

**St Helens Glass
Company Limited**
**(formerly Bloomdale
Limited)**

Report and Accounts

31 December 1999

Registered Number: 3658945



St Helens Glass Company Limited (formerly Bloomdale Limited)

Registered Number: 3658945

DIRECTORS

DT Sykes
HJ Dagger
MA Marrison BSc (Hons), ACA
BRC Kemp

SECRETARY

MA Marrison BSc (Hons), ACA

AUDITORS

Ernst & Young
Silkhouse Court
Tithebarn Street
Liverpool
L2 2LE

BANKERS

Barclays Bank plc
4 Water Street
Liverpool
L69 2RT

SOLICITORS

Davies Wallis Foyster
5 Castle Street
Liverpool
L2 4XE

REGISTERED OFFICE

Corporations Street
St Helens
Merseyside
WA9 1LE

St Helens Glass Company Limited (formerly Bloomdale Limited)

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 December 1999.

INCORPORATION AND CHANGE OF NAME

The company was incorporated on 29 October 1998 as Bloomdale Limited. On 14 December 1998, the company acquired the trade, assets and liabilities of St Helens Glass from Lilleshall Building Products Limited. On 14 January 1999, the company changed its name to St Helens Glass Company Limited.

RESULTS AND DIVIDENDS

The company's loss for the period, after taxation, amounted to £1,636,760. Preference dividends of £25,950 have been accrued and the amount transferred from reserves is £1,662,710. The directors do not recommend the payment of ordinary dividends.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the manufacture, installation and service of PVCu windows, conservatories and related home improvement services. Since the management buy-out on 14 December 1998, the management team has been significantly strengthened and the turnaround programme, which required exceptional costs of £501,000 in 1999, is now substantially complete.

FUTURE DEVELOPMENTS

The directors aim to continue the management policies which have resulted in the significant improvement in trading performance and customer service levels during 1999. The Board is confident that the company will record a significant improvement in profitability during the course of the current year.

EVENTS SINCE THE BALANCE SHEET DATE

On 14 January 2000, the company raised additional working capital of £300,000 by way of equity and term loan from the existing venture fund investors.

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 1999 and their interests in the company were as follows:

		<i>Ordinary Shares No.</i>
DT Sykes	(appointed 14 December 1998)	29,000
HJ Dagger	(appointed 14 December 1998)	20,000
MA Marrison	(appointed 1 February 1999)	-

In addition, M Osborne served as a director from 14 December 1998 until his resignation on 11 June 1999. S Blank was appointed on 18 February 1999 until his resignation on 7 July 1999. BRC Kemp was appointed to the Board on 31 January 2000.

DJ Dwyer and BJ Doyle served as directors from the date of incorporation until their resignation on 2 November 1998.

St Helens Glass Company Limited (formerly Bloomdale Limited)

DIRECTORS' REPORT

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made various charitable contributions totalling £350.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and thus required modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. The operation of our business is dependent not only on our own computer systems, but also to some degree on those of our suppliers. This could expose us to further issues in the event that there is a failure by other parties to remedy their own year 2000 issues.

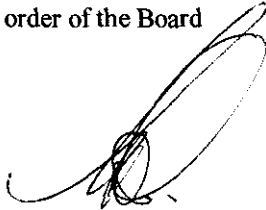
The company has implemented the action plans required to deal with the key risks to our business resulting from the date change to year 2000.

Much of the cost of implementing the action plans has been subsumed into the recurring activities of the departments involved. The total cost of modifications to our computer hardware and software is estimated at £ 10,000, all of which was expensed as incurred during the course of 1999.

AUDITORS

Ernst & Young were appointed during the period and a resolution proposing their re-appointment as auditors will be put to the members at the Annual General Meeting.

By order of the Board



MA Marrison

Secretary

28 March 1999

St Helens Glass Company Limited (formerly Bloomdale Limited)

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 accounts; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of St Helens Glass Company Limited

We have audited the accounts on pages 7 to 22, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 11 and 12.

