



W RICHARDSON & CO LIMITED
(formerly Amdega Limited)

Report and Financial Statements

2 August 1998

**Deloitte & Touche
Gainsborough House
34-40 Grey Street
Newcastle upon Tyne
NE1 6AE**





REPORT AND FINANCIAL STATEMENTS 1998

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9

**REPORT AND FINANCIAL STATEMENTS 1998****OFFICERS AND PROFESSIONAL ADVISERS****DIRECTORS**

C M Taylor
C J Redfern
P J Moran

SECRETARY

Dickinson Dees

REGISTERED OFFICE

Cross House
Westgate Road
Newcastle upon Tyne
NE99 1SB

BANKERS

National Westminster Bank plc
PO Box 87
Colmore Centre
103 Colmore Row
Birmingham
West Midlands
B3 3NS

Midland Bank plc
1 St Peters Street
Derby
East Midlands
DE1 2AE

BankBoston, N.A.
100 Federal Street
Boston
Massachusetts
02110

Barclays Bank plc
Percy Street
Newcastle upon Tyne
NE1 4QL

SOLICITORS

Dickinson Dees
Cross House
Westgate Road
Newcastle upon Tyne
NE99 1SB

AUDITORS

Deloitte & Touche
Chartered Accountants
Gainsborough House
34-40 Grey Street
Newcastle upon Tyne
NE1 6AE

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 2 August 1998

PRINCIPAL ACTIVITY

The company's principal activity is the manufacture and sale of conservatories.

CHANGE OF NAME

On 31 July 1998 the company changed its name to W Richardson & Co Limited.

REVIEW OF BUSINESS AND FUTURE PROSPECTS

On 15 August 1997 the entire share capital of the company was acquired by Crossco (263) Limited. The business and assets less liabilities of the company were then transferred to Crossco (263) Limited as part of a group reorganisation. On 31 July 1998 Crossco (263) Limited changed its name to Amdega Limited.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend for the year (1997 : £nil). The loss for the year of £44,000 has been withdrawn from reserves (1997 : £6,000 profit transferred to reserves).

DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1.

Since 3 August 1997 the following changes have taken place:

M T Davies	(Resigned 15 August 1997)
M J Edwards	(Resigned 15 August 1997)
D P Goddard	(Resigned 15 August 1997)
P J Moran	(Appointed 15 August 1997)
A E J Reynolds	(Resigned 10 February 1998)

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

YEAR 2000

The directors have considered the risks and uncertainties associated with the Year 2000 issue and do not consider it to be material to the company.

RESEARCH AND DEVELOPMENT

Product development and innovation is a continuous process. The company continues to commit resources to research and development where this activity is necessary to the evolution of its business and in order to keep it technologically in the forefront of the marketplace.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Director

Date:


19/11/98

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, 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;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



AUDITORS' REPORT TO THE MEMBERS OF

W RICHARDSON & CO LIMITED (formerly Amdega Limited)

We have audited the financial statements on pages 5 to 17 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4 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 the company's affairs at 2 August 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

Date: 24/11/98


PROFIT AND LOSS ACCOUNT
Year ended 2 August 1998

		12 month period ended 2 August 1998 £'000 £	7 month period ended 2 August 1997 £'000 £
	Note		
TURNOVER	2	-	7,224
Cost of sales		-	(4,885)
Total cost of sales		-	(4,885)
Gross profit		-	2,339
Distribution costs		-	(1,459)
Administrative expenses		(44)	(874)
OPERATING (LOSS)/PROFIT	5	(44)	6
Interest payable and similar charges		-	-
Other interest receivable and similar income		-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(44)	6
Tax charge on (loss)/profit on ordinary activities	6	-	-
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	14	(44)	6

All activities derive from discontinued operations.



STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 2 August 1998

	12 month period ended 2 August 1998 £'000	7 month period ended 2 August 1997 £'000
(Loss)/profit for the financial year	(44)	6
Unrealised surplus on revaluation of tangible fixed assets	-	695
Total recognised (losses)/gains for the year	<u>(44)</u>	<u>701</u>


BALANCE SHEET
2 August 1998

	Note	£'000	1998 £'000	£'000	1997 £'000
FIXED ASSETS					
Tangible assets	7		-		3,672
CURRENT ASSETS					
Stocks	8	-		1,408	
Debtors	9	3,317		2,240	
Cash at bank and in hand		-		752	
		<u>3,317</u>		<u>4,400</u>	
CREDITORS: amounts falling due within one year	10	-		<u>(4,615)</u>	
NET CURRENT ASSETS/LIABILITIES			<u>3,317</u>		<u>(215)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,317		3,457
CREDITORS: amounts falling due after more than one year	11		-		(96)
PROVISION FOR LIABILITIES AND CHARGES	12		<u>-</u>		<u>-</u>
			<u>3,317</u>		<u>3,361</u>
CAPITAL AND RESERVES					
Called up share capital	13		5,500		5,500
Share premium account	14		7		7
Revaluation reserve	14		537		537
Profit and loss account	14		<u>(2,727)</u>		<u>(2,683)</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	14		<u>3,317</u>		<u>3,361</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

