RTZ PILLAR LIMITED

DIRECTORS

I. C. Strachan	Chairman
G.H. Sage	Chief Executive
R. Adams	
D. Brown	
C. R. H. Bull	
J.A. Cooke	
R.F. Leverton	
J.W. Ray	
B.C. Turner	
J.R.D. Willans	
D. Wolstenholme	

COMPANY SECRETARY

W.R.V. Archer

Registered in England number 994043

RTZ PILLAR LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited accounts for the year ended 31 December 1991.

ACTIVITIES OF THE COMPANY AND ITS SUBSIDIARIES

RTZ Pillar Limited is a wholly-owned subsidiary of The RTZ Corporation PLC("RTZ") and is a holding company for a diversified industrial group, serving markets which include construction, automotive and general engineering, aviation and defence.

On 1 January 1991 the Company took over the administrative functions of Pillar Building Products Limited, Pillar Electrical Holdings Limited (then Pillar Electrical PLC) and Pillar Engineering Limited together with associated assets.

For management reporting purposes the Group's operations are co-ordinated through the following operating groups.

The Pillar Building Products group comprises businesses supplying non-electrical products primarily to the construction markets in the United Kingdom and mainland Europe. Its activities include the fabrication and surface finishing of aluminium and steel and the manufacture and supply of aluminium, steel and plastic components for the construction industry, including the building and home improvement markets.

During the year, £10 million was spent on acquisitions in the steel lintel market: by purchasing Frederick Jones and Son (Oswestry) Limited and the assets of Sarnson Lintels. The group completed its exit from the timber framed window market by disposing of Price Bros. & Co (Penarth) Limited to its management.

The Pillar Electrical group comprises companies manufacturing electrical products and systems for markets in the United Kingdom and mainland Europe, the Middle East and the Far East. Activities include the manufacture of the "MK" range of electrical wiring accessories, circuit protection and cable management systems, as well as the design and manufacture of safety and environmental systems for buildings and specialised lighting products.

The Pillar Engineering group comprises the automotive and general engineering, distribution and aviation support interests in the United Kingdom. Activities include aero-engine and aircraft component overhaul, manufacture of products and precision components for aerospace, automotive and general industrial applications, motor vehicle distribution and distribution of products to the engineering and construction industries.

RESULTS

The results of the Company for the year are set out on page 6.

DIVIDENDS

The Directors do not recommend a dividend for the year.

FIXED ASSETS

The changes in the Company's fixed assets during the year are set out in note 8 to the accounts.

DIRECTORS

The present composition of the Board of Directors is set out on page 1. Messrs. R. Adams, I. C. Strachan and C. R. H. Bull were appointed Directors on 10 May 1991, 30 August 1991 and 20 September 1991 respectively, and Messrs. D. Edwards and D. E. Davey resigned as Directors on 30 August 1991 and 30 September 1991 respectively. Mr. Strachan succeeded Mr. Edwards as Chairman.

According to the Register kept under Section 325 of the Companies Act 1985, the interests of Directors and their families in shares, loan stock or debentures of The RTZ Corporation PLC or any of its subsidiaries, were as follows:

	Options on RTZ 10p Ordinary Shares		RTZ 10p Ordinary Shares	
	Granted During Year	Exercised During Year	Holdings 31 December 1991	Holdings 31 December 1990
D. Brown	8,333	2,930	2,962	-
J.A. Cooke	-	-	-	-
R.F. Leverton	6,000	-	-	-
J.W. Ray	4,166	-	-	1,901
G.H. Sage	12,666	23,349	-	-
B.C. Turner	2,917	-	-	556
J.R.D. Willans	2,500	-	1,794	1,794
D. Wolstenholme	8,126	25,887	4,969	4,073

The above list does not include any shareholdings of Messrs. R. Adams, C. R. H. Bull and I. C. Strachan who are Directors of RTZ.

AUDITOR

A resolution to re-appoint Coopers & Lybrand Deloitte as the Company's auditor will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

Secretary

Cleveland House
19 St. James's Square
London SW1Y 4JG

28 February 1992.

RTZ PILLAR LIMITED

REPORT OF THE AUDITOR TO THE MEMBERS

We have audited the accounts on pages 6 to 15 in accordance with Auditing Standards.