Respective responsibilities of directors and auditors

As described on page 5, the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

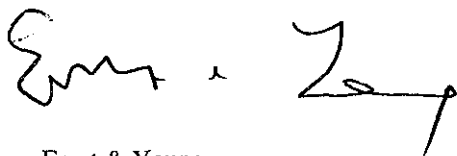
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor

29 March 2000

St Helens Glass Company Limited (formerly Bloomdale Limited)

PROFIT AND LOSS ACCOUNT

for the period from incorporation to 31 December 1999

	<i>Incorporation to 31 December 1999</i>
<i>Notes</i>	<i>£</i>
TURNOVER	
Continuing operations:	
Acquisitions	2 20,560,966
	<u>20,560,966</u>
Change in stocks of finished goods and work in progress	39,042
Other operating income	(240,909)
Raw materials and consumables	6,114,993
Other external charges	11,161,290
Staff costs	4,378,955
Depreciation and amortisation	294,069
	<u>21,747,440</u>
OPERATING LOSS	
Continuing operations:	
Acquisitions	3 (1,186,474)
	<u>(1,186,474)</u>
Profit on disposal of tangible fixed assets	21,722
Exceptional costs	4 (501,027)
	<u>(1,665,779)</u>
Interest receivable	38,986
Interest payable	7 (209,967)
	<u>(1,836,760)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(1,836,760)
Taxation	8 200,000
	<u>(1,636,760)</u>
LOSS FOR THE FINANCIAL PERIOD	(1,636,760)
Preference dividends on non-equity shares	(25,950)
	<u>(1,662,710)</u>
LOSS RETAINED FOR THE FINANCIAL PERIOD	(1,662,710)


There are no recognised gains or losses other than as shown by the above profit and loss account.

St Helens Glass Company Limited (formerly Bloomdale Limited)

BALANCE SHEET

as at 31 December 1999

	Notes	1999 £
FIXED ASSETS		
Intangible assets	9	935,413
Tangible assets	10	1,686,482
		<u>2,621,895</u>
CURRENT ASSETS		
Stock	12	599,012
Debtors	13	1,574,624
Cash and bank		405,053
		<u>2,578,689</u>
CREDITORS: amounts falling due within one year	14	<u>(4,660,756)</u>
NET CURRENT LIABILITIES		<u>(2,082,067)</u>
		<u>539,828</u>
CAPITAL AND RESERVES		
Called up share capital	20	125,750
Share premium account	21	237,458
Profit and loss account	21	(1,662,710)
		<u>(1,299,502)</u>
CREDITORS: amounts due after more than one year	16	1,232,500
PROVISIONS FOR LIABILITIES AND CHARGES	18	316,500
ACCRUALS AND DEFERRED INCOME	19	290,330
		<u>539,828</u>
Equity shareholders' funds		(1,582,952)
Non-equity shareholders' funds		283,450
		<u>(1,299,502)</u>


DT Sykes
28 March 2000

Director

St Helens Glass Company Limited (formerly Bloomdale Limited)

STATEMENT OF CASH FLOWS

for the period from incorporation to 31 December 1999

	<i>Incorporation to 31 December 1999</i>
	<i>Notes</i> <i>£</i>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	22(a) (355,850)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	
Interest paid	(184,171)
Interest received	38,986
Issue costs of new long term loans	(35,000)
Non-equity dividends on preference shares	-
	<u>(180,185)</u>
TAXATION	
Corporation tax paid	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Payments to acquire tangible fixed assets	(122,560)
Receipts from sales of tangible fixed assets	33,318
Receipt of government grants	140,000
	<u>50,758</u>
ACQUISITIONS AND DISPOSALS	
Purchase of assets and liabilities of St Helens Glass Co	11 (1,173,597)
Net cash acquired	719
	<u>1,172,878</u>
NET CASH OUTFLOW BEFORE FINANCING	<u>(1,658,155)</u>
FINANCING	
Issue of equity share capital	197,500
Issue of non-equity share capital	257,500
Share issue costs	(91,792)
	<u>363,208</u>
New long term loans	1,750,000
Repayment of long term loans	(50,000)
	<u>2,063,208</u>
INCREASE IN CASH	<u><u>405,053</u></u>

