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KERR  
FORSTER

AMDEGA LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 1987

Pannell Kerr Forster

PANNELL KERR FORSTER  
Chartered Accountants  
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Darlington DL1 5SN

AMDEGA LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 1987

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AMDEGA LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the company for the period ended 31 December 1987.

RESULTS AND DIVIDEND

The results for the period are shown in the profit and loss account on page 5.

The directors recommend the payment of a dividend of £548,252.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The company's principal activity during the period was that of the manufacture, supply and erection of conservatories. The company expects to continue its operations in this market.

DIRECTORS

The directors during the period were as follows:

R S Lucas  
K Holliday  
I R Adkins  
J W Stockton  
Williams Management Services Limited (appointed 4 June 1987)  
Westminster Securities Limited (appointed 4 June 1987)  
M T Davies (appointed 14 July 1987)  
B A Atkins (appointed 1 July 1987)  
G R Freshfield (appointed 22 October 1987)  
R M Carr, C B Davies and D E Sephton were appointed 4 June 1987 and resigned 4 August 1987  
D Linskey (resigned 14 July 1987)  
T J W Evans, H Caldwell and J C Middleton-Smith all resigned 4 June 1987

DIRECTORS' INTERESTS

None of the directors had any interest in the share capital of the company.

## AMDEGA LIMITED

## DIRECTORS' REPORT (continued)

PERIOD ENDED 31 DECEMBER 1987

## DIRECTORS' INTERESTS - CONTINUED

The directors' interests in the share capital of the company's ultimate holding company are:

	<u>Ordinary Share of 25p each</u>	
	At 1 May 1987 or date of appointment	At 31 December 1987
R S Lucas	-	-
K Holliday	-	-
I R Adkins	-	1,000
J W Stockton	-	-
M T Davies	-	-
B A Atkins	-	-
G R Freshfield	-	31,000

## DIRECTORS' INTERESTS IN CONTRACTS

During the period none of the directors had any material interest in any contract of significance in relation to the company's business.

## ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Williams Holdings PLC which is incorporated in England.

## FIXED ASSETS

Movements in fixed assets are shown in note 12 to the accounts.

The directors consider that the value shown in the accounts in respect of land does not differ materially from the market value of that land.

## HEALTH AND SAFETY

The company's policy is to ensure that, as far as is reasonably practicable, there is a working environment which will minimise the risk to the health and safety of its employees or persons on its premises.

## EMPLOYMENT OF DISABLED PERSONS

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed a career plan is developed so as to ensure suitable opportunities for each disabled person.

AMDEGA LIMITED

DIRECTORS' REPORT - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

EMPLOYEE INVOLVEMENT

Regular meetings are held with employee's representatives, at which the position of the company is fully discussed.

RESEARCH AND DEVELOPMENT

The company continues to commit resources to research and development where this activity is necessary to the evolution of its business.

DONATIONS

The company has not made any political donations during the period. Charitable donations were nominal in amount.

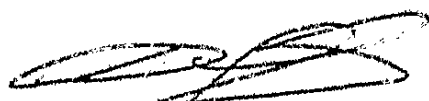
CLOSE COMPANY PROVISIONS

As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1970, as amended, do not apply to the company.

AUDITORS

A resolution to reappoint the auditors, Pannell Kerr Forster, will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Director

25 FEB 1988

Date

Pannell Kerr Forster

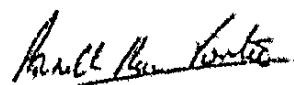
REPORT OF THE AUDITORS TO THE MEMBERS OF  
AMDEGA LIMITED

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

In our opinion the financial statements which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings, give a true and fair view of the state of the company's affairs at 31 December 1987 and of its profit for the period then ended and comply with the Companies Act 1985.

The financial statements do not contain the Statement of Source and Application of Funds required by Statement of Standard Accounting Practice No 10.