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

Coopers & Lybrand Deloitte

COOPERS & LYBRAND DELOITTE
Chartered Accountants and Registered Auditor

LONDON, 28 February 1992

RTZ PILLAR LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 1991

	Notes	1991 £'m	1990 £'m
Income from investments in subsidiary companies		6.9	20.7
Other operating income		11.8	6.5
		18.7	27.2
Administrative expenses		(11.3)	(6.4)
Operating Profit	2	7.4	20.8
Interest payable (net)	5	(0.9)	(8.6)
Profit on ordinary activities before taxation		6.5	12.2
Taxation (charge)/credit	6	(0.1)	2.9
Profit for the financial year		6.4	15.1
Dividends	7	-	7.1
Retained profit for the year		6.4	8.0
Retained profit at beginning of year		103.1	95.1
Retained profit at end of year		109.5	103.1

The notes on pages 8 to 15 form part of these accounts.

Auditor's report is on page 5.

RTZ PIL[3] AR LIMITED

BALANCE SHEET
31 DECEMBER 1991

	Notes	1991 £'m	1990 £'m
FIXED ASSETS			
Tangible assets	8	1.5	1.5
Investments in subsidiary companies	9	399.8	399.8
		401.3	401.3
CURRENT ASSETS			
Debtors	10	190.0	170.1
Cash at bank and in hand		-	11.7
		190.0	181.8
Creditors : amounts falling due within one year	11	(161.8)	(159.9)
NET CURRENT ASSETS		28.2	21.9
TOTAL ASSETS LESS CURRENT LIABILITIES		429.5	423.2
Deferred taxation	12	-	(0.1)
		429.5	423.1
CAPITAL RESERVES			
Called up share capital	13	320.0	320.0
Profit and loss account		109.5	103.1
		429.5	423.1

(Director)

(Director)

28 February 1992

The notes on pages 8 to 15 form part of these accounts

Auditor's report is on page 5.

RTZ PILLAR LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The Accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

a) Depreciation

Depreciation of tangible fixed assets is provided on a straight line basis by reference to the expected useful lives of the assets concerned.

The principal annual depreciation rates applied are:-

Leasehold improvements	over the life of the lease
Computer equipment	25%
Plant and equipment	10 - 25%

b) Deferred Taxation

Deferred tax is provided using the liability method in respect of all timing differences to the extent that these are expected to reverse in the foreseeable future.

c) Investments in Subsidiary Companies

Investments in subsidiary companies are stated at cost less provisions where in the opinion of the Directors there has been a permanent diminution in value.

d) Pensions

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 scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

e) Operating Leases

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

RTZ PILLAR LIMITED

NOTES TO THE ACCOUNTS

2 OPERATING PROFIT

	1991 £'000	1990 £'000
Operating profit is stated after charging:		
Staff Costs:		
Wages and salaries	2,040	1,230
Social security costs	300	129
Other pension costs	662	159
Depreciation of tangible fixed assets	534	360
Loss on disposal of tangible fixed assets	32	7
Hire of plant and machinery	36	61
Operating lease payments	982	427
Directors' emoluments for management, including pension contributions (see Note 3)	1,105	835
Auditor's remuneration	150	45

The total pension charge for the Company was £661,821 (1990 - £158,848). Contributions made to pension schemes during 1991 amounted to £635,701 (1990 - £139,117).

3 DIRECTORS' EMOLUMENTS

The Chairmen received no emoluments (1990 - nil). The emoluments of the highest paid director, excluding pension contributions, were £137,378 (1990 £128,250). The number of directors, (including the chairmen and the highest-paid director) apart from the one who discharged his duties wholly or mainly outside the United Kingdom, who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1991	1990
Nil to £5,000	6	5
£25,001 to £30,000	-	1
£30,001 to £35,000	-	3
£55,001 to £60,000	-	1
£90,001 to £95,000	2	-
£100,001 to £105,000	2	-
£110,001 to £115,000	1	-
£115,001 to £120,000	-	1
£125,001 to £130,000	-	1
£135,001 to £140,000	1	-

4 EMPLOYEE INFORMATION

The average number of persons employed by the Company during the year was 73 (1990-66).

The company participates in various group pension schemes in the United Kingdom. Two of 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 at 31 March 1991 are disclosed in the accounts of The RTZ Corporation PLC, the ultimate holding company.