St Helens Glass Company Limited (formerly Bloomdale Limited)

STATEMENT OF CASH FLOWS

for the period from incorporation to 31 December 1999

		<i>Incorporation to 31 December 1999</i>
	<i>Notes</i>	<i>£</i>
RECONCILIATION OF INCREASE IN CASH TO NET DEBT		
Increase in cash during the period	22(b)	405,053
Cash inflow from increase in loans		(1,750,000)
Repayment of long term loans		50,000
Issue costs of new long term loans		35,000
Amortisation of issue costs of new long term loans		(17,500)
MOVEMENT IN NET DEBT IN THE PERIOD	22(b)	<u>(1,277,447)</u>
NET DEBT AT 31 DECEMBER 1999		<u><u>(1,277,447)</u></u>

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and are in accordance with applicable UK accounting standards. The directors believe that, following the refinancing of the company on 14 January 2000, the company will continue to meet its liabilities as they fall due and that the accounts should therefore be prepared on a going concern basis.

Goodwill

Goodwill arose in connection with the acquisition of the assets and liabilities of St Helens Glass Company, and represents the difference between the amount paid and the aggregate fair values of the separable net assets. Goodwill is amortised by equal annual instalments through the profit and loss account over its estimated useful life of 20 years.

Depreciation

Depreciation is provided on all tangible assets, other than freehold land, at a rate calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the time of acquisition, of each asset, evenly over its expected useful life, as follows:

Freehold buildings	- 2%
Plant and machinery	- 10%
Motor vehicles	- 25%
Computer equipment	- 33%

Government grants

Government grants are taken initially to a deferred income account. Grants that relate to specific capital expenditure are released to the credit of the profit and loss account over the expected useful lifetime of the asset to which they relate. In the case of job related grants, these are released to the profit and loss account with regard to the period in which conditions apply.

Stocks

Stocks are valued at the lower of cost incurred in bringing each product to its present location and condition and net realisable value. Cost is defined as the expenditure incurred in the normal course of business in bringing the product or service to its present location and condition.

Where necessary, provision is made for obsolete, slow moving and defective stock.

Net realisable value is defined as selling price less further costs expected to be incurred to disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are recognised to the extent that recovery, without replacement with equivalent debit balances, is reasonably certain.

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

1. ACCOUNTING POLICIES (continued)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

Rentals under operating leases are charged to income on a straightline basis.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Capital instruments

Shares are included in shareholders funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if not they are included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

2. TURNOVER

Turnover, which is stated net of value added tax, represents the amounts derived from the supply, installation and servicing of windows, doors, conservatories and related home improvement products and arises from continuing activities.

During the period ended 31 December 1999, the Company's turnover has arisen exclusively as a result of operations within the United Kingdom.

3. OPERATING LOSS

This is stated after charging/(crediting):

	1999
	£
Depreciation of owned assets	242,839
Amortisation of goodwill	51,230
Auditors' remuneration	
- audit services	17,500
- non audit services	85,045
Operating lease rentals - plant and machinery	143,353
- land and buildings	224,089
Government grant released	(49,670)

Costs associated with the acquisition of St Helens Glass Company Limited include £193,960 remuneration paid to the auditors by way of non audit services.

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

4. EXCEPTIONAL ITEMS

	<i>1999</i>
	<i>£</i>
Reorganisation costs	501,027

Reorganisation costs relate to the closure and rationalisation of certain business activities following the acquisition of the trade and business of St Helens Glass on 14 December 1998.

