

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

FINANCIAL STATEMENTS
30 APRIL 1997

ANDREW MOORE & CO
CHARTERED ACCOUNTANTS
SUDBURY SUFFOLK



A & B GLASS COMPANY LIMITEDINDEX TO FINANCIAL STATEMENTS
30 APRIL 1997

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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 1997

The director submits his annual report and the audited financial statements for the year ended 30 April 1997.

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 has continued to keep a tight control on costs and the strong results experienced last year continue this year and are expected to be maintained in the future.

On 24 January 1997 the Company purchased the stock, plant and machinery and trade of Britannia Frames, a division of the Heywood Williams Group, for their net book value plus goodwill of £267,001. The Company now trades from its premises in Sudbury and a second site in Hitchin (previously occupied by Britannia Frames).

Following the purchase, a programme of rationalisation and cost control was introduced at the newly acquired division, together with some significant investment in modern machinery to ensure that the manufacturing process at Hitchin matched the efficiency of the existing facility in Sudbury. The director believes that significant improvements have now been made within the new division and is confident of a strong performance in the current year.

RESULTS AND DIVIDENDS

The results are shown in the profit and loss account set out on 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 10 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:

	<u>Ordinary shares of £1 each</u>	
	At 30 April <u>1997</u>	At 30 April <u>1996</u>
R W Byford	74 =	74 =

A & B GLASS COMPANY LIMITED

REPORT OF THE DIRECTOR (CONTINUED)
YEAR ENDED 30 APRIL 1997

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 9 September 1997 and signed on his behalf:

K.M. Byford.

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 1997

	<u>Notes</u>	<u>1997</u>		<u>1996</u>	
		£	£	£	£
TURNOVER	3		5,839,623		4,064,531
Cost of sales			<u>4,071,131</u>		<u>2,882,539</u>
GROSS PROFIT			1,768,492		1,181,992
Selling and distribution costs		119,103		56,651	
Administrative expenses		<u>1,017,443</u>		<u>736,016</u>	
			<u>1,136,546</u>		<u>792,667</u>
			631,946		389,325
Exceptional item	4		<u>105,286</u>		-
OPERATING PROFIT	5		526,660		389,325
Interest receivable		14,011		16,690	
Interest payable and similar charges	8	<u>50,780</u>		<u>46,689</u>	
			<u>36,769</u>		<u>29,999</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			489,891		359,326
Taxation	9		<u>137,825</u>		<u>113,729</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			352,066		245,597
Dividend - £2,432.43 per share (net) declared 26 April 1996			-		<u>180,000</u>
PROFIT RETAINED FOR THE YEAR	21		<u>352,066</u>		<u>65,597</u>

Notes

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

A & B GLASS COMPANY LIMITEDCASH FLOW STATEMENT
YEAR ENDED 30 APRIL 1997

	<u>1997</u>		<u>1996</u>	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 1)		286,856		607,377
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	15,711		16,790	
Interest element of hire purchase payments	(2,143)		(3,659)	
Other interest and similar charges	(45,540)		(42,083)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(31,972)		(28,952)
TAXATION PAID				
Corporation tax (including advance corporation tax)		(100,586)		(101,053)
CAPITAL EXPENDITURE				
Payments to acquire intangible fixed assets	(267,001)		-	
Payments to acquire tangible fixed assets	(720,914)		(85,694)	
Receipts from sale of tangible fixed assets	<u>81,150</u>		<u>23,125</u>	
		(906,765)		(62,569)
		(752,467)		414,803
Equity dividends paid		-		(180,000)
		(752,467)		234,803
FINANCING				
Cash (outflow) on director's loan account	(6,084)		(91,758)	
Net movement in hire purchase commitments	19,396		(18,583)	
Capital element of mortgage repayments	(20,477)		(18,685)	
		(7,165)		(129,026)
		(759,632)		105,777

A & B GLASS COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 30 APRIL 1997

