

A & B GLASS COMPANY LIMITED
(Registered Number: 1543721)

FINANCIAL STATEMENTS
30 APRIL 1995



ANDREW MOORE & CO
CHARTERED ACCOUNTANTS
SUDBURY SUFFOLK

A & B GLASS COMPANY LIMITED
INDEX TO FINANCIAL STATEMENTS
30 APRIL 1995

	<u>Page</u>
Company Information	2
Director's Report	3 and 4
Profit and Loss Account	5
Cash Flow Statement	6
Notes to the Cash Flow Statement	7
Balance Sheet	8
Notes to the Financial Statements	9 to 15
Report of the Auditors	16

A & B GLASS COMPANY LIMITEDCOMPANY INFORMATION

DIRECTOR	R W Byford
SECRETARY	Mrs K M Byford
REGISTERED OFFICE	Woodhall Business Park Sudbury Suffolk CO10 6WH
BANKERS	Barclays Bank Plc 35 Market Hill Sudbury Suffolk CO10 6EP
AUDITORS	Andrew Moore & Co 2 King Street Sudbury Suffolk CO10 6EB
SOLICITORS	Bates Wells & Braithwaite 27 Friars Street Sudbury Suffolk CO10 6AD
REGISTERED NUMBER	1543721

A & B GLASS COMPANY LIMITED

REPORT OF THE DIRECTOR
YEAR ENDED 30 APRIL 1995

The director submits his annual report and the audited financial statements for the year ended 30 April 1995.

REVIEW OF THE BUSINESS

The Company's principal trading activity is the manufacture and installation of UPVC windows, double glazed sealed units, patio doors and related products, including conservatories.

The Company maintained its turnover during the year while it concentrated on a thorough review of costs. This review has resulted in a significant reduction in costs and this extra efficiency has produced the excellent results for the year. The Company is however feeling the effects of inflationary pressure which it intends to resist. The Company expects to increase turnover at a substantial pace during the next financial year.

RESULTS AND DIVIDENDS

The results are shown in the profit and loss account set out on page 5. An interim dividend of £20,000 was paid on 7 April 1995 (see page 5). The director does not recommend the payment of a final dividend.

TANGIBLE FIXED ASSETS

Movements in fixed assets are set out in Note 9 on page 13 of the financial statements.

DIRECTOR AND HIS INTEREST

The director who served during the year and his interest in the share capital of the Company was as follows:

Ordinary shares of £1 each

	At 30 April <u>1995</u>	At 30 April <u>1994</u>
R W Byford	74 ==	50 ==

SHARE CAPITAL

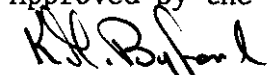
On 17 February 1995, A & B Glass Company Limited acquired 26 of its own £1 ordinary shares for an aggregate consideration of £192,400. The shares purchased represented 26% of the called up share capital of the Company. The Company acquired its own shares to facilitate the disposal by a 50% shareholder in the Company of her entire shareholding.

A & B GLASS COMPANY LIMITEDREPORT OF THE DIRECTOR (CONTINUED)
YEAR ENDED 30 APRIL 1995

AUDITORS

A proposal for the reappointment of Messrs Andrew Moore & Co will be made at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

Approved by the director on *10th July* 1995 and signed on his behalf:



Mrs K M Byford
Secretary
A & B Glass Company Limited
Sudbury
Suffolk
CO10 6WH

A & B GLASS COMPANY LIMITEDPROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 1995