RTZ PILLAR LIMITED

NOTES TO THE ACCOUNTS

4 EMPLOYEE INFORMATION (Continued)

Other schemes were reviewed by a qualified actuary as at 5th April 1991 using the projected unit method. The assumptions which have the most significant effect on the results of the valuation of these schemes are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that, over the long term the annual rate of return on investment would be 2 percent higher than the average general increase in total pensionable remuneration and 4 per cent higher than the annual increase in present and future pensions in payment. At the date of the latest actuarial review the market value of the assets of the schemes was £63 million and the actuarial value of the assets was sufficient to cover 129 per cent of the benefits that had accrued to members after allowing for expected future increases in earnings.

5 INTEREST PAYABLE (NET)

		1991 £'m		1990 £'m
Interest payable:				
Group loans	(7.6)		(17.8)	
Bank overdrafts	(0.8)		-	
		(8.4)		(17.8)
Less: interest receivable				
Bank deposits	0.2		2.8	
Group deposits	6.6		6.4	
Other deposits	0.7			
		7.5		9.2
		(0.9)		(8.6)

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1991 £'m	1990 £'m
Taxation charge/(credit) based on the taxable loss for the year:		
United Kingdom corporation tax at 33.25% (1990 - 35%)	0.2	(2.9)
Transfer (from)/to deferred taxation	(0.1)	-
	0.1	(2.9)

RTZ PILLAR LIMITED

NOTES TO THE ACCOUNTS

7 DIVIDENDS

	1991 £'m	1990 £'m
Interim	-	3.6
Final	-	3.5
	-	7.1

8 TANGIBLE FIXED ASSETS

	Leasehold Improvements £'m	Computer Equipment £'m	Plant and Equipment £'m	Total £'m
Cost				
At beginning of year	0.8	0.5	0.8	2.1
Additions	0.1	0.1	0.5	0.7
Disposals	-	-	(0.3)	(0.3)
At end of year	0.9	0.6	1.0	2.5
Depreciation				
At beginning of year	0.2	0.2	0.2	0.6
Depreciation for the year	0.2	0.1	0.2	0.5
Disposals	-	-	(0.1)	(0.1)
At end of year	0.4	0.3	0.3	1.0
Net book value at end of year	0.5	0.3	0.7	1.5
Net book value at beginning of year	0.6	0.3	0.6	1.5

9 INVESTMENTS IN SUBSIDIARY COMPANIES

	£'m
At beginning and end of year	399.8

Information relating to the principal subsidiary companies is shown on pages 14 and 15.

RTZ PILLAR LIMITED

NOTES TO THE ACCOUNTS

10 DEBTORS

	1991 £'m	1990 £'m
Amounts owed by fellow subsidiary companies outside the RTZ Pillar Limited Group	0.1	0.1
Amounts owed by subsidiary companies	139.4	115.4
Amounts owed by parent company	49.3	51.5
Other debtors	1.2	0.2
Corporation tax	-	2.9
	190.0	170.1

All amounts above are receivable within one year.

11 CREDITORS

	1991 £'m	1990 £'m
Amounts owed to subsidiary companies	142.6	155.5
Amounts owed to fellow subsidiary companies outside the RTZ Pillar Limited Group	0.5	-
Corporation tax	0.2	-
Bank overdrafts	15.4	-
Other creditors	3.1	0.9
Proposed final dividend	-	3.5
	161.8	159.9

12 DEFERRED TAXATION

a) The provision for deferred taxation represents the full potential liability in respect of accelerated capital allowances and other timing differences.

b) The movements on the provision for deferred taxation during the year were as follows:

	£'m
Provision at beginning of year	0.1
Transfer to tax on profit on ordinary activities	(0.1)
Provision at end of year	-

13 SHARE CAPITAL

	1991 £'m	1990 £'m
Authorised issued and fully paid share capital: 320,000,000 (1990 320,000,000), Ordinary Shares of £1 each	320.0	320.0

14 OTHER FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases of land and buildings.

	At Year End 1991 £'000	1990 £'000
Expiring in less than 5 years	862	689
Expiring between 5 and 10 years	23	-
Expiring between 10 and 15 years	29	-
Expiring between 15 and 20 years	150	-

15 CASH FLOW STATEMENT

Neither a cash flow nor a funds flow statement is included in these accounts 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 1991 accounts in accordance with Financial Reporting Standard No. 1.

16 GROUP ACCOUNTS

The Company is a wholly-owned subsidiary of another company incorporated in England and group accounts have not been prepared.

17 ULTIMATE HOLDING COMPANY

The RTZ Corporation PLC, registered in England, is the Company's ultimate holding company. Copies of that company's consolidated financial statements may be obtained from the Secretary, The RTZ Corporation PLC, 6 St. James's Square, London SW1Y 4LD.