	<u>1997</u>		<u>1996</u>
	£		£
1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit	526,660		389,325
Depreciation charges	143,702		109,091
(Profit) on disposal of tangible fixed assets	(27,627)		(1,909)
(Increase) decrease in stocks	(212,568)		44,591
(Increase) in debtors	(789,361)		(13,916)
Increase in creditors	<u>646,050</u>		<u>80,195</u>
Net cash inflow from operating activities	<u>286,856</u>		<u>607,377</u>
2 ANALYSIS OF CHANGES IN NET DEBT			
	<u>1.5.96</u>	<u>Cash flow</u>	<u>30.4.97</u>
	£	£	£
Cash at bank and in hand	405,733	(404,004)	1,729
Bank overdraft	<u>(37,592)</u>	<u>(355,628)</u>	<u>(393,220)</u>
	<u>368,141</u>	<u>(759,632)</u>	<u>(391,491)</u>

A & B GLASS COMPANY LIMITEDBALANCE SHEET
30 APRIL 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible assets	10	1,553,304	1,174,866
Investment in subsidiary	11	<u>2</u>	<u>-</u>
		1,553,306	1,174,866
CURRENT ASSETS			
Stocks	12	395,424	182,856
Debtors	13	1,284,875	492,185
Cash at bank and in hand		<u>1,729</u>	<u>405,733</u>
		1,682,028	1,080,774
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	<u>1,631,487</u>	<u>750,653</u>
NET CURRENT ASSETS		<u>50,541</u>	<u>330,121</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,603,847	1,504,987
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Hire purchase liability due within two to five years		23,708	11,662
Commercial mortgage	15	<u>439,869</u>	<u>461,120</u>
		<u>463,577</u>	<u>472,782</u>
		1,140,270	1,032,205
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	16	<u>96,000</u>	<u>73,000</u>
NET ASSETS		<u>1,044,270</u>	<u>959,205</u>

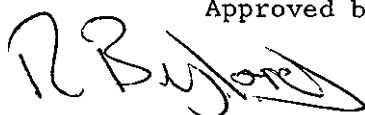
Represented by:

CAPITAL AND RESERVES

Called up share capital	17	74	74
Capital redemption reserve		26	26
Profit and loss account	21	<u>1,044,170</u>	<u>959,105</u>
SHAREHOLDERS' FUNDS	22	<u>1,044,270</u>	<u>959,205</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized groups.

Approved by the director on 9 September 1997:



R W BYFORD - Director

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1997

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 1997

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. Uncompleted 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 31% 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 1997 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 1997

2 ACCOUNTING POLICIES (CONTINUED)

Leased assets and hire purchase contracts

Assets acquired under hire purchase contracts and finance leases with similar characteristics 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.

Goodwill

Purchased goodwill is written off to reserves in the year of purchase in accordance with Statement of Standard Accounting Practice No 22. Internally generated goodwill is not recognised as an asset on the balance sheet.

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 EXCEPTIONAL ITEM

On 24 January 1997, the Company acquired the trade, fixed assets and trading stock of Britannia Frames, a division of the Heywood Williams Group, for a price of £756,950.

The stock acquired, at a cost of £219,937, has been included in cost of sales.

Fixed assets acquired at a cost of £270,012 are shown as part of additions in Note 10.

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1997

4 EXCEPTIONAL ITEM (CONTINUED)

The goodwill payment of £267,001 has been written off directly to reserves (Note 21), in accordance with the accounting policy as stated in Note 2 on page 11.

Costs associated with the purchase amounting to £105,286 are shown as an exceptional item. These represent redundancy and professional fees.

5 OPERATING PROFIT

	<u>1997</u>	<u>1996</u>
This is stated after charging:	£	£
Director's remuneration	See Note 7	
Auditors' remuneration	7,000	5,000
Depreciation		
- Assets held under hire purchase contracts	12,296	12,795
- Owned assets	131,406	94,296
Charges under operating leases in respect of		
- Hire of plant and machinery	23,769	3,333
- Other operating leases	<u>19,978</u>	<u>-</u>

6 STAFF COSTS

	<u>1997</u>	<u>1996</u>
	£	£
Wages and salaries	927,078	654,515
Social security costs	92,030	63,351
Other pension costs	<u>9,410</u>	<u>7,578</u>
	<u>1,028,518</u>	<u>725,444</u>

The average number of employees during the year was 63 (1996: 44).