	<u>Notes</u>	<u>1995</u>		<u>1994</u>	
		£	£	£	£
TURNOVER	3		3,915,605		3,860,509
Cost of sales			<u>2,717,744</u>		<u>2,671,049</u>
GROSS PROFIT			1,197,861		1,189,460
Selling and distribution costs		78,248		143,434	
Administrative expenses		<u>779,824</u>		<u>778,019</u>	
OPERATING PROFIT	4		<u>858,072</u> 339,789		<u>921,453</u> 268,007
Interest receivable (net)	7		<u>11,982</u>		<u>4,145</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			351,771		272,152
Taxation	8		<u>105,949</u>		<u>76,000</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			245,822		196,152
Dividend - £270.27 per share (net) declared 7 April 1995			<u>20,000</u>		<u>-</u>
PROFIT RETAINED FOR THE YEAR			225,822		196,152
RETAINED PROFITS BROUGHT FORWARD			<u>867,948</u> 1,093,770		<u>671,796</u> 867,948
PURCHASE OF OWN SHARES	15				
Consideration for purchase		192,400		-	
Costs of purchase		<u>7,862</u>		<u>-</u>	
			<u>200,262</u>		<u>-</u>
RETAINED PROFITS CARRIED FORWARD			<u>893,508</u>		<u>867,948</u>

Notes

1. The only recognised gain for the year was the profit for the financial year.
2. The profit for the year and retained profits carried forward are all historical cost profits.

A & B GLASS COMPANY LIMITEDCASH FLOW STATEMENT
YEAR ENDED 30 APRIL 1995

	<u>1995</u>		<u>1994</u>	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES (see Note 1 on page 7)		363,609		80,923
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	16,923		9,682	
Interest element of hire purchase payments	(5,631)		(4,889)	
Interest paid	(133)		(40)	
Dividends paid	<u>(20,000)</u>		<u>-</u>	
NET CASH (OUTFLOW) INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(8,841)		4,753
TAXATION PAID				
Corporation tax (including advance corporation tax)		(70,949)		(34,344)
INVESTING ACTIVITIES				
Payments to acquire tangible fixed assets	(664,387)		(55,009)	
Receipts from sales of tangible fixed assets	<u>19,147</u>		<u>21,898</u>	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(645,240)		(33,111)
NET CASH (OUTFLOW) INFLOW BEFORE FINANCING		(361,421)		18,221
FINANCING				
Payments to acquire own shares	(200,262)		-	
Cash inflow on loan to associated company	17,186		-	
Cash inflow on director's loan accounts	92,750		-	
Capital element of hire purchase payments	(15,967)		(21,143)	
New mortgage advance	<u>500,000</u>		<u>-</u>	
NET CASH INFLOW (OUTFLOW) FROM FINANCING		393,707		(21,143)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>32,286</u>		<u>(2,922)</u>

A & B GLASS COMPANY LIMITEDNOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 30 APRIL 1995

	<u>1995</u>		<u>1994</u>	
	£	£	£	£
1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
Operating profit	339,789		268,007	
Depreciation charges	107,212		97,339	
(Profit) loss on disposal of tangible fixed assets	(5,001)		(2,562)	
Increase in stocks	(35,262)		(10,722)	
Decrease (increase) in debtors	31,413		(151,514)	
(Decrease) in creditors	<u>(74,542)</u>		<u>(119,625)</u>	
	<u>363,609</u>		<u>80,923</u>	
2 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR				
Balance at 1 May 1994				
Cash at bank and in hand	309,326		336,435	
Bank overdraft	<u>(79,248)</u>		<u>(103,435)</u>	
	230,078		233,000	
NET CASH INFLOW (OUTFLOW)	32,286		(2,922)	
Balance at 30 April 1995				
Cash at bank and in hand	308,150		309,326	
Bank overdraft	<u>(45,786)</u>		<u>(79,248)</u>	
	<u>262,364</u>		<u>230,078</u>	

A & B GLASS COMPANY LIMITEDBALANCE SHEET
30 APRIL 1995

	<u>Notes</u>	<u>1995</u>		<u>1994</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		1,074,479		531,450
CURRENT ASSETS					
Stocks	10	227,447		192,185	
Debtors	11	478,369		526,145	
Cash at bank and in hand		<u>308,150</u>		<u>309,326</u>	
		1,013,966		1,027,656	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>623,108</u>		<u>589,880</u>	
NET CURRENT ASSETS			<u>390,858</u>		<u>437,776</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,465,337		969,226
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Hire purchase liability due within two to five years		28,233		46,178	
Commercial mortgage	13	<u>483,496</u>		-	
			<u>511,729</u>		<u>46,178</u>
			953,608		923,048
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	14		<u>60,000</u>		<u>55,000</u>
NET ASSETS			<u>893,608</u>		<u>868,048</u>

