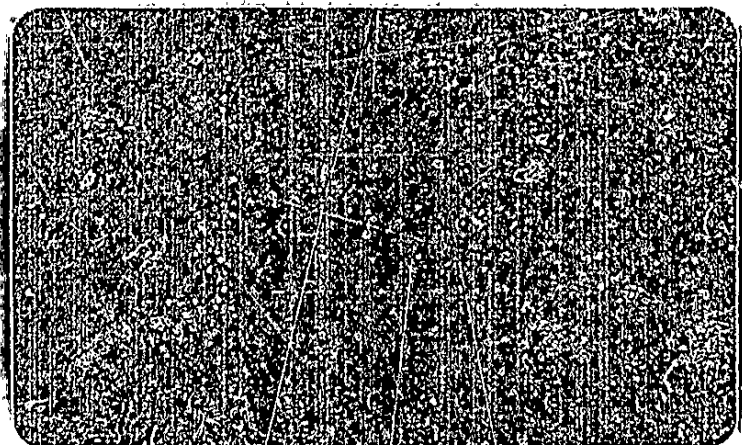


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PANNELL
KERR
FORSTER
CHARTERED ACCOUNTANTS

AMDECA LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

Pannell Kerr Forster

PANNELL KERR FORSTER
Chartered Accountants
7/9 Victoria Road
Darlington DL1 5SN

AMELIA LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

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4	AUDITORS' REPORT
5	PROFIT AND LOSS ACCOUNT
6	BALANCE SHEET
7-15	NOTES TO FINANCIAL STATEMENTS

AMDEGA LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 1988.

RESULTS AND DIVIDEND

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

The directors recommend the payment of a dividend of £899,000.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The company's principal activity during the year was that of manufacture, and sale of conservatories. It is expected that this will continue to be the company's principal activity.

DIRECTORS

The directors during the year were as follows:

K Holliday
I R Adkins
J W Stockton
M T Davies
B A Atkins
G R Freshfield
Williams Management Services Limited
Westminster Securities Limited
R S Lucas (resigned on 30 September 1988)

DIRECTORS' INTERESTS

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

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

	<u>Ordinary Share of 25p each</u>	
	At 1 January 1988	At 31 December 1988
K Holliday	-	500
I R Adkins	1,000	3,000
J W Stockton	-	1,000
G R Freshfield	31,000	35,379
M T Davies	-	-
R S Lucas	-	-
B A Atkins	-	-
Williams Management Services Ltd	-	-
Westminster Securities Ltd	-	-

AMDEGA LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 1988

DIRECTORS' INTERESTS IN CONTRACTS

During the year 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 7 to the financial statements.

The directors consider that the value shown in the financial statements 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

YEAR ENDED 31 DECEMBER 1988

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 year. Charitable donations were nominal in amount.

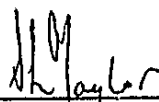
CLOSE COMPANY PROVISIONS

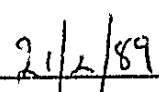
As far as the directors are aware, the close company provisions of the Income and Corporation Taxes Act 1970, as amended, do not apply to the company.

AUDITORS

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

BY ORDER OF THE BOARD


Director S.L. Taylor


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 give a true and fair view of the state of the company's affairs at 31 December 1988 and of its profit for the year then ended and comply with the Companies Act 1985.

The financial statements do not contain a Statement of Sources and Application of Funds as required by Statement of Standard Accounting Practice No 10.

Pannell Kerr Forster



PANNELL KERR FORSTER
Chartered Accountants
Darlington

21 February 1989

Date

AMDEGA LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1988

		12 MONTHS ENDED 31 DECEMBER Notes 1988 £'000	8 MONTHS ENDED 31 DECEMBER 1987 £'000
TURNOVER	(2)	11,871	4,817
COST OF SALES		(7,392)	(3,107)
GROSS PROFIT		<u>4,479</u>	<u>1,710</u>
DISTRIBUTION COSTS		(1,444)	(601)
ADMINISTRATIVE EXPENSES		(1,308)	(339)
OTHER OPERATING INCOME	(3)	6	-
TRADING PROFIT	(4)	<u>1,733</u>	<u>770</u>
INTEREST RECEIVABLE AND SIMILAR INCOME		-	6
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS		<u>1,733</u>	<u>776</u>
EXCEPTIONAL ITEMS	(5)	(334)	(495)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,399</u>	<u>281</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	(6)	(500)	(114)
PROFIT FOR THE FINANCIAL PERIOD		<u>899</u>	<u>167</u>
DIVIDEND		(899)	(548)
RETAINED PROFIT (LOSS ABSORBED) FOR THE PERIOD		-	(381)
RETAINED PROFIT BROUGHT FORWARD		205	586
RETAINED PROFIT CARRIED FORWARD		<u>205</u>	<u>205</u>

