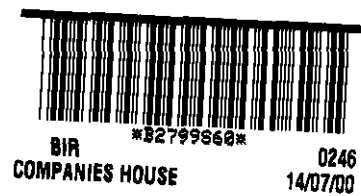


South Wales Galvanisers Limited

Directors' report and financial statements

For the year ended 30 September 1999

Registered number 3141919



Directors' report and financial statements

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Directors' report

The directors present their annual report and financial statements for the year ended 30 September 1999.

Principal activity and business review

The company has not traded during the year.

Directors interests

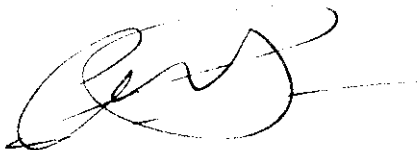
HC Everett was the only director who served during the year.

Mr Everett is a director of the ultimate holding company, Hill & Smith Holdings PLC, and his interest in the shares and share options of that company are shown in its financial statements.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



CB Williams
Secretary

Springvale Business and Industrial Park
Bilston
West Midlands
WV14 0QL

30 November 1999

Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Auditor's report to the members of South Wales Galvanisers Limited

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of directors and auditors

As described on page 2, 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 affairs of the company as at 30 September 1999 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

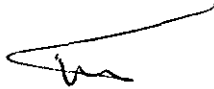
KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 November 1999

Balance sheet
as at 30 September 1999

	1999	1998
	£	£
Current assets		
Debtors (a group company)	2	2
	<u> </u>	<u> </u>
Capital and reserves		
Called up share capital (authorised £1,000)	2	2
	<u> </u>	<u> </u>

These financial statements were approved by the board of directors on 30 November 1999 and signed on their behalf by:



HC Everett
Director

Notes

(forming part of the financial statements)

1 Related party transactions

The company has taken advantage of the exemption available under FRS8 "Related Party Transactions" not to disclose transactions that have been made between the company and other fellow subsidiaries of Hill & Smith Holdings PLC.

2 Ultimate parent company

The company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England. Copies of the Group financial statements may be obtained from the registered office:

Springvale Business and Industrial Park
Bilston
West Midlands
WV14 OQL