Pannell Kerr Forster

  
PANNELL KERR FORSTER  
Chartered Accountants  
Darlington

25.2.88

Date

## AMDEGA LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD ENDED 31 DECEMBER 1987

	Notes	8 MONTHS ENDED 31 DECEMBER 1987		YEAR ENDED 30 APRIL 1987	
		£	£	£	£
TURNOVER	( 2 )		4,816,839		5,144,129
COST OF SALES			3,106,975		3,209,114
GROSS PROFIT			<u>1,709,864</u>		<u>1,935,015</u>
DISTRIBUTION COSTS		600,501		699,719	
ADMINISTRATIVE EXPENSES		338,884		760,921	
OTHER OPERATING INCOME	( 5 )	—	939,385	(10,000)	1,450,640
			<u>770,479</u>		<u>484,375</u>
INTEREST RECEIVABLE AND SIMILAR INCOME	( 6 )		5,751		44,691
INTEREST PAYABLE	( 7 )		44		3,695
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS			776,186		525,371
EXCEPTIONAL ITEMS	( 8 )		495,515		99,897
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	( 9 )		280,671		425,474
TAX ON PROFIT ON ORDINARY ACTIVITIES	(10)		114,238		152,909
PROFIT FOR THE FINANCIAL PERIOD			166,433		272,565
PROPOSED DIVIDEND			548,252		—
(LOSS ABSORBED) RETAINED PROFIT FOR THE PERIOD			(381,819)		272,565
RETAINED PROFIT BROUGHT FORWARD			586,436		312,871
RETAINED PROFIT CARRIED FORWARD			<u>204,617</u>		<u>586,436</u>

The notes on pages 7 to 15 form part of these financial statements.



## AMDEGA LIMITED

## BALANCE SHEET


AT 31 DECEMBER 1987

	Notes	31 DECEMBER 1987	30 APRIL 1987
		£	£
FIXED ASSETS			
Tangible assets	(11)	1,589,389	1,103,511
CURRENT ASSETS			
Stocks and work in progress	(12)	2,104,992	935,131
Debtors	(13)	906,660	890,031
Bank and cash balances		202,079	390,534
		<u>3,213,731</u>	<u>2,215,696</u>
CREDITORS - Amounts falling due within one year	(14)	3,740,938	2,066,377
NET CURRENT ASSETS		(527,207)	149,319
TOTAL ASSETS LESS CURRENT LIABILITIES		1,062,382	1,257,862
CREDITORS - Amounts falling due after more than one year	(14)	317,170	145,050
PROVISIONS FOR LIABILITIES AND CHARGES	(15)	107,652	93,433
		<u>424,822</u>	<u>238,483</u>
		<u>637,560</u>	<u>1,019,379</u>
CAPITAL AND RESERVES			
Called up share capital	(16)	212,750	212,750
Share premium account	(17)	7,250	7,250
Revaluation reserve	(18)	212,943	212,943
Profit and loss account		204,617	586,436
		<u>637,560</u>	<u>1,019,379</u>

The notes on pages 7 to 15 form part of these financial statements.

25 FEB 1988

These financial statements were  
approved by the Board of Directors on \_\_\_\_\_

  
\_\_\_\_\_  
J. Hockley

Directors

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS

PERIOD ENDED 31 DECEMBER 1987

1 ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The financial statements have been prepared following a format of the Companies Act 1985 using the historical cost convention adjusted for revaluations of certain tangible fixed assets.

(b) TURNOVER

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

(c) STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value.

Cost includes the material value together with direct labour and appropriate production overheads according to the stage of production reached. Net realisable value is the value which would be realised after deducting all costs of completion, marketing, selling and distribution.

(d) DEFERRED TAXATION

Deferred taxation is provided in respect of timing differences except where the liability is not expected to arise in the foreseeable future.

(e) GOVERNMENT GRANTS

Revenue based grants are credited to the profit and loss account in the year in which they accrue.

Capital based grants are treated as reducing the cost of acquisition of the relevant tangible fixed asset by the amount of the grant.

## AMDEGA LIMITED

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

## 2 TURNOVER

8 MONTHS ENDED 31.12.87 £	YEAR ENDED 30.4.87 £
------------------------------------	-------------------------------

The analysis of turnover by geographical market was as follows:

United Kingdom	4,564,168	4,915,298
Europe	124,863	55,070
United States of America	118,121	173,761
America (excluding United States of America)	9,687	-
	<u>4,816,839</u>	<u>5,144,129</u>

## 3 STAFF

8 MONTHS ENDED 31.12.87 Number	YEAR ENDED 30.4.87 Number
---	------------------------------------

Average number employed in the period:

Production	148	119
Selling and distribution	20	17
Administration	43	36
	<u>211</u>	<u>172</u>

Aggregate amounts paid in respect of:

Wages and salaries	£ 1,395,197	£ 1,514,274
Social security costs	139,114	158,339
Other pension costs	2,434	9,933
	<u>1,536,745</u>	<u>1,682,546</u>

## AMDEGA LIMITED

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

## 4 DIRECTORS' EMOLUMENTS

Directors' emoluments, excluding pension contributions, were as follows:

Chairman

Highest paid director

£	£
Nil	Nil
29,505	41,355

Emoluments of other directors fell within the following ranges:

Nil - £5,000  
 £5,001 - £10,000  
 £15,001 - £20,000  
 £20,001 - £25,000  
 £25,001 - £30,000