7 DIRECTOR'S REMUNERATION

	<u>1997</u>	<u>1996</u>
	£	£
Fees as director	-	-
Other emoluments (including pension contributions of £702 - 1996: £702)	40,934	40,939
Benefits in kind	<u>9,645</u>	<u>10,107</u>
	<u>50,579</u>	<u>51,046</u>

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

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1997

8 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u> £	<u>1996</u> £
On bank loans and overdrafts repayable		
- within one year	12,756	106
- by instalments, some of which fall due after more than five years	35,881	42,924
On hire purchase agreements	<u>2,143</u>	<u>3,659</u>
	<u>50,780</u>	<u>46,689</u>

9 TAXATION

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

	<u>1997</u> £	<u>1996</u> £
UK corporation tax at 23.4% (1996: 30.5%)	114,915	100,676
Deferred taxation provided	<u>23,000</u>	<u>13,000</u>
	137,915	113,676
(Over) under provision in previous year	<u>(90)</u>	<u>53</u>
	<u>137,825</u>	<u>113,729</u>

10 TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u> £	<u>Building improvements</u> £	<u>Plant and machinery</u> £	<u>Office equipment</u> £	<u>Motor vehicles</u> £	<u>Computer equipment</u> £	<u>Total</u> £
Cost							
At 1 May 1996	538,638	90,456	671,695	35,057	261,862	80,681	1,678,389
Additions	-	-	435,342	3,363	74,978	62,229	575,912
Disposals	-	-	(48,589)	(250)	(67,314)	(20,891)	(137,044)
At 30 April 1997	<u>538,638</u>	<u>90,456</u>	<u>1,058,448</u>	<u>38,170</u>	<u>269,526</u>	<u>122,019</u>	<u>2,117,257</u>
Provision for depreciation							
At 1 May 1996	9,900	23,872	269,247	16,503	116,893	67,108	503,523
Provided during year	9,154	4,770	76,758	2,945	37,881	12,194	143,702
Written out on disposals	-	-	(34,130)	(59)	(36,203)	(12,880)	(83,272)
At 30 April 1997	<u>19,054</u>	<u>28,642</u>	<u>311,875</u>	<u>19,389</u>	<u>118,571</u>	<u>66,422</u>	<u>563,953</u>
Net book value							
At 30 April 1997	<u>519,584</u>	<u>61,814</u>	<u>746,573</u>	<u>18,781</u>	<u>150,955</u>	<u>55,597</u>	<u>1,553,304</u>
At 30 April 1996	<u>528,738</u>	<u>66,584</u>	<u>402,448</u>	<u>18,554</u>	<u>144,969</u>	<u>13,573</u>	<u>1,174,866</u>

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1997

10 TANGIBLE FIXED ASSETS (CONTINUED)

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

	Freehold land and buildings £	Building improvements £	Plant and machinery £	Office equipment £	Motor vehicles £	Computer equipment £	Total £
At 30 April 1997	-	-	-	-	69,127	753	69,880
At 30 April 1996	-	-	-	-	30,224	3,473	33,697

(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.

11 INVESTMENT IN SUBSIDIARY

The investment in subsidiary represents an interest in the share capital of Britannia Frames Limited, a Company incorporated in England on 18 December 1996.

50% of the shares of Britannia Frames Limited are held in the sole name of A & B Glass Company Limited, the remaining 50% are held jointly by A & B Glass Company Limited and Mr R W Byford, a director of A & B Glass Company Limited.

Britannia Frames Limited is a dormant company, procured to protect the trading name.

12 STOCKS

	£	1997 £	£	1996 £	£
Raw materials and consumables		299,220		152,298	
Completed and partly completed glazing units	96,624		30,558		
Less: deposits received	420		-		
		96,204		30,558	
		395,424		182,856	

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

13 DEBTORS

	1997 £	1996 £
Trade debtors	1,158,595	431,478
Prepayments	89,245	41,160
Other debtors	37,035	19,547
	1,284,875	492,185

Included in other debtors at 30 April 1997 is an amount of £5,029 due from Mr R W Byford, the director of the Company. This was the maximum outstanding balance during the year. The balance due to the director at 30 April 1996 is shown in Note 14.

