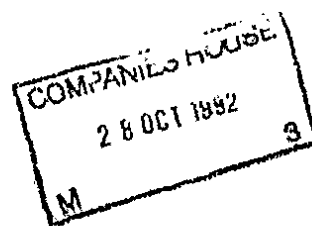


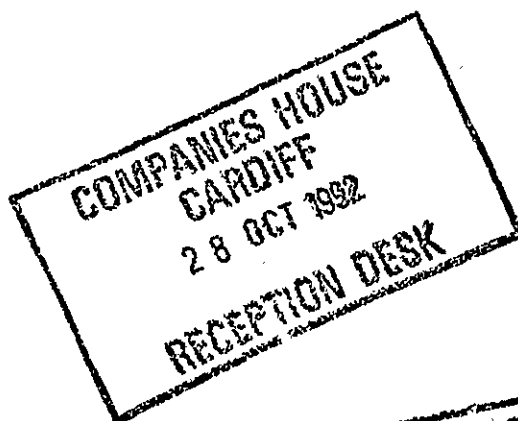
Frederick Jones & Son (Oswestry) Limited
Annual report for the six month
period ended 31 December 1991

Registered no: 1126513



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Frederick Jones & Son (Oswestry) Limited

Annual report for the six month period ended 31 December 1991

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**Directors' report
for the six month period ended 31 December 1991**

The directors present their report and the audited financial statements for the six month period ended 31 December 1991.

Principal activities

The principal activity of the company continues to be the manufacture of galvanised steel lintels, access covers and a range of other drainage and ducting products for the building industry.

Review of business

On 30 September 1991, the entire issued share capital of the company was acquired by Catnic Limited.

The company has changed its accounting reference date from 30 June to 31 December and the profit and loss account on page 5 reflects the results for the six month period ended 31 December 1991. Both the level of business and the period end financial position were satisfactory, and the directors anticipate that the present level of activity will be increased.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend in respect of the six month period ended 31 December 1991. The profit for the financial period of £277,368 will be transferred to revenue reserves.

Research and development

The company is committed to an active policy of research and development to ensure the quality of its products and provide a firm base for the future development of the business.

Changes in fixed assets

The movements in fixed assets during the period are shown in note 10 to the financial statements.

Directors

The directors who have served during the six month period, and the dates of their respective appointments and resignations, are as follows:-

J P W Morgan (Chairman)	(appointed 30 September 1991)
F J R Jones (Previous Chairman)	(resigned 30 September 1991)
C M Anderson	(resigned 30 September 1991)
J A Davies	
J E Faulks	
F R Jones	(resigned 30 September 1991)
I B Jones	(resigned 30 September 1991)
G Miller	(appointed 30 September 1991)
A J Peach	(appointed 30 September 1991)
I E A Walsh	(resigned 30 September 1991)
R B Williams	(appointed 30 September 1991)

Directors' interests in shares of the company

None of the directors had any interests in the shares of the company at 31 December 1991. The interests of the directors in the shares of the company at 30 June 1991 were as follows:-

	30 June 1991 Number
F R Jones	110,000
I B Jones	50,000
F J R Jones	39,990
J A Davies	5
J E Faulks	5
	<hr/>
	200,000
	<hr/>

The interests of the directors at 31 December 1991 in the shares of the ultimate parent company are disclosed in the financial statements of the immediate holding company, Catnic Limited.

Frederick Jones & Son (Oswestry) Limited

3

Auditor

A resolution to reappoint the auditor, Coopers & Lybrand Deloitte, will be proposed at the annual general meeting.

By order of the board

A handwritten signature in dark ink, appearing to read 'J. M. Jones', with a long horizontal stroke extending to the right.

Secretary
4 February 1992

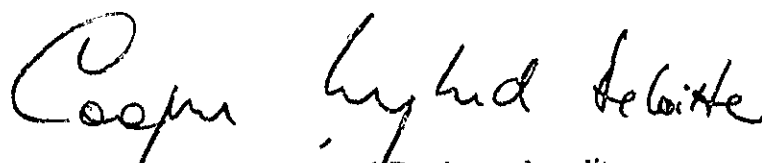
Frederick Jones & Son (Oswestry) Limited

4

Report of the auditor to the members of Frederick Jones & Son (Oswestry) Limited

We have audited the financial statements on pages 5 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Coopers & Lybrand', is written over the printed name of the firm.