Number	Number
3	3
1	-
3	-
-	4
-	1

## 5 OTHER OPERATING INCOME

Sale of goodwill

8 MONTHS ENDED 31.12.87	YEAR ENDED 30.4.87
£	£
-	10,000

## 6 INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest  
 Building society interest  
 Loan interest

8 MONTHS ENDED 31.12.87	YEAR ENDED 30.4.87
£	£
4,500	14,943
1,251	1,220
-	28,528
5,751	44,691

## 7 INTEREST PAYABLE

On bank and other borrowings  
 repayable within five years

8 MONTHS ENDED 31.12.87	YEAR ENDED 30.4.87
£	£
44	3,695

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

8 EXCEPTIONAL ITEMS	£	£
Compensation for loss of office		49,897
Payment to Customs & Excise re: Undeclared Value Added Tax		50,000
Reorganisation costs	45,715	-
	<u>495,515</u>	<u>99,897</u>

The prior periods exceptional items were incorrectly classified as extraordinary items in the previous audited accounts.

The reorganisation costs of £495,515 are as a result of the acquisition of the company by Williams Holdings PLC.

## 9 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation  
is after charging:

	8 MONTHS ENDED 31.12.87 £	YEAR ENDED 30.4.87 £
Directors' emoluments:		
Salaries	84,452	130,310
Other emoluments including pension contributions	13,653	12,139
Directors' compensation for loss of office	-	25,000
	<u>98,105</u>	<u>167,449</u>
Auditors remuneration	7,000	5,000
Depreciation of tangible fixed assets		
- ordinary	49,442	55,610
- exceptional	31,489	-
	<u>80,931</u>	<u>55,610</u>

## 10 TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax on the profit for the period  
at 35% (year ended 30 April 1987-35%)

Deferred tax

	8 MONTHS ENDED 31.12.87 £	YEAR ENDED 30.4.87 £
Corporation tax on the profit for the period at 35% (year ended 30 April 1987-35%)	174,720	145,050
Deferred tax	(65,053)	15,258
	<u>109,667</u>	<u>160,258</u>
Adjustments in respect of previous period:		
Corporation tax	( 2,600)	( 7,349)
Deferred tax	7,171	-
	<u>114,238</u>	<u>152,909</u>

## AMDEGA LIMITED

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

## 11. FIXED ASSETS - TANGIBLE

	At 1 May 1987			At 31 December 1987
COST	£	Additions	Disposals	£
Land and buildings	857,069	368,613	2,976	1,222,706
Plant and machinery	432,297	245,546	90,401	587,442
	<u>1,289,366</u>	<u>614,159</u>	<u>93,377</u>	<u>1,810,148</u>
DEPRECIATION	At 1 May 1987	Charge for period	Eliminated on disposals	At 31 December 1987
	£	£	£	£
Land and buildings	39,782	10,892	44	50,630
Plant and machinery	141,041	70,019	41,131	169,929
	<u>180,823</u>	<u>80,911</u>	<u>41,175</u>	<u>220,559</u>
NET BOOK VALUE			At 31 December 1987	At 1 May 1987
			£	£
Land and buildings			1,172,076	817,287
Plant and machinery			417,513	291,256
			<u>1,589,589</u>	<u>1,108,543</u>

Freehold land and buildings include land at 31 December 1987 of £275,000 (30 April 1987 - £275,000).

Freehold land and buildings were valued on 30 April 1987 on an open market basis at £900,000. Other tangible fixed assets, including subsequent additions to freehold buildings, are included at cost. The amount of freehold land and buildings (included above at valuation) determined according to the historical cost accounting rules is as follows:

	31 December 1987	1 May 1987
	£	£
Cost	1,009,763	644,126
Depreciation	38,817	29,898
Net book value	<u>970,946</u>	<u>614,228</u>

Of the depreciation charge of £80,911, for the period, £31,489 relates to a revision in accounting policy. The company's depreciation policy was amended to agree with the policy of the holding company and to give a fairer presentation of the results and financial position of the company.

