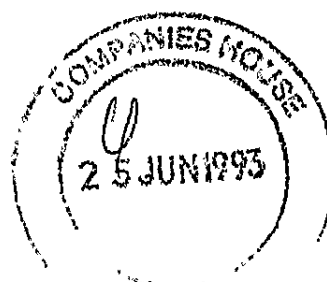


Davis Alumex Lighting Limited
Annual report
for the year ended 31 December 1992

Registered in Scotland no: 49401

Registered office: 388 Hillington Road,
GLASGOW
G52 4BL



Directors' report for the year ended 31 December 1992

The directors present their report and the audited financial statements for the year ended 31 December 1992.

Principal activities

The principal activities of the company during the year were the design, manufacture and distribution of lighting equipment. On 1 June 1992 the business was sold and the company ceased trading as of that date.

Review of business and future developments

The profit and loss account for the year is set out on page 4. In the face of difficult trading conditions, the company reported a loss for the year.

Changes in fixed assets

The movements in the company's tangible fixed assets during the year are set out in note 8 to the financial statements.

Directors

The following were directors of the company during the year:

J W Ray	(Chairman)
E K Smith	- resigned 29 May 1992
G J Brown	
A C Dalziel	- resigned 14 August 1992
L S McCoard	
G Phillips	- resigned 29 May 1992
E Race	

Directors' interests in shares of the company

None of the directors held any shares in the company during the year ended 31 December 1992.

The company is not required to disclose details of the interests of Messrs J W Ray and E Race in shares or in debentures of The RTZ Corporation PLC ("RTZ") or any of its subsidiaries as they are directors of a company of which the company is a wholly owned subsidiary. The other directors had no interest in RTZ ordinary shares of 10p ("shares"), and in respect of those other directors no options to subscribe for shares were granted or exercised during the year.

Auditors

The auditors, Coopers & Lybrand will remain in office. Until 1 June 1992 the firm practised in the name of Coopers & Lybrand Deloitte. A resolution to reappoint Coopers & Lybrand as the company's auditors will be proposed at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, consisting of a stylized 'J' and 'L' followed by a long horizontal line and a small flourish at the end.

J L Sommerville

Secretary
Hillington, 26 February 1993

Report of the auditors to the members of Davis Alumex Lighting Limited

We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1992 and of its loss 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
Glasgow, 26 February 1993

**Profit and loss account
for the year ended 31 December 1992**

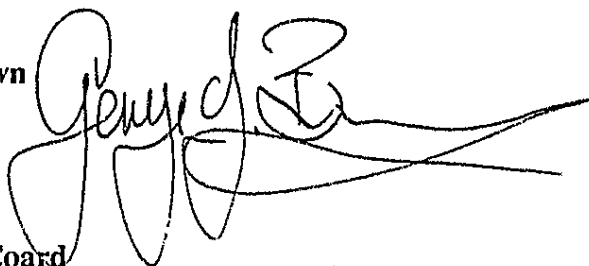
	Notes	1992 £'000	1991 £'000
Turnover	2	1,315	3,714
Net operating costs	3	(2,293)	(5,150)
		<hr/>	<hr/>
Operating loss		(978)	(1,436)
Interest payable and similar charges	6	(88)	(255)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(1,066)	(1,691)
Tax credit on loss on ordinary activities	7	347	547
		<hr/>	<hr/>
Loss for the year		(719)	(1,144)
Accumulated deficit brought forward		(2,617)	(1,473)
		<hr/>	<hr/>
Accumulated deficit carried forward		(3,336)	(2,617)
		<hr/> <hr/>	<hr/> <hr/>

**Balance sheet
at 31 December 1992**

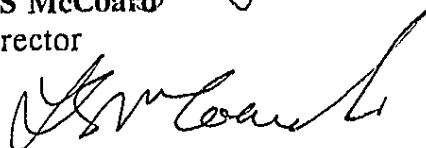
	Notes	1992 £'000	1991 £'000
Fixed assets			
Tangible assets	8	-	568
Current assets			
Stocks	9	-	549
Debtors	10	386	1,655
		386	2,204
Creditors: amounts falling due within one year	11	520	2,160
Net current assets/(liabilities)		(134)	44
Total assets less current liabilities		(134)	612
Creditors: amounts falling due after more than one year	12	-	(27)
Net assets/(liabilities)		(134)	585
Capital and reserves			
Called up share capital	13	3,200	3,200
Capital redemption reserve		2	2
Profit and loss account		(3,336)	(2,617)
		(134)	585

The financial statements on pages 4 to 12 were approved by the board of directors on 26 February 1993 and were signed on its behalf by:

G J Brown
Director



L S McCoard
Director



**Notes to the financial statements
for the year ended 31 December 1992**

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.

Turnover

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

Product development

Product development expenditure is charged to the profit and loss account in the year in which it is incurred.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Pension scheme arrangements

The expected cost of pensions in respect of 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 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 the allocation by the principal employer of such variations between companies in the schemes. The pension cost is assessed in accordance with the advice of qualified actuaries.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Plant and machinery	10
Tooling	33 1/3
Other plant	15
Motor vehicles	25
Fixtures and fittings	15

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease terms.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. In general, cost is arrived at on a first, in first out basis and includes transport and handling costs. In the cases of finished goods stocks and work in progress, cost includes direct expenditure and production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash flow statement

A cash flow statement is not included in these financial statements because the company is a wholly owned subsidiary undertaking of The RTZ Corporation PLC which has informed the company of its intention to prepare a consolidated cash flow statement, including the cash flow of the company, in its 1992 financial statements in accordance with Financial Reporting Standard Number 1.