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1997

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
	£	£
Bank overdraft (secured)	393,220	37,592
Current instalments on commercial mortgage (Note 15)	20,969	20,195
Trade creditors	788,811	456,581
Other taxes and social security costs	195,735	67,147
Current corporation tax payable 1 February 1998	114,915	55,676
Advance corporation tax payable	-	45,000
Loan from director	-	992
Current instalments on hire purchase agreements	23,283	15,933
Accruals and other creditors	<u>94,554</u>	<u>51,537</u>
	<u>1,631,487</u>	<u>750,653</u>

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

15 COMMERCIAL MORTGAGE

	<u>1997</u>	<u>1996</u>
	£	£
Due within 12 months (Note 14)	20,969	20,195
Due within two to five years	99,636	90,267
Due thereafter	<u>340,233</u>	<u>370,853</u>
Due after 12 months	<u>439,869</u>	<u>461,120</u>
	<u>460,838</u>	<u>481,315</u>

The mortgage is secured over the Company's freehold property. The balance due is repayable by 156 monthly instalments of £4,710.75. Interest is charged at 1.75% over Barclays Base Rate from time to time on the reducing balance quarterly.

16 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.

17 CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Issued, called up and fully paid</u>	
	<u>1997 and 1996</u>	<u>1997</u>	<u>1996</u>
	No.	£	£
Ordinary shares of £1 each	<u>100</u>	<u>74</u>	<u>74</u>

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1997

18 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

- (a) There were no capital commitments, either authorised and not contracted for or contracted for and not provided for, at either 30 April 1997 or 30 April 1996.
- (b) There were no contingent liabilities at 30 April 1997 (30 April 1996: security bond in favour of Babergh District Council in the sum of £26,808).

19 RELATED PARTIES

- (a) The Company is controlled by Mr R W Byford, who holds all the issued share capital.
- (b) The director, Mr R W Byford, is also a director and 75% shareholder in Addison & Byford Limited. The remaining 25% of Addison & Byford Limited is held by Mrs K M Byford, a connected person to R W Byford.

During the year, the following transactions between Addison & Byford Limited and A & B Glass Company Limited took place:

- (i) Sponsorship of £35,000 was paid to Addison & Byford Limited by A & B Glass Company Limited.
- (ii) Expenditure on fuel cards, telephones and sundry other items of £48,822 was met by A & B Glass Company Limited, on behalf of Addison & Byford Limited and re invoiced to Addison & Byford Limited by A & B Glass Company Limited.
- (iii) A & B Glass Company limited provides Addison & Byford Limited with one motor racing trailer and tractor unit in return for a rental. In 1997 rental of £2,333 was received.

At 30 April 1997, A & B Glass Company Limited was owed £11,123 by Addison & Byford Limited in respect of the transactions outlined above.

20 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 £9,410 (1996: £7,578). 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 (1996: £Nil).

A & B GLASS COMPANY LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1997

20 FINANCIAL COMMITMENTS (CONTINUED)

- (b) The Company is committed to make payments on the following operating leases which expire within the period indicated and on which the full annual commitments are as stated:

	<u>1997</u>		<u>1996</u>	
	<u>Land and buildings</u>	<u>Other leases</u>	<u>Land and buildings</u>	<u>Other leases</u>
	£	£	£	£
Expiring within one year	-	9,836	-	-
Expiring within two to five years	<u>75,000</u> <u>75,000</u>	<u>60,375</u> <u>70,211</u>	<u>-</u> <u>-</u>	<u>-</u> <u>-</u>

21 PROFIT AND LOSS ACCOUNT

	£
Balance at 1 May 1996	959,105
Profit for the year after tax	352,066
Goodwill written off on acquisition of new trading activity (Note 4)	<u>(267,001)</u>
Balance at 30 April 1997	<u>1,044,170</u>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
Profit for the financial year	352,066	245,597
Dividends	<u>-</u>	<u>180,000</u>
	352,066	65,597
Goodwill written off	<u>267,001</u>	<u>-</u>
Net additions to shareholders' funds	85,065	65,597
Opening shareholders' funds	<u>959,205</u>	<u>893,608</u>
Closing shareholders' funds	<u>1,044,270</u>	<u>959,205</u>

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

We have audited the financial statements on pages 5 to 17 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.

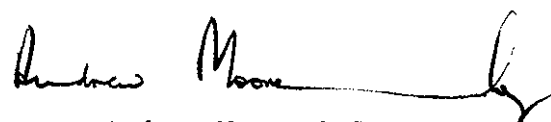
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 1997 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

9 September 1997



Andrew Moore & Co
Chartered Accountants
and Registered Auditors