5. DIRECTORS REMUNERATION

	<i>1999</i>
	<i>£</i>
Emoluments	320,791
Fees	4,167
	<u>324,958</u>

Company contributions paid to money purchase pension schemes

	<u>19,783</u>
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	<i>1999</i>
	<i>No.</i>
Members of money purchase schemes	<u>3</u>

The amounts in respect of the highest paid director are as follows:

	<i>1999</i>
	<i>£</i>
Emoluments	<u>118,503</u>
Company contributions paid to money purchase pension schemes	<u>5,431</u>

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS at 31 December 1999

6. STAFF COSTS

	1999 £
Wages and salaries	3,996,468
Social security costs	376,127
Other pension costs	6,360
	<u>4,378,955</u>

The average weekly number of employees were:

	1999 No.
Operations	109
Manufacturing	79
	<u>188</u>

7. INTEREST PAYABLE

	1999 £
Bank loans and overdrafts and other loans wholly repayable within five years	130,197
Bank loans and overdrafts and other loans not wholly repayable within five years	62,270
	<u>192,467</u>
Amortisation of loan issue costs	17,500
	<u>209,967</u>

8. TAXATION

	1999 £
Corporation tax charge for the period	-
Deferred taxation credit	200,000
	<u>200,000</u>

The deferred tax credit of £200,000 relates to tax losses incurred during the period (see note 15).

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS at 31 December 1999

9. INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> £
Cost:	
Arising during the period	986,643
At 31 December 1999	<u>986,643</u>
Amortisation:	
Provided during the period	51,230
At 31 December 1999	<u>51,230</u>
Net Book Value at 31 December 1999	<u><u>935,413</u></u>

10. TANGIBLE FIXED ASSETS

	<i>Freehold land and Buildings</i> £	<i>Plant & Machinery</i> £	<i>Total</i> £
Cost:			
Acquired on acquisition	975,000	843,360	1,818,360
Additions	-	122,560	122,560
Disposals	-	(14,232)	(14,232)
At 31 December 1999	<u>975,000</u>	<u>951,688</u>	<u>1,926,688</u>
Depreciation:			
Provided during this period	16,745	226,094	242,839
Disposals	-	(2,633)	(2,633)
At 31 December 1999	<u>16,745</u>	<u>223,461</u>	<u>240,206</u>
Net book values:			
At 31 December 1999	<u><u>958,255</u></u>	<u><u>758,227</u></u>	<u><u>1,686,482</u></u>

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

11. ACQUISITION OF THE BUSINESS OF ST HELENS GLASS

On 14 December 1998, the company acquired the trading assets and liabilities of St Helens Glass from Lilleshall Building Products Limited, a company registered in England and Wales and engaged in the manufacture, supply and installation of industrial and building products.

Analysis of the acquisition of the assets and liabilities of St Helens Glass:

Net assets at date of acquisition:	<i>Book value</i>	<i>Adjustments</i>	<i>Fair value</i>
	£	£	£
Tangible fixed assets	1,716,360 (a)	102,000	1,818,360
Stocks	605,574	-	605,574
Debtors	1,358,572 (b)	(388,372)	970,200
Cash at bank	719	-	719
Creditors due within one year	(2,840,671) (c)	(43,128)	(2,883,799)
Provisions	(215,000) (d)	(109,100)	(324,100)
	<u>625,554</u>	<u>(438,600)</u>	<u>186,954</u>
Goodwill arising on acquisition			986,643
			<u>1,173,597</u>
Discharged by:			
Cash consideration			948,054
Costs associated with acquisition			225,543
			<u>1,173,597</u>
Adjustments:			
(a) Revaluation of Land and Buildings			
(b) Write-down of debtors following re-assessment of realisable value of acquired debts.			
(c) Reassessment of accruals			
(d) Reassessment of provisions			

12. STOCKS

	1999
	£
Raw materials and consumables	401,716
Work in progress	19,770
Finished goods	177,526
	<u>599,012</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS at 31 December 1999

13. DEBTORS

	1999 £
Trade debtors	445,235
Other debtors	566,189
Prepayments and accrued income	363,200
Deferred taxation	200,000
	<u>1,574,624</u>

Deferred taxation of £200,000 is due after more than one year.