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange on the date of the transaction. Assets and liabilities in foreign currencies are translated at the rate of exchange at the balance sheet date or, where appropriate, at the relevant contract rate of exchange. Differences on exchange are recognised in the profit and loss account.

Subsidiary undertaking

The financial statements of Alumex Lighting Limited, a wholly owned subsidiary undertaking, have not been consolidated with those of Davis Alumex Lighting Limited in view of the insignificant amounts involved.

2 Turnover

Turnover consists mainly of sales made in the United Kingdom.

3 Net operating costs

	1992 £'000	1991 £'000
Change in stocks of finished goods and work in progress	789	2,636
Raw materials and consumables	259	72
Staff costs (note 5)	541	1,362
Depreciation of tangible fixed assets	65	129
Loss/(profit) on disposal of fixed assets	6	(14)
Hire of plant and machinery	19	47
Hire of other assets	14	43
Auditors' remuneration - annual audit	2	13
- other services	5	-
Other operating charges	593	862
	<u>2,293</u>	<u>5,150</u>

4 Directors' emoluments

	1992 £'000	1991 £'000
For management services	80	211
Compensation for loss of office	117	-
	<u>197</u>	<u>211</u>

The chairman received no emoluments. The emoluments (excluding pension contributions) of the highest paid director were £85,000 (1991: £65,000).

The number of other directors who received fees and other emoluments (excluding pension contributions) within the following ranges was:

	1992 Number	1991 Number
£ 0 to £ 5,000	2	4
£10,001 to £15,000	1	1
£25,001 to £30,000	-	1
£35,001 to £40,000	-	1
£40,001 to £45,000	1	-
£50,001 to £55,000	1	-
	<u> </u>	<u> </u>

5 Employee information

The average weekly number of persons (including executive directors) employed by the company was:

	5 month period ended 31 May 1992 Number	1991 Number
Manufacturing - direct	49	47
Manufacturing - indirect	18	19
Other	38	35
	<u>105</u>	<u>101</u>

Staff costs (for the above persons)

	1992 £'000	1991 £'000
Wages and salaries	481	1,224
Social and security	49	110
Other pension costs	11	28
	<u>541</u>	<u>1,362</u>

6 Interest payable and similar charges

	1992 £'000	1991 £'000
On bank loans, overdrafts and other loans: repayable within 5 years, not by instalments	11	18
On loan from parent company: repayable within 5 years, not by instalments	75	228
Repayable within 5 years by instalments	2	6
	<u>88</u>	<u>252</u>
On hire purchase contracts	-	3
	<u>88</u>	<u>255</u>

7 Tax on loss on ordinary activities

	1992 £'000	1991 £'000
Group relief receivable at 33% (1991: 33.25%)	345	577
Adjustment in respect of prior years	2	(30)
	<u>347</u>	<u>547</u>

8 Tangible fixed assets

	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 January 1992	552	120	290	963
Additions	73	8	30	111
Disposals	(626)	(128)	(320)	(1,074)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1992	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1992	267	47	81	395
Charge for year	33	14	18	65
Eliminated in respect of disposals	(300)	(61)	(99)	(460)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1992	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 1992	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1991	286	73	209	568
	<hr/>	<hr/>	<hr/>	<hr/>

9 Stocks

	1992 £'000	1991 £'000
Raw materials and consumables	-	306
Work in progress	-	121
Finished goods and goods for resale	-	122
	<hr/>	<hr/>
	-	549
	<hr/>	<hr/>

10 Debtors

	1992 £'000	1991 £'000
Amounts falling due within one year		
Trade debtors	-	978
Other debtors	-	49
Prepayments and accrued income	-	50
Group relief receivable	386	578
	<hr/>	<hr/>
	386	1,655
	<hr/>	<hr/>

11 Creditors: amounts falling due within one year

	1992 £'000	1991 £'000
Bank overdraft	-	381
Loan	-	9
Trade creditors	-	602
Amounts owed to fellow subsidiaries	-	23
Amounts owed to the company's holding company	520	863
Other creditors including taxation and social security	-	33
Accruals and deferred income	-	249
	<u>520</u>	<u>2,160</u>

The amounts owed to the parent company are repayable on demand and bear interest at the prevailing bank base rate.

12 Creditors: amounts falling due after more than one year

	1992 £'000	1991 £'000
Loan	-	27
	<u>-</u>	<u>27</u>

13 Called up share capital

	1992 Number	1991 Number
Authorised, allotted, called up and fully paid		
3,198,100 ordinary shares of £1 each	3,198,100	3,198,100
1,900 cumulative convertible participating preferred ordinary shares of £1 each	<u>1,900</u>	<u>1,900</u>

14 Capital commitments

	1992 £'000	1991 £'000
Capital expenditure that has been authorised by the directors but has not been contracted for	-	17
	<u>-</u>	<u>17</u>

15 Contingent liabilities

When the company took occupation of additional factory space in 1983, Cumbernauld Development Corporation granted a two year rent free period subject to certain conditions. Should these conditions be breached, a contingent liability amounting to £21,000 would crystallise.

16 Subsidiary undertaking

The company owns 100% of the issued share capital of Alumex Lighting Limited, a company registered in Scotland. The subsidiary did not trade during the year and made neither profits nor losses.

17 Ultimate parent company

The RTZ Corporation PLC ("RTZ"), registered in England and Wales, is the company's ultimate parent company. Copies of RTZ's consolidated financial statements may be obtained from The Secretary, The RTZ Corporation PLC, 6 St James Square, LONDON, SW1Y 4LD.