Represented by:

CAPITAL AND RESERVES

Called up share capital	15	74	100
Capital redemption reserve	15	26	-
Profit and loss account		<u>893,508</u>	<u>867,948</u>
		<u>893,608</u>	<u>868,048</u>

Approved by the director on 10th July 1995:

 R W BYFORD Director

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1995

1 STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 these financial statements, the director is required to:

- Select suitable accounting policies and then apply them consistently (see Note 2);
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

2 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The annual rates used for this purpose are:

Freehold buildings	- 2%	on the straight line method
Building improvements	- 5%	on the straight line method
Plant and machinery	- 15%	on the reducing balance basis
Office equipment	- 15%	on the reducing balance basis
Motor vehicles	- 25%	on the reducing balance basis
Computer equipment	- 20%	on the straight line method

Freehold land is not depreciated.

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1995

2 ACCOUNTING POLICIES (CONTINUED)

Stocks

(a) Raw materials

Raw materials are purchased both for direct sale to customers or for use in repair jobs for customers, and for incorporation in the manufacture of glazing units and are stated at the lower of cost and net realisable value. Cost represents the purchase price of materials acquired on a first-in, first-out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

(b) Completed and part completed glazing units

The manufacture of glazing units is undertaken to specific orders from both trade and domestic customers. Completed units have been valued at the contract price less a proportion estimated by the directors to reduce the contract value to cost. Incompleted units have been valued by a similar method with an additional allowance being made for the proportion of work not yet complete.

Deferred taxation

Deferred taxation is provided at the full Corporation Tax rate of 33% on the liability method on all timing differences, where it is expected that the liability will reverse in the future.

Deposits

Deposits received at 30 April 1995 in respect of orders not yet started are included in creditors. Where work has been commenced and deposits have been received in respect of a contract, the deposit is deducted from the value of the work in progress, to the extent thereof, in accordance with Statement of Standard Accounting Practice No. 9.

Retentions and remedial work

Retentions on contracts are brought to account as profit when the contract is completed and invoiced, although they do not become receivable until after the retention period, usually not more than twelve months. No provisions are made for warranty or remedial work and any such costs are written off as and when incurred.

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1995

2 ACCOUNTING POLICIES (CONTINUED)

Leased assets and hire purchase contracts

Assets held under finance leases are capitalised as tangible fixed assets at the cost of outright purchase. Rentals are apportioned between reductions in the capital obligations included in liabilities and those relating to finance charges which are charged to the profit and loss account.

The capitalised cost of leased assets is written off over their estimated useful lives.

Rentals under operating leases are charged to the profit and loss account as they are incurred.

Pensions

The Company provides pensions to certain of its employees through independent schemes. The assets of the schemes are held independently of the Company by insurance companies. The schemes are defined contribution schemes and the amounts charged in the profit and loss account of the Company are the total contributions payable for the year.

3 TURNOVER

Turnover represents the invoiced amounts of goods sold and services provided, stated net of value added tax.

The turnover and pre-tax profit of the Company is attributable to its continuing activities of the supply of glass and glazing services and the manufacture and installation of glazing units.

All of the turnover was achieved in the United Kingdom.

4 OPERATING PROFIT

This is stated after charging:	<u>1995</u> £	<u>1994</u> £
Directors' remuneration	See Note 6	
Total staff costs	See Note 5	
Auditors' remuneration	5,000	5,000
Depreciation		
- Assets held under hire purchase contracts	22,619	17,317
- Owned assets	84,593	80,022
Charges under operating leases in respect of		
- Hire of plant and machinery	16,719	21,968
- Other operating leases	<u>56,308</u>	<u>60,000</u>

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1995

5 STAFF COSTS

	<u>1995</u>	<u>1994</u>
	£	£
Wages and salaries	675,743	640,054
Social security costs	64,272	64,785
Other pension costs	<u>6,249</u>	<u>5,707</u>
	<u>746,264</u>	<u>710,546</u>

The average number of employees during the year was 46 (1994: 44).