14. CREDITORS: amount falling due within one year

	1999 £
Loans	450,000
Trade creditors	2,513,166
Amounts owed to related Company	198,190
Other taxes and social security costs	455,723
Accrued preference dividend	25,950
Other creditors	367,318
Payments on account	254,861
Accruals	395,548
	<u>4,660,756</u>

The loans are secured by fixed and floating charges over certain of the company's assets.

15. DEFERRED TAXATION

Deferred taxation provided in the accounts and amounts not provided are as follows:

	<i>Provided</i> £	<i>Not Provided</i> £
Capital allowances in advance of depreciation	57,733	-
Other timing differences	(27,315)	-
	<u>30,418</u>	<u>-</u>
Corporation tax losses recoverable at 30%	(230,418)	(387,000)
	<u>(200,000)</u>	<u>(387,000)</u>

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

16. CREDITORS: amount falling due after more than one year

	1999 £
Loans	1,232,500

The loans are secured by fixed and floating charges over the company's assets.

17. LOANS

	1999 £
Not wholly repayable within five years:	
Bank loan at LIBOR plus 2.5% secured by fixed and floating charges and repayable over 15 years in quarterly instalments commencing 14 December 1998	700,000
Bank loan at LIBOR plus 5% repayable in 4 six monthly instalments commencing 16 June 2000	1,000,000
	<u>1,700,000</u>
Less: debt issue costs	(17,500)
	<u>1,682,500</u>
Less: included in creditors: amounts falling due within one year	(450,000)
	<u>1,232,500</u>

The above loans are repayable:

	£
Within one year	450,000
Between one and two years	650,000
Between two and five years	150,000
In five years or more	450,000
	<u>1,700,000</u>
Less: debt issue costs	(17,500)
	<u>1,682,500</u>

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS at 31 December 1999

18. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Warranty Provision</i>	<i>Reorgan- -isation Provision</i>	<i>Total Provision</i>
	£	£	£
Arising on acquisition of business	324,100	-	324,100
Provided during the period	324,149	229,358	553,507
Utilised during the period	(403,249)	(157,858)	(561,107)
At 31 December 1999	<u>245,000</u>	<u>71,500</u>	<u>316,500</u>

A provision is recognised for expected warranty claims arising on products sold during the last 10 years. It is expected that most of these costs will be incurred within the next financial year and all will have been incurred within 10 years of the balance sheet date.

Reorganisation provisions related to the closure of certain business segments following the acquisition of the St Helens Glass business on 14 December 1998.

19. ACCRUALS AND DEFERRED INCOME

	<i>Regional Assistance Grants</i>	<i>Deferred Income</i>	<i>Total</i>
	£	£	£
Received during the period	140,000	250,000	390,000
Released during the period	(49,670)	(50,000)	(99,670)
At 31 December 1999	<u>90,330</u>	<u>200,000</u>	<u>290,330</u>

20. SHARE CAPITAL

Authorised

	<i>1999</i>
	£
Ordinary shares of £1 each	69,000
'A' ordinary shares of £1 each	17,000
'B' ordinary shares of £1 each	14,000
Cumulative redeemable preference shares of 10p each	25,750
	<u>125,750</u>

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

20. SHARE CAPITAL (CONTINUED)

Allotted, called up and fully paid

	1999	1999
	No.	£
Ordinary shares of £1 each	69,000	69,000
'A' ordinary shares of £1 each	17,000	17,000
'B' ordinary shares of £1 each	14,000	14,000
Cumulative redeemable preference shares of 10p each	257,500	25,750
		<hr/>
		125,750
		<hr/> <hr/>

The company was incorporated with an authorised share capital of 100 ordinary shares of £1 each of which 2 were issued nil paid. On 14 December 1998, the company increased the authorised share capital to £125,750 by the creation of 68,900 ordinary shares of £1 each, 17,000 'A' ordinary shares of £1 each, 14,000 'B' ordinary shares of £1 each, and 257,500 cumulative redeemable preference shares of 10p each.