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

AMDEGA LIMITED

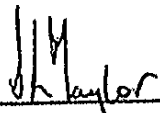
BALANCE SHEET

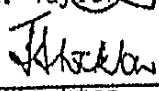
AT 31 DECEMBER 1988

	Notes	31 DECEMBER 1988 £'000	31 DECEMBER 1987 £'000
FIXED ASSETS			
Tangible assets	(7)	3,868	1,590
CURRENT ASSETS			
Stocks	(8)	2,209	2,105
Debtors	(9)	1,776	907
Cash at bank and in hand		858	202
		<u>4,843</u>	<u>3,214</u>
CREDITORS - Amounts falling due within one year	(10)	(7,084)	(3,741)
NET CURRENT LIABILITIES		<u>(2,241)</u>	<u>(527)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,627	1,063
CREDITORS - Amounts falling due after more than one year	(10)	(530)	(317)
PROVISIONS FOR LIABILITIES AND CHARGES	(11)	(12)	(108)
		<u>(542)</u>	<u>(425)</u>
NET ASSETS		<u>1,085</u>	<u>638</u>
CAPITAL AND RESERVES			
Called up share capital	(12)	213	213
Share premium account	(13)	7	7
Revaluation reserve	(14)	660	213
Profit and loss account		205	205
		<u>1,085</u>	<u>638</u>

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

Approved by the Board of Directors on 21 February 1989 and signed on its behalf by:


 S.L. Taylor


 J. Stockton

} Directors

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1988

1 ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The financial statements have been prepared following format 1 of the Companies Act 1985 using the historical cost convention adjusted for revaluations of certain tangible fixed assets.

(b) TURNOVER

Turnover is the invoice value of goods and services supplied.

(c) TANGIBLE FIXED ASSETS

Properties are subject to periodical revaluation by qualified surveyors and valuers on the basis of open market value in existing use.

No depreciation is provided on freehold land. Depreciation on other fixed assets is calculated to write off their cost or valuation over their expected useful lives.

(d) STOCKS

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 estimated selling price reduced by all costs of completion, marketing, selling and distribution.

(e) DEFERRED TAXATION

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

(f) 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

Page 8

NOTES TO FINANCIAL STATEMENTS -- CONTINUED

YEAR ENDED 31 DECEMBER 1988

2 TURNOVER

12 MONTHS ENDED 31.12.88 £'000	8 MONTHS ENDED 31.12.87 £'000
---	--

The analysis of turnover by geographical market was as follows:

United Kingdom	11,151	4,564
Europe	182	125
United States of America	525	118
America (excluding United States of America)	13	10
	<u>11,871</u>	<u>4,817</u>

3 OTHER OPERATING INCOME

12 MONTHS ENDED 31.12.88 £'000	8 MONTHS ENDED 31.12.87 £'000
---	--

Rents received

<u>6</u>	<u>-</u>
----------	----------

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 1988

4 TRADING PROFIT AND EMPLOYEES

	12 MONTHS ENDED 1988 £'000	8 MONTHS ENDED 1987 £'000
Trading profit is stated after charging:		
Operating lease rentals		
Property rent	11	9
Depreciation of fixed assets	118	49
Auditors remuneration	11	7
	<hr/>	<hr/>

Employee costs		
Wages and salaries	2,693	1,395
Social Security costs	283	139
Other pension costs	24	3
	<hr/>	<hr/>
	3,000	1,537
	<hr/>	<hr/>

Additional employee information

Average weekly number of employees:	Number	Number
Production	188	148
Selling and distribution	27	20
Administration	52	43
	<hr/>	<hr/>
	267	211
	<hr/>	<hr/>

Directors' emoluments	£'000	£'000
Directors salaries	104	84
Other emoluments including pension contributions	23	14
	<hr/>	<hr/>
	127	98
	<hr/>	<hr/>

Directors' emoluments, excluding pension contributions:	£'000	£'000
Highest paid director	31	29
	<hr/>	<hr/>

Other directors	Number	Number
Nil - £5,000	5	8
£5,001 - £10,000	-	1
£15,001 - £20,000	-	3
£25,001 - £30,000	3	-
	<hr/>	<hr/>

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31. DECEMBER 1988

5 EXCEPTIONAL ITEMS	12 MONTHS	8 MONTHS
	ENDED	ENDED
	31.12.88	31.12.87
	£'000	£'000
reorganisation costs	(334)	(495)

The reorganisation costs in 1988 mainly relate to the acquisition of the trade of L.F. Knight Limited, a subsidiary of Williams Holdings PLC, and costs associated with the building of new factory premises.

The reorganisation costs of £495,000 in 1987 arose as a result of the acquisition of Amdega Limited by Williams Holdings PLC.