6 DIRECTOR'S REMUNERATION

	<u>1995</u>	<u>1994</u>
	£	£
Fees as director	-	-
Other emoluments (including pension contributions of £702 - 1994: £702)	41,471	37,722
Benefits in kind	<u>8,234</u>	<u>9,560</u>
	<u>49,705</u>	<u>47,282</u>

There was only one director in office throughout each of the two years.

7 INTEREST RECEIVABLE (NET)

	<u>1995</u>	<u>1994</u>
	£	£
Interest receivable on bank deposit account	17,393	8,753
Other interest receivable	<u>353</u>	<u>321</u>
	17,746	9,074
Less: On bank loans and overdrafts repayable within five years	133	40
On hire purchase agreements	<u>5,631</u>	<u>4,889</u>
	<u>5,764</u>	<u>4,929</u>
	<u>11,982</u>	<u>4,145</u>

8 TAXATION

The taxation charge based on the results for the year is:

	<u>1995</u>	<u>1994</u>
	£	£
UK corporation tax at 33% less small companies marginal relief (1994: the same)	101,000	71,000
Deferred taxation at 33%	<u>5,000</u>	<u>5,000</u>
	106,000	76,000
(Over) provision in previous year	<u>(51)</u>	<u>-</u>
	<u>105,949</u>	<u>76,000</u>

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1995

9 FIXED ASSETS

	Freehold land and buildings £	Building improvements £	Plant and machinery £	Office equipment £	Motor vehicles £	Computer equipment £	Total £
Cost							
At 1 May 1994	-	71,649	489,555	22,434	216,810	70,540	870,988
Additions	538,638	18,807	30,826	5,752	60,223	10,141	664,387
Disposals	-	-	(2,500)	-	(43,339)	-	(45,839)
At 30 April 1995	<u>538,638</u>	<u>90,456</u>	<u>517,881</u>	<u>28,186</u>	<u>233,694</u>	<u>80,681</u>	<u>1,489,536</u>
Provision for depreciation							
At 1 May 1994	-	14,728	177,257	12,094	87,521	47,938	339,538
Provided during year	748	4,147	48,707	2,024	40,057	11,529	107,212
Written out on disposals	-	-	(803)	-	(30,890)	-	(31,693)
At 30 April 1995	<u>748</u>	<u>18,875</u>	<u>225,161</u>	<u>14,118</u>	<u>96,688</u>	<u>59,467</u>	<u>415,057</u>
Net book value							
At 30 April 1995	<u>537,890</u>	<u>71,581</u>	<u>292,720</u>	<u>14,068</u>	<u>137,006</u>	<u>21,214</u>	<u>1,074,479</u>
At 30 April 1994	<u>-</u>	<u>56,921</u>	<u>312,298</u>	<u>10,340</u>	<u>129,289</u>	<u>22,602</u>	<u>531,450</u>

Net book value of assets held under hire purchase agreements and included above is:

At 30 April 1995	-	-	-	-	59,053	6,193	65,246
At 30 April 1994	-	-	-	-	86,121	8,913	95,034

- (a) The basis of providing for depreciation is set out in Note 2.
- (b) The estimated portion of the purchase cost of the freehold land and buildings relating to the land element was £81,000.
- (c) The freehold land and buildings were purchased during the year at open market value of £530,000 from the director, R W Byford. Professional costs and stamp duty relating to the acquisition amounted to £8,638.

10 STOCKS

	1995 £	1994 £
Raw materials and consumables	179,636	152,270
Completed and partly completed glazing units	51,911	43,235
Less: deposits received	<u>(4,100)</u>	<u>(3,320)</u>
	<u>47,811</u>	<u>39,915</u>
	<u>227,447</u>	<u>192,185</u>

The basis of valuing stock is set out in Note 2.