On 14 December 1998 68,998 unissued and 2 issued ordinary shares of £1 each were issued at a premium of 73.9p per share for a total cash consideration of £120,000. On the same day 17,000 'A' ordinary shares of £1 each were issued at a premium of £1.50p per share, for cash consideration of £42,500. Also on 14 December 1998 14,000 'B' ordinary shares of £1 each were issued at a premium of £1.50p per share for cash consideration of £35,000.

On 14 December 1998 257,500 cumulative redeemable preference shares of 10p each were issued at a premium of 90p per share for cash consideration of £257,500. The preference shares carry a cumulative dividend of 10p per share per annum, payable half yearly in arrears on 30 June and 31 December. The preference shares shall be redeemed in four equal half-yearly instalments commencing 30 June 2002 to a total of £1 per share plus any accrued dividend.

The 'A' and 'B' ordinary shares carry a cumulative participating dividend of 5% of net profits. The ordinary shares carry a cumulative participating dividend of 3% of net profits. The holders of the ordinary shares and 'A' ordinary shares shall carry the right to receive notice of general meetings, and the right to attend and speak at such meetings. No voting rights are attached to the 'B' ordinary shares.

No voting rights are attached to the preference shares unless the dividend thereon is three months or more in arrears or the company fails to redeem the shares on the redemption dates, in which event, each holder will be entitled to one vote for each preference share held.

On a winding up of the company the preference shareholders have a right to receive £1 per share plus any accrued dividend, in preference to any payments to the ordinary shareholders, 'A' ordinary shareholders and 'B' ordinary shareholders.

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

21. STATEMENT OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	<i>Share capital</i> £	<i>Share premium account</i> £	<i>Profit and loss shareholders' account</i> £	<i>Total funds</i> £
Issue of ordinary share capital	100,000	97,500	-	197,500
Issue of preference share capital	25,750	231,750	-	257,500
Issue costs		(91,792)	-	(91,792)
Retained loss for the period			(1,662,710)	(1,662,710)
At 31 December 1999	<u>125,750</u>	<u>237,458</u>	<u>(1,662,710)</u>	<u>(1,299,502)</u>

22. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash flow from operating activities

	1999 £
Operating loss	(1,186,474)
Exceptional costs	(501,027)
Depreciation of tangible fixed assets	242,839
Amortisation of goodwill	51,230
Government grants released	(49,670)
Decrease in stocks and work in progress	6,565
Increase in operating debtors and prepayments	(454,431)
Increase in operating creditors and accruals	1,535,118
	<u>(355,850)</u>

(b) Analysis of movement in net debt

	<i>Cash flow</i> £	<i>Movements</i> £	<i>As at Other 31 December 1999</i> £
Cash	405,053	-	405,053
Due within one year	50,000	(500,000)	(450,000)
Due after more than one year	(1,715,000)	482,500	(1,232,500)
	<u>(1,259,947)</u>	<u>(17,500)</u>	<u>(1,277,447)</u>

23. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £35,000 (1998-Nil).

St Helens Glass Company Limited (formerly Bloomdale Limited)

NOTES TO THE ACCOUNTS

at 31 December 1999

24. PENSION COMMITMENTS

The company operates a defined contribution scheme for its directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the year end, included in 'Other Creditors' (note 14), are £11,287.

25. OTHER FINANCIAL COMMITMENTS

At 31 December 1999, the Company had annual commitments under non-cancellable operating leases as set out below.

	<i>Land & Buildings</i>	<i>Other</i>
	<i>1999</i>	<i>1999</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Within one year	34,394	8,732
In two to five years	122,289	122,279
Over five years	39,800	-
	<hr/>	<hr/>
	196,483	131,011
	<hr/>	<hr/>

26. RELATED PARTIES

During the year, the company purchased sales and administration services to the net value of £2,590,484 from St Helens Services Limited, a company in which DT Sykes holds a controlling interest. The price charged for these services was the market price in the case of each individual service. At the balance sheet date, the amount due to St Helens Services Limited was £198,190.

No dividends or directors remuneration are declared from St Helens Services Limited.