RTZ PILLAR LIMITED

PRINCIPAL SUBSIDIARY COMPANIES AT 31 DECEMBER 1991

Pillar Building Products Limited

Acorn Hardas Limited	Aluminium anodising and paint finishing
Air Diffusion Devices Limited	Air diffusion devices
Architectural Seals Limited	Draught excluders
Beta Naco Limited #	Aluminium louvre doors and ventilation grilles
Catnic Limited #	Steel lintels, garage doors and plasterers' products
Duraflex Limited	Aluminium and uPVC double glazing systems
Estabelecimentos Manuel Ferreira, Lda, (Portugal)	Aluminium systems profile stocking and finishing
European Profiles Limited	Roll-formed steel sheeting
Filon Products Limited	Glass reinforced polyester sheeting
Frederick Jones & Son (Oswestry) Limited	Steel Lintels
Glostal Limited	Architectural aluminium systems
Grada International NV (Belgium)	Air diffusion devices
Indalex Limited	Extruding, anodising, painting and fabricating aluminium
Inter Profiles Aktieselskab (Denmark) (75.2%)	Roll-formed steel sheeting
Mellowes Archital Limited	Aluminium and steel windows and doors
Pace Architectural Components Limited	Architectural hardware
Pillar Naco Industries (Europe) Srl (Italy)	Louvre windows and sunbreakers
Pillar Portuguesa (Aluminio), Portalex, S.A. (Portugal)	Aluminium extrusion
Pillar-Wedge Group Limited (73.9%)	General galvanising
Precision Metal Forming Limited	Roll-formed steel sheeting
RTZ Extruders Limited	Extruding, painting and fabricating aluminium
Samson Lintels Limited	Steel Lintels
Streamline Building Products Limited	Glassfibre reinforced gypsum panels
Tecnilaca - Lacagem De Metais, Lda (Portugal)	Metal finishing

Pillar Electrical Holdings Limited

Andrew Chalmers & Mitchell Limited (Scotland)	Hazardous area lighting, floodlighting and amenity lighting
Davis Alumex Lighting Limited (Scotland)	Architectural and commercial lighting systems
Digital Audio Limited	Intrusion security and communication systems
Duraplug Electricals Limited	Resilient portable wiring devices
Ega Limited	Cable management systems
Esser Sicherheitstechnik GmbH (Germany)	Fire alarm and intrusion security systems
V&E Friedland Limited	Domestic bells and chimes and sound signalling equipment
Gent Limited #	Fire detection and alarm systems
Gilflex Limited #	Cable management systems
MK Electric Limited	Wiring devices, circuit protection and cable management systems
Superswitch Electric Appliances Limited #	Consumer security and control products
Trend Control Systems Limited #	Advanced building management systems

PRINCIPAL SUBSIDIARY COMPANIES AT 31 DECEMBER 1991 (Cont'd)

Pillar Engineering Limited

AEM Limited	Overhaul and repair of aircraft components
Attewell-Mycroshims Limited	Manufacture of metal laminates and shims
EET Limited	Non-ferrous tube manufacturing
Frank Parker & Co. Limited	Distribution of contractors' tools, protective clothing and equipment
H+S Aviation Limited	Overhaul and repair of aero engines and components
John Lee (Sacks) Limited	Manufacture and merchanting of sacks and bags
MBS Distribution Limited	Distribution of industrial fastenings
Peak Engineering Company Limited	General precision engineering
Pillar Engineering Supplies Limited	Distribution of engineers' tools and equipment
Pneumatic Components Limited	Manufacture of garage equipment and motor accessories
Pressweld Limited	Manufacture of aluminium trim components
Protofram Limited	Distribution of engineers' hand tools
RTZ Metal Stockholders Limited	Metal stockholding
The Skipper Group Limited	Car and commercial vehicle dealer
Stedall (Vehicle Fittings) Limited	Distribution of commercial vehicle body fittings
AG Strachan & Co. Limited	Distribution of contractors' and engineers' tools, equipment and fastenings

NOTES:

1. The companies are registered in England unless otherwise shown.

2. Pillar Building Products Limited, Pillar Electrical Holdings Limited and Pillar Engineering Limited are immediate subsidiaries of the Company. The other companies are subsidiaries of one of these three companies, as shown.

3 Except where otherwise indicated, subsidiaries are wholly-owned. The existence of more than one class of share capital is indicated by #.

Auditor's report is on page 5.