6 TAX ON PROFIT ON ORDINARY ACTIVITIES	12 MONTHS	8 MONTHS
	ENDED	ENDED
	31.12.88	31.12.87
	£'000	£'000
Corporation tax on the profit for the year at 35% (period ended 31 December 1987-35%)	530	175
Deferred taxation	-	(65)
	<u>530</u>	<u>110</u>
Adjustments in respect of previous period:		
Corporation tax	10	(3)
Deferred tax	(40)	7
	<u>500</u>	<u>114</u>

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 1988

7 FIXED ASSETS - TANGIBLE

	At 1 January 1988	Re- Valuation	Additions	Disposals	At 31 December 1988
COST OR VALUATION	£'000	£'000	£'000	£'000	£'000
Land and buildings	1,223	377	1,747	(11)	3,336
Plant and machinery	588	-	226	(30)	784
	<u>1,811</u>	<u>377</u>	<u>1,973</u>	<u>(41)</u>	<u>4,120</u>
DEPRECIATION	At 1 January 1988	Re- Valuation	Charge for period	Eliminated on disposals	At 31 December 1988
	£'000	£'000	£'000	£'000	£'000
Land and buildings	51	(70)	34	(1)	14
Plant and machinery	170	-	84	(16)	238
	<u>221</u>	<u>(70)</u>	<u>118</u>	<u>(17)</u>	<u>252</u>
NET BOOK VALUE				At 31 December 1988	At 31 December 1987
				£'000	£'000
Land and buildings				3,322	1,172
Plant and machinery				546	418
				<u>3,868</u>	<u>1,590</u>

Freehold land and buildings include land at valuation at 31 December 1988 of £20,000 (31 December 1987 - £275,000).

Freehold land and buildings were revalued as at 31 December 1988 by qualified surveyors and valuers on the basis of open market value for existing use. This valuation has been incorporated in the accounts as at 31 December 1988. 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 1988	31 December 1987
Cost	£'000	£'000
	2,959	1,010
Depreciation	84	39
Net book value	<u>2,875</u>	<u>971</u>

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 1988

11 FIXED ASSETS - TANGIBLE - CONTINUED

Freehold land and buildings may be analysed as follows:

	£'000
Valuation in 1988	1,600
Cost	1,736
Accumulated depreciation	(14)
Net book value at 31 December 1988	<u>3,322</u>

Depreciation is provided, other than on freehold land, at the following annual rates on a straight line basis:

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

Pannell Kerr Forster

8	STOCKS	31.12.88	31.12.87
		£'000	£'000
	Raw materials	798	278
	Work in progress	1,411	1,827
		<u>2,209</u>	<u>2,105</u>
9	DEBTORS	31.12.88	31.12.87
		£'000	£'000
	Due within one year:		
	Trade debtors	1,488	613
	Amounts owed by group companies	134	-
	Other debtors	64	184
	Prepayments	90	110
		<u>1,776</u>	<u>907</u>
10	CREDITORS	31.12.88	31.12.87
		£'000	£'000
	Amounts falling due within one year:		
	Payments on account	1,010	1,146
	Trade creditors	960	979
	Corporation tax	142	129
	Other tax and social security	88	74
	Accruals	123	73
	Other creditors	296	90
	Amounts owed to group companies	3,566	701
	Proposed dividend	899	549
		<u>7,084</u>	<u>3,741</u>

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 1988

10 CREDITORS - CONTINUED

31.12.83	31.12.87
£'000	£'000

Amounts falling due after more than one year:
Corporation tax

530	317
-----	-----

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 £10,000 (1987 £200,000).

11 PROVISIONS FOR LIABILITIES AND CHARGES

31.12.88	31.12.87
£'000	£'000

Deferred taxation
Provision for other liabilities and charges

(45)	36
57	72

12	108
----	-----

(a) DEFERRED TAXATION

£'000

At 1 January 1988
Acquired from fellow subsidiary
Credited

36

(41)

(40)

(45)

Analysis of deferred tax

	Potential Liability	Provision
	1988	1987
	£'000	£'000
Short term timing differences	(103)	(42)
Accelerated capital allowances	88	78
	(15)	36

1988

1987

£'000

£'000

(103)

(42)

58

78

(45)

36

Further potential liabilities exist in relation to unrealised surpluses on revaluation. Such liabilities cannot be accurately quantified due to the incidence of indexation and other reliefs which might be available at the time of realisation.

(b) OTHER LIABILITIES AND CHARGES

£'000

£'000

Provision for reorganisation costs

57

72

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

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS -- CONTINUED

YEAR ENDED 31 DECEMBER 1988

12 CALLED UP SHARE CAPITAL

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

Authorised £'000	Allotted called up and fully paid £'000
300	213
<u> </u>	<u> </u>

13 SHARE PREMIUM ACCOUNT

At 31 December 1987 and 31 December 1988.

£'000	£'000
7	7
<u> </u>	<u> </u>

14 REVALUATION RESERVE

At 1 January 1988
Revaluation in the year

At 31 December 1988

£'000
213
447
<u> </u>
660
<u> </u>

15 CAPITAL COMMITMENTS

Contracted
Authorised but not contracted

31.12.88 £'000	31.12.87 £'000
36	905
3,397	10
<u> </u>	<u> </u>
3,433	915
<u> </u>	<u> </u>

16 ULTIMATE HOLDING COMPANY

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

AMDEGA LIMITED

NOTES TO FINANCIAL STATEMENTS - CONTINUED

YEAR ENDED 31 DECEMBER 1988

20 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:

	31.12.88	31.12.87
	£'000	£'000
Within one year	21	19
From 1 to 5 years	65	53
Annual commitment at 31 December 1988	<u>86</u>	<u>72</u>

21 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.