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1995

11 DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	378,012	359,931
Prepayments	39,073	52,871
Other debtors	61,284	96,157
Amounts due from related company	-	<u>17,186</u>
	<u>478,369</u>	<u>526,145</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Bank overdraft (secured)	45,786	79,248
Advance corporation tax payable	5,000	-
Trade creditors	264,520	261,913
Other creditors	-	55,487
Other taxes and social security costs	21,362	83,703
Current instalments on hire purchase agreements	17,945	15,967
Current instalments on commercial mortgage (Note 13)	16,504	-
Loan from director	92,750	-
Current corporation tax payable		
1 February 1995	96,000	71,000
Accruals and other creditors	<u>63,241</u>	<u>22,562</u>
	<u>623,108</u>	<u>589,880</u>

The bank overdraft is secured by a fixed and floating charge over all the assets and undertaking of the Company.

13 COMMERCIAL MORTGAGE

	<u>1995</u>	<u>1994</u>
	£	£
Due within 12 months (Note 12)	16,504	-
Due within two to five years	134,000	-
Due thereafter	<u>349,496</u>	<u>-</u>
Due after 12 months	483,496	-
	<u>500,000</u>	<u>-</u>

The mortgage is secured over the Company's freehold property. It is repayable by 180 monthly instalments of £5,055.22. The original principal sum was £500,000 and interest is charged at 2.25% over Barclays Base Rate from time to time on the reducing balance quarterly.

14 DEFERRED TAXATION

Deferred taxation provided in the accounts is comprised entirely of capital allowances claimed in advance of the related depreciation being charged in the profit and loss account.

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1995

15 CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Issued, called up and fully paid</u>	
	<u>1995 and 1994</u>	<u>1995</u>	<u>1994</u>
	No.	£	£
Ordinary shares of £1 each	<u>100</u>	<u>74</u>	<u>100</u>

During the year, the Company purchased 26 £1 ordinary shares in the Company for a cost of £192,400 plus related professional costs and stamp duty totalling £7,862. As a result of this transaction, the Company's issued share capital is reduced to 74 £1 ordinary shares. To maintain the Company's capital base as required by Section 170 of the Companies Act 1985, the amount, in nominal value, by which the issued share capital of the Company is diminished must be transferred to the capital redemption reserve.

16 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments, neither authorised and not contracted for nor contracted for and not provided for, at either 30 April 1995 or 30 April 1994. There were no contingent liabilities at 30 April 1995 (30 April 1994: £21,959).

17 TRANSACTIONS WITH DIRECTOR

- (a) During the year, the Company paid rent of £56,308 (1994: £60,000) to R W Addison and R W Byford Properties, a now dissolved partnership in which R W Byford was a partner.
- (b) The Company acquired its freehold premises from R W Byford during the year (see Note 9).
- (c) During the year, the Company paid for advertising and automotive services of £19,000 (1994: £21,000) to Z Speed, a partnership in which R W Byford is a partner.

18 FINANCIAL COMMITMENTS

- (a) Pension contributions

The Company operates a defined contribution pension scheme for certain of its employees as described more fully in Note 2 to these financial statements. The amount charged in the accounts of the Company for the year was £5,547 (1994: £5,005). It is the Company's policy to provide for the cost of actual contributions due for the year. At the balance sheet date, there were no outstanding contributions (1994: £Nil).

- (b) Operating leases

The Company is committed to make payments under operating leases for hire of plant and machinery in the twelve months to 30 April 1996 of £1,542.

REPORT OF THE AUDITORS TO THE MEMBERS OF
A & B GLASS COMPANY LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 9, 10 and 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 9, the Company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on these 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.

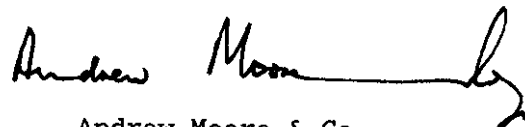
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 as at 30 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

2 King Street
Sudbury
Suffolk
CO10 6EB

10 July 1995


Andrew Moore & Co
Chartered Accountants
and Registered Auditors