Director

19/11/98


CASH FLOW STATEMENT
Year ended 2 August 1998

	Note	12 month period ended 2 August 1998 £'000	7 month period ended 2 August 1997 £'000
Net cash inflow from operating activities	15	-	518
Returns on investments and servicing of finance	17	-	-
Taxation	17	-	-
Capital expenditure & financial investment	17	-	(1)
Disposal of business	18	(752)	-
Cash (outflow)/inflow before financing		(752)	517
Financing	-	-	-
(Decrease)/increase in cash in the year	16	(752)	517

**NOTES TO THE ACCOUNTS**
Year ended 2 August 1998**1. ACCOUNTING POLICIES**

The accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

Turnover

Turnover, all of which originates in the United Kingdom, is the invoiced value of goods and services supplied, excluding VAT.

Tangible fixed assets and depreciation

Properties are subject to periodic revaluation by qualified surveyors and valuers on an open market, existing use basis, having regard, where appropriate to depreciated replacement costs.

Depreciation on fixed assets is calculated to write off their cost or valuation, less estimated residual value, over their expected useful lives at the following annual rates using the straight line method.

Freehold buildings	2%
Plant, equipment and vehicles	33%

No depreciation has been provided on freehold land.

Operating leases

Rentals paid under operating leases are charged on a straight line basis over the term of the lease.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes attributable overheads where appropriate. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

Foreign currencies

Assets and liabilities denominated in overseas currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Individual transactions are translated at the rate of exchange ruling on the date of transaction. All exchange differences are included in the profit and loss account.

Deferred taxation

Deferred taxation is provided on timing differences except where the liability is not expected to arise in the foreseeable future. No provision is made for the taxation liability on the revaluation of fixed assets.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.



NOTES TO THE ACCOUNTS
Year ended 2 August 1998

2. TURNOVER

Turnover is analysed by geographical market as follows:

	12 month period ended 2 August 1998 £'000	7 month period ended 2 August 1997 £'000
United Kingdom	-	6,057
European Union	-	572
Other	-	67
USA	-	528
	<hr/>	<hr/>
Total	-	7,224
	<hr/>	<hr/>

3. EMPLOYEES

	12 month period ended 2 August 1998 No.	7 month period ended 2 August 1997 No.
The average number employed by the company within each category of persons was:		
Production staff	-	145
Selling and distribution	-	6
Administrative staff	-	46
	<hr/>	<hr/>
	-	197
	<hr/>	<hr/>

The costs incurred in respect of these employees were:

	£'000	£'000
Wages and salaries	-	1,700
Social security costs	-	142
Other pension costs	-	100
	<hr/>	<hr/>
	-	1,942
	<hr/>	<hr/>



NOTES TO THE ACCOUNTS
Year ended 2 August 1998

4. DIRECTORS

	12 month period ended 2 August 1998 £'000	7 month period ended 2 August 1997 £'000
Emoluments (excluding pension contributions)	-	118
Compensation for loss of office	-	46
	-	164

Nil (1997 : three) directors of the company are members of the company defined benefit scheme.

Total contributions made to the company pension scheme in respect of directors were £nil (1997 : £5,992).

5. OPERATING PROFIT

	12 month period ended 2 August 1998 £'000	7 month period ended 2 August 1997 £'000
Operating profit is stated after charging / (crediting):		
Depreciation on owned assets	-	92
Auditors' remuneration:		
Audit fees	-	21
Other services	-	-
Government grants released	-	(1)
Rentals under operating leases:		
Plant and machinery	-	34
Research and development expenditure	-	5

6. TAXATION

	12 month period ended 2 August 1998 £'000	7 month period ended 2 August 1997 £'000
Taxation is based on the profit for the period and comprises:		
UK Corporation tax at 31%	-	-
Deferred taxation	-	-
Adjustment in respect of prior period	-	-


NOTES TO THE ACCOUNTS
Year ended 2 August 1998
7. TANGIBLE FIXED ASSETS

	Land & buildings £'000	Plant, equipment & vehicles £'000	Total £
Cost or valuation			
At 3 August 1997	2,800	964	3,764
Disposals	(2,800)	(964)	(3,764)
At 2 August 1998	-	-	-
Accumulated depreciation			
At 3 August 1997	33	59	92
Disposals	(33)	(39)	(92)
At 2 August 1998	-	-	-
Net book value			
As at 2 August 1998	-	-	-
As at 2 August 1997	2,767	905	3,672

The company's tangible fixed assets were revalued at 1 January 1997 by Edward Rushton Son and Kenyon Limited on an existing use basis. The exercise produced revised valuations for land and buildings and plant, equipment and vehicles of £2,800,000 and £963,000 respectively.