## AMDEGA LIMITED

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

## 11 FIXED ASSETS - TANGIBLE - CONTINUED

Freehold land is not depreciated. Depreciation is calculated so as to write off the cost or valuation of other tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	2%
Plant and machinery	10% - 33.33%

## 12 STOCKS AND WORK IN PROGRESS

	31.12.87	30.4.87
	£	£
Raw materials	277,817	267,454
Work in progress	1,827,175	667,677
	<u>2,104,992</u>	<u>935,131</u>

## 13 DEBTORS

	31.12.87	30.4.87
	£	£
Due within one year:		
Trade debtors	612,926	665,457
Other debtors	183,952	113,330
Prepayments	109,782	111,244
	<u>906,660</u>	<u>890,031</u>

## 14 CREDITORS

	31.12.87	30.4.87
	£	£
Amounts falling due within one year:		
Payments on account	1,146,021	1,209,085
Trade creditors	978,929	512,540
Corporation tax	129,415	129,425
Other tax and social security	73,634	16,373
Accruals	72,939	63,857
Other creditors	90,388	135,107
Due to group companies	701,360	-
Proposed dividend	548,252	-
	<u>3,740,938</u>	<u>2,066,377</u>

Amounts falling due after more than one year:  
Corporation tax

	31.12.87	30.4.87
	£	£
	<u>317,170</u>	<u>145,050</u>

Part of the amounts owing to trade creditors is subject to reservation by the supplier of legal title to the goods supplied and to the proceeds of their sale. The maximum extent to which creditors are secured in this manner at the balance sheet date is approximately £200,000.

## AMDEGA LIMITED

## NOTES TO FINANCIAL STATEMENTS -- CONTINUED

PERIOD ENDED 31 DECEMBER 1987

## 14 CREDITORS - CONTINUED

Included in other creditors is £8,327 (30.4.87 - £16,663) in respect of grant income not yet released to profit and loss account. In the previous financial statements this amount was included in reserves.

	31.12.87	30.4.87
15 PROVISIONS FOR LIABILITIES AND CHARGES	£	£
Deferred taxation	35,551	93,433
Provision for other liabilities and charges	72,101	-
	<u>107,652</u>	<u>93,433</u>

## (a) DEFERRED TAXATION

At 30 April 1987	157,316
As previously reported	(63,883)
Prior year adjustment	<u>93,433</u>
As restated	(65,053)
Credited to the profit and loss account	7,171
Adjustment in respect of previous year	<u>35,551</u>

The prior year adjustment represents the effect of a change in the accounting policy for deferred tax. Previously, tax was provided on revaluation. Now, as a result of the acquisition of the company by Williams Holdings PLC, and to ensure that the accounting policies of the two companies are consistent, no provision is made for deferred tax on revaluations.

If freehold land and buildings were disposed of at the balance sheet amounts it is estimated that the tax liability would amount to approximately £70,000.

Deferred taxation has been fully provided in respect of:

	31.12.87	30.4.87
Accelerated capital allowances	£ 77,418	£ 93,433
Short term timing differences	(41,867)	-
	<u>35,551</u>	<u>93,433</u>

## (b) OTHER LIABILITIES AND CHARGES

Provision for reorganisational costs

£	£
<u>72,101</u>	<u>-</u>

This relates to potential future costs as a direct result of the acquisition of the company by Williams Holdings PLC



## NOTES TO FINANCIAL STATEMENTS - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

## 16 CALLED UP SHARE CAPITAL

There has been no change during the period.  
Ordinary shares of £1 each

	Authorised	Allotted called up and fully paid
	£	£
	300,000	212,750
	<u>300,000</u>	<u>212,750</u>

## 17 SHARE PREMIUM ACCOUNT

At 30 April 1987 and 31 December 1987.

£
7,250
<u>7,250</u>

## 18 REVALUATION RESERVE

At 30 April 1987  
- as previously reported  
- prior year adjustment

£
149,060
63,883
<u>212,943</u>

As restated

<u>212,943</u>
----------------

At 31 December 1987

£
212,943
<u>212,943</u>

This arises on the surplus on revaluation of freehold land and buildings.  
The prior year adjustment is explained in note number 15.

## 19 CAPITAL COMMITMENTS

Contracted  
Authorised but not contracted

31.12.87	30.4.87
£	£
905,252	-
9,495	46,695
<u>914,747</u>	<u>46,695</u>

## 20 HOLDING COMPANY

The ultimate holding company is Williams Holdings PLC, a company incorporated in England.

## AMDEGA LIMITED

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

PERIOD ENDED 31 DECEMBER 1987

## 21 OPERATING LEASE COMMITMENTS

The company is committed to make the following payments in respect of operating leases during the following 12 months for leases which expire as follows:

	31.12.87	30.4.87
	£	£
Within one year	19,173	9,596
From 1 to 5 years	52,912	29,166
Annual commitment at 31 December 1987	<u>72,085</u>	<u>38,762</u>

## 22 CHANGE OF ACCOUNTING REFERENCE DATE

The company has changed its accounting reference date from 30 April to 31 December to coincide with the accounting reference date of the ultimate holding company.

## 23 CONTINGENT LIABILITIES

The company is party to a group arrangement with its bankers whereby its in-hand balance may be applied against the overdraft of Williams Holdings PLC.