Chartered Accountants and Registered auditor
Cardiff, 4 February 1992

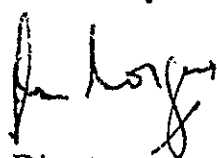
**Profit and loss account
for the six month period ended 31 December 1991**

	Notes	Six months ended 31 December 1991 £'000	Year ended 30 June 1991 £'000
Turnover	2	2,800	6,355
Cost of sales		(953)	(2,326)
Gross profit		1,847	4,029
Net operating expenses	3	(1,326)	(2,682)
Operating profit		521	1,347
Investment income	6	69	225
Profit on ordinary activities before taxation	7	590	1,572
Taxation	8	(313)	(539)
Profit on ordinary activities after taxation		277	1,033
Dividends	9	-	(500)
Retained profit for the period		277	533
Statement of accumulated profits			
Accumulated profits at 1 July 1991		2,208	1,675
Profit for the financial period		277	533
Accumulated profits at 31 December 1991		2,485	2,208

**Balance sheet
at 31 December 1991**

	Notes	31 December 1991 £'000	30 June 1991 £'000
Fixed assets			
Tangible assets	10	1,737	1,716
Current assets			
Stocks	12	261	292
Debtors	13	716	985
Cash at bank and in hand		1,407	1,539
		<u>2,384</u>	<u>2,816</u>
Creditors: amounts falling due within one year	14	<u>(1,561)</u>	<u>(2,249)</u>
Net current assets		<u>823</u>	<u>567</u>
Net assets		<u>2,560</u>	<u>2,283</u>
Capital and reserves			
Called-up share capital	16	50	50
Share premium account		25	25
Profit and loss account		2,485	2,208
		<u>2,560</u>	<u>2,283</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 4 February 1992.



Director



Director

**Notes to the financial statements
for the six month period ended 31 December 1991**

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

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

Cash flow

The company has adopted the provisions of Financial Reporting Standard Number 1. Neither a funds flow nor a cashflow statement is included in these financial statements as the company is a wholly owned subsidiary undertaking of RTZ Corporation plc, which has informed the company of its intention to prepare a consolidated cashflow statement, which incorporates the cashflow of the company, in its financial statements for the year ended 31 December 1991.

Tangible fixed assets

The cost of tangible fixed assets represents their purchase price, together with any incidental expenses of acquisition.

Depreciation of tangible fixed assets, excluding freehold land, has been provided on a straight line basis to write off the cost, less estimated residual value, of each asset evenly over its expected useful life. For freehold buildings the expected useful life is 25 years. All other categories of asset have expected useful lives of between four and eight years.

Freehold land is not depreciated.

Fixed asset investments

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow moving and defective stocks.

Operating leases

Costs in respect of operating leases are charged in arriving at operating profit on a straight line basis over the lease term.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

Bad debts, claims and rectification costs

All known bad debts, claims and rectification costs are written off in the year and specific provision is made for any doubtful debts and for claims and rectification costs likely to be involved.

Deferred taxation

Taxation on all material timing differences between the profit stated in the accounts and the profit computed for tax purposes is provided as deferred taxation using the liability method to the extent that it is probable that a liability or asset will crystallise.

Pension costs

The pensions cost charged against profits in respect of the company's defined contribution scheme is the amount of contributions payable to the pension scheme for the accounting period. The pension cost is assessed in accordance with the advice of qualified actuaries.

2 Turnover

Turnover consists entirely of sales made within the United Kingdom.

3 Other operating expenses

	Six months ended 31 December 1991 £'000	Year ended 30 June 1991 £'000
Distribution costs	121	313
Administrative expenses	1,205	2,369
	<u>1,326</u>	<u>2,682</u>

4 Directors' emoluments

The remuneration paid to the directors of Frederick Jones & Son (Oswestry) Limited was:

	Six months ended 31 December 1991 £'000	Year ended 30 June 1991 £'000
Fees	-	500
Other emoluments (including pension contributions and benefits in kind)	50	103
	<u>50</u>	<u>603</u>

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	Six months ended 31 December 1991	Year ended 30 June 1991
The chairman	£Nil	£500,000
The highest-paid director	<u>£12,760</u>	

The chairman was the highest paid director during the year ended 30 June 1991.

The number of directors (excluding the chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	Six months ended 31 December 1991 Number	Year ended 30 June 1991 Number
£0 to £5,000	7	-
£5,001 to £10,000	1	-
£10,001 to £15,000	1	3
£20,001 to £25,000	-	3

5 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

	Six months ended 31 December 1991 Number	Year ended 30 June 1991 Number
By activity		
Production	95	115
Distribution	6	6
Sales	17	17
Administration	39	41
	<u>157</u>	<u>179</u>

	Six months ended 31 December 1991 £'000	Year ended 30 June 1991 £'000
Staff costs (for the above persons):		
Wages and salaries	817	2,274
Social security costs	79	220
Other pension costs (see note 15)	17	44
	<u>913</u>	<u>2,538</u>

6 Investment income

	Six months ended 31 December 1991 £'000	Year ended 30 June 1991 £'000
Other interest receivable and similar income	69	225
	<u> </u>	<u> </u>

None of the investment income represents income from fixed asset investments or income from listed investments.