On the historical cost basis, fixed assets would have been included as follows:

	1998		1997	
	Plant equipment & vehicles £'000	Land & buildings £'000	Plant equipment & vehicles £'000	Land & buildings £'000
Cost			1,743	3,959
Cumulative depreciation	-	-	(1,408)	(716)
Net book amount	-	-	335	3,243

Freehold land, amounting to £nil (1997 : £800,000) has not been depreciated.



NOTES TO THE ACCOUNTS
Year ended 2 August 1998

8. STOCKS

	1998 £'000	1997 £'000
Raw materials and consumables	-	301
Work in progress	-	1,107
	<u>-</u>	<u>1,408</u>

9. DEBTORS

	1998 £'000	1997 £'000
Trade debtors	-	1,547
Amounts owed by parent undertakings	3,317	-
Other debtors	-	301
Prepayments	-	392
	<u>3,317</u>	<u>2,240</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £'000	1997 £'000
Payments received on account	-	1,782
Trade creditors	-	1,262
Amounts owed to parent undertakings and fellow subsidiary undertakings	-	977
Other taxation and social security	-	274
Accruals and deferred income	-	230
Other creditors	-	90
	<u>-</u>	<u>4,615</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £'000	1997 £'000
Accruals and deferred income	-	96
	<u>-</u>	<u>96</u>


NOTES TO THE ACCOUNTS
Year ended 2 August 1998
12. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts of deferred taxation provided and unprovided in the accounts are:

	Provided 1998 £'000	Unprovided 1998 £'000	Provided 1997 £	Unprovided 1997 £
Capital allowances in excess of depreciation	-	-	-	-
Other timing differences	-	-	-	-
Trading losses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

13. CALLED UP SHARE CAPITAL

	1998 £'000	1997 £'000
Authorised 5,500,000 Ordinary shares of £1 each	<u>5,500</u>	<u>5,500</u>
Allotted and fully paid 5,499,750 Ordinary shares of £1 each	<u>5,500</u>	<u>5,500</u>

14. MOVEMENT ON SHAREHOLDERS' FUNDS

	Share premium account £'000	Revaluation reserve £'000	Share capital £'000	Profit and loss account £'000	2 August 1998 Total £'000	2 August 1997 Total £'000
At 3 August 1997	7	537	5,500	(2,683)	3,361	2,660
(Loss)/profit for the financial year/period	-	-	-	(44)	(44)	6
Revaluation of fixed assets	-	-	-	-	-	695
At 2 August 1998	<u>7</u>	<u>537</u>	<u>5,500</u>	<u>(2,727)</u>	<u>3,317</u>	<u>3,361</u>


NOTES TO THE ACCOUNTS
Year ended 2 August 1998
15. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £'000	1997 £'000
Operating (loss)/profit	(44)	6
Depreciation on tangible fixed assets	-	92
Decrease in stocks	-	21
Increase in debtors	-	(493)
Increase in creditors	44	892
	<u> </u>	<u> </u>
Net cash inflow from operating activities	<u> </u> -	<u> </u> 518

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1998 £'000
Decrease in cash in the year	(752)
	<u> </u>
Movement in net funds in the year	(752)
Net funds at 3 August 1997	752
	<u> </u>
Net funds at 2 August 1998	<u> </u> -

17. GROSS CASH FLOWS

	1998 £'000	1997 £'000
Returns on investments and servicing of finance		
Interest received	-	-
Interest paid	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Taxation		
UK corporation tax paid	-	-
	<u> </u>	<u> </u>
Capital expenditure & financial investment		
Purchase of tangible fixed assets	-	(1)
Sale of tangible fixed assets	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u> (1)

NOTES TO THE ACCOUNTS
Year ended 2 August 1998

18. DISPOSAL OF BUSINESS

Net assets disposed	1998 £'000
Tangible fixed assets	3,672
Stock	1,408
Debtor	2,240
Cash	752
Creditors	(4,755)
	<u>3,317</u>
Satisfied by	
Loan	<u>3,317</u>

19. ANALYSIS OF NET FUNDS

	1997 £'000	Cashflow £'000	Other non-cash changes £'000	1998 £'000
Cash at bank and at hand	<u>752</u>	<u>(752)</u>	<u>-</u>	<u>-</u>

20. CAPITAL COMMITMENTS

	1998 £'000	1997 £'000
Expenditure contracted for but not provided in these financial statements	<u>nil</u>	<u>nil</u>

21. OPERATING LEASE COMMITMENTS

At 2 August 1998 the company was committed to making the following payments during the next year in respect of operating leases:

	Other 1998 £'000	Other 1997 £'000
Leases which expire:		
Within one year	-	17
Within two to five years	-	13
	<u>-</u>	<u>30</u>

**NOTES TO THE ACCOUNTS**
Year ended 2 August 1998**22. PARENT COMPANY**

On 15 August 1997, Amdega Limited, which is a company incorporated in Great Britain, became the ultimate parent company. Copies of the Crossco (263) Limited group financial statements are available at Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available to group companies in FRS8 (Related Party Disclosures) which allows it not to disclose transactions with group companies or investees of the company qualified as related parties.