

GLORYCARD LIMITED

ANNUAL REPORT

FOR THE PERIOD FROM 3 OCTOBER 1997 TO 31 DECEMBER 1998

The Company's registered number is 3444523



GLORYCARD LIMITED

DIRECTORS' REPORT

The directors present their first annual report on the affairs of the company, together with the audited accounts for the period since incorporation on 3 October 1997 to 31 December 1998.

PRINCIPAL ACTIVITY

The Company acts as an intermediate holding company within the Wickes plc group.

Since incorporation the Company has acquired 4.8 million ordinary shares of Hunter Limited from Wickes plc.

The directors do not envisage any change in the Company's role or activities in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and subsequent to the year end were:

	Appointed	Resigned
Instant Companies Limited	03.10.97	14.10.97
WJ Hoskins	14.10.97	
KR Stokes-Smith	14.10.97	
RN Tilney	14.10.97	29.05.98

The directors had no interests in the shares of the Company during the period.

WJ Hoskins is a director of Wickes plc and his interests in the share capital of Wickes plc are shown in the financial statements of Wickes plc for the year ended 31 December 1998.

The other director who held office at 31 December 1998 had the following interests in the shares of Wickes plc during the period:

Director

	Holdings 50p ordinary shares		
	3 Oct 1997*	Bought/ (sold)	31 Dec 1998
K R Stokes-Smith	1,000	-	1,000

	Options 50p ordinary shares		
	3 Oct 1997*	Granted in period	31 Dec 1998
K R Stokes-Smith	-	19,098	19,098

* or at date of appointment if later

GLORYCARD LIMITED

DIRECTORS' REPORT (continued)

YEAR 2000

The Board and the ultimate parent company recognises the potential threat posed to business by the effect of the Year 2000 date and are committed to ensuring that the Company is not compromised by this issue.

As it does not trade, the Company does not believe that Year 2000 will have any detrimental affect upon it, but the position is being fully reviewed by the parent company and, if necessary, steps will be taken to correct any deficiencies found.

The Company has incurred no costs in 1998 and no further expenditure is anticipated.

AUDITORS

PricewaterhouseCoopers have been appointed first auditors of the Company. A resolution to re-appoint PricewaterhouseCoopers as auditors will be proposed at the next Annual General Meeting.

Registered Office
120/138 Station Road
Harrow
Middlesex HA1 2QB7

(By Order of the Board

K R Stokes-Smith
Secretary

23 February 1999

GLORYCARD LIMITED

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 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, subject to any material departures disclosed and explained in the financial statements; and
- 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
GLORYCARD LIMITED**

We have audited the financial statements on pages 6 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 4 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

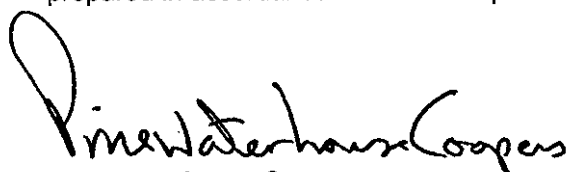
Basis of opinion

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 31 December 1998 and its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

23 February 1999

GLORYCARD LIMITED

BALANCE SHEET AT 31 DECEMBER 1998

	Notes	1998 £
FIXED ASSETS		
Investments	3	1
CURRENT ASSETS		
Debtors – Amounts due from group undertakings		<u>4,999</u>
		<u>5,000</u>
CAPITAL AND RESERVES		
Equity share capital	4	<u>5,000</u>
Equity shareholders' funds		<u>5,000</u>

The financial statements on pages 6 to 8 were approved by the Board on 23 February 1999 and signed on its behalf by



W J Hoskins
Director

GLORYCARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998

1 ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year, is set out below:

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. Under the provisions of Financial Reporting Standard No. 1 (Revised 1996), the Company has not presented a cash flow statement because it is a subsidiary undertaking of Wickes plc (registered number 2070200) which is registered in England and Wales, and which has prepared consolidated accounts which include the accounts of the Company for the period and which contain a cash flow statement.

Investments

Investments are stated at cost less provision for any impairment in value. Group accounts are not prepared, as the Company is a wholly owned subsidiary of a company incorporated in Great Britain.

2 PROFIT AND LOSS ACCOUNT

The Company has not traded during the period since incorporation and accordingly no profit and loss account has been prepared.

None of the directors received any remuneration during the period for their services to the Company, and there were no employees.

The audit fee for the Company has been borne by a fellow subsidiary.

3 INVESTMENTS

The investment represents 4.8 million ordinary shares (a 5.55% holding) in Hunter Limited, a dormant company registered in England and Wales, acquired on 16 October from Wickes plc for a consideration of £1.

4 SHARE CAPITAL

Ordinary shares of £1 each:

	<u>1998</u>
	<u>£</u>
Authorised	<u>5,000</u>
Allotted, called up and fully paid	<u><u>5,000</u></u>

On 16 October 1997 the Company issued 4,998 shares at par to provide initial funds for future activities. These were in addition to the original two subscriber shares issued at par on incorporation.

GLORYCARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998 (continued)

5 ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Wickes plc, which is registered in England and Wales.

The only group into which the results of the Company are consolidated is that headed by Wickes plc. The consolidated financial statements may be obtained from 120/138 Station Road, Harrow, Middlesex HA1 2QB.

Transactions with other companies within the Wickes Group are not disclosed as the Company has taken advantage of the exemption available under financial reporting Standard No 8 "Related party disclosures", as the consolidated accounts of Wickes plc in which the Company is included are available at the address noted above.