7 Profit on ordinary activities before taxation

	Six months ended 31 December 1991 £'000	Year ended 30 June 1991 £'000
Profit on ordinary activities before taxation is stated after crediting:		
Profit on disposal of tangible fixed assets	12	10
	<u> </u>	<u> </u>
And after charging:	203	360
Depreciation of tangible owned fixed assets	7	9
Auditors' remuneration	3	5
Hire of plant and machinery	<u> </u>	<u> </u>

8 Taxation

	Six months ended 31 December 1991 £'000	Year ended 30 June 1991 £'000
United Kingdom corporation tax at 33% (year ended 30 June 1991: 33.75%)	312	538
Current		
Under-provision in respect of prior years:	1	1
Current	<u> </u>	<u> </u>
	313	539
	<u> </u>	<u> </u>

9 Dividends

The directors do not recommend the payment of a dividend in respect of the six month period ended 31 December 1991. A final dividend of £500,000, which represents 250p per ordinary share, was paid in respect of the year ended 30 June 1991.

10 Tangible fixed assets

	Freehold property £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 July 1991	788	2,218	3,006
Additions	276	20	296
Disposals	-	(216)	(216)
Transfers from group companies	-	19	19
At 31 December 1991	<u>1,064</u>	<u>2,041</u>	<u>3,105</u>
Depreciation			
At 1 July 1991	181	1,109	1,290
Charge for year	15	188	203
Eliminated in respect of disposals	-	(130)	(130)
Transfers from group companies	-	5	5
At 31 December 1991	<u>196</u>	<u>1,172</u>	<u>1,368</u>
Net book value			
At 31 December 1991	<u>868</u>	<u>869</u>	<u>1,737</u>
Net book value			
At 30 June 1991	<u>607</u>	<u>1,109</u>	<u>1,716</u>

11 Fixed asset investments

	31 December 1991	30 June 1991
Investment in subsidiary undertaking	£100	£100
	<u> </u>	<u> </u>

The company owns 100% of the issued share capital of Galvacover Limited, a dormant company registered in England and Wales.

Frederick Jones & Son (Oswestry) Limited

13

12 Stocks

	31 December 1991 £'000	30 June 1991 £'000
Raw materials and consumables	171	197
Work in progress	47	19
Finished goods and goods for resale	43	76
	<u>261</u>	<u>292</u>

If stocks had been valued by reference to their replacement cost rather than by reference to their historical cost, the amount of the stocks shown above would not be materially different.

13 Debtors

	31 December 1991 £'000	30 June 1991 £'000
Trade debtors	647	918
Amounts owed by group undertakings	6	-
Other debtors	-	8
Prepayments and accrued income	63	59
	<u>716</u>	<u>985</u>

All of the above amounts fall due for payment within one year of the balance sheet date.

14 Creditors: amounts falling due within one year

	31 December 1991 £'000	30 June 1990 £'000
Trade creditors	233	382
Amounts owed to group undertakings	46	-
Corporation tax	663	516
Other taxation and social security payable	132	145
Other creditors	487	706
Dividends payable	-	500
	<u>1,561</u>	<u>2,249</u>

Deferred taxation

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	31 December 1991 £'000	30 June 1991 £'000	31 December 1991 £'000	30 June 1991 £'000
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	-	-	83	90
Other	-	-	(83)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	90
	<u>-</u>	<u>-</u>	<u>-</u>	<u>90</u>

15 Pension obligations

The company contributes to defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £17,008 (year to 30 June 1991: £43,795).

16 Called-up share capital

	31 December 1991 £'000	30 June 1991 £'000
Authorised		
200,000 ordinary shares of 25p each	50	50
	<u>50</u>	<u>50</u>
Allotted, called up and fully paid		
200,000 ordinary shares of 25p each	50	50
	<u>50</u>	<u>50</u>

17 Financial commitments

At 31 December 1991 the company had annual commitments under non-cancellable operating leases as follows:

	31 December 1991		30 June 1991	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiring between two and five years inclusive	-	6	-	6
	<u>-</u>	<u>6</u>	<u>-</u>	<u>6</u>

18 Transactions with directors

During the period, the company paid a total of £10,250 (year to 30 June 1991: £46,000) to Mr F R Jones, who held office as a director during the period, in respect of rents for the use of certain land and buildings. The annual rental is based on a fair rental value determined in 1989.

On 30 September 1991 the company purchased the land and buildings, referred to above, from Mr F R Jones at the market value of £270,000.

19 Ultimate parent company

The directors regard RTZ Corporation plc, a company registered in United Kingdom, as the ultimate parent company.