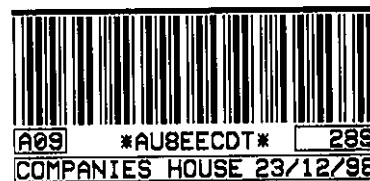


A & B GLASS COMPANY LIMITED
(Registered Number: 1543721)

FINANCIAL STATEMENTS
30 APRIL 1998

ANDREW MOORE & CO
CHARTERED ACCOUNTANTS
SUDBURY SUFFOLK



A & B GLASS COMPANY LIMITED
INDEX TO FINANCIAL STATEMENTS
30 APRIL 1998

	<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 17
Report of the Auditors	18

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 1998

The director submits his annual report and the audited financial statements for the year ended 30 April 1998.

PRINCIPAL ACTIVITY

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

During the year the Company acquired a trading subsidiary, Indigo Ross Design and Print Limited. The subsidiary provides design and printing services to the Company and third parties.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The director is satisfied with the results for the year.

The director is pleased with the progress made in integrating the business of Britannia Frames, acquired in the year to 30 April 1997, with the Company's existing activities, and believes the strong result for the year derives from the success of this integration.

During the year the Company invested in new plant and machinery to enable the manufacture of double glazed sealed units for the new homes market. The director believes that this investment will allow the Company to enter areas of the new homes sector of the market, in which the Company has not previously competed.

The director believes that by continuing to exploit new opportunities, whilst maintaining commitment to quality and service in existing markets, the Company will experience a period of sustainable growth.

MILLENNIUM COMPLIANCE

The Company has recognised the fact that there are risks associated with the Year 2000 and the impact that the date change may have upon any automated systems used within the Company.

The Company has set up a working party to address the issue of millennium compliance and to ensure that there are no significant difficulties experienced by the Company in the transition to the new millennium.

The director is confident that the Company's critical systems are millennium compliant.

The working party is also tasked to consider the potential impact of a lack of compliance by the Company's customers and suppliers. The director believes that since the majority of its suppliers are blue chip companies, the risk to the Company in this area is low. Additionally, the director believes that the impact of the date change upon the customers of the Company is unlikely to affect the ability of the Company to trade on a consistent basis into the new millennium.

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.

A & B GLASS COMPANY LIMITED

REPORT OF THE DIRECTOR (CONTINUED)
YEAR ENDED 30 APRIL 1998

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 served throughout the year. His interest in the share capital of the Company was as follows:

	<u>Ordinary shares of £1 each</u>	
	<u>At 30 April 1998</u>	<u>At 30 April 1997</u>
R W Byford	<u>74</u>	<u>74</u>

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 17 December 1998 and signed on his behalf:

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

K M Byford

A & B GLASS COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**
YEAR ENDED 30 APRIL 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
TURNOVER	3	10,501,213	5,839,623
Cost of sales		<u>7,321,072</u>	<u>4,071,131</u>
GROSS PROFIT		3,180,141	1,768,492
Selling and distribution costs		159,657	119,103
Administrative expenses		<u>1,787,126</u>	<u>1,017,443</u>
		<u>1,946,783</u>	<u>1,136,546</u>
		1,233,358	631,946
Exceptional item		-	<u>105,286</u>
OPERATING PROFIT	4	1,233,358	526,660
Interest receivable		2,293	14,011
Interest payable and similar charges	7	<u>56,554</u>	<u>50,780</u>
		<u>54,261</u>	<u>36,769</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,179,097	489,891
Taxation	8	<u>376,199</u>	<u>137,825</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		802,898	352,066
Dividend		<u>58,180</u>	-
PROFIT RETAINED FOR THE YEAR	20	<u>744,718</u>	<u>352,066</u>

Note

1. The only recognised gain for each year was the profit for each financial year.

A & B GLASS COMPANY LIMITEDCASH FLOW STATEMENT
YEAR ENDED 30 APRIL 1998

	<u>1998</u>		<u>1997</u>	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 1)		1,268,017		286,856
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	1,793		15,711	
Interest element of hire purchase payments	(3,872)		(2,143)	
Other interest and similar charges	(54,952)		(45,540)	
		(57,031)		(31,972)
TAXATION PAID				
Corporation tax (including advance corporation tax)		(128,659)		(100,586)
CAPITAL EXPENDITURE				
Payments to acquire intangible fixed assets	-		(267,001)	
Payments to acquire tangible fixed assets	(379,208)		(684,182)	
Receipts from sale of tangible fixed assets	91,100		81,150	
		(288,108)		(870,033)
ACQUISITIONS AND DISPOSALS				
Purchase of subsidiary undertaking		(5,000)		-
		789,219		(715,735)
EQUITY DIVIDENDS PAID		(58,180)		-
		731,039		(715,735)
FINANCING				
Cash inflow (outflow) on director's loan account	8,620		(6,084)	
Capital element of hire purchase payment	(27,797)		(17,336)	
Capital element of mortgage repayments	(18,187)		(20,477)	
		(37,364)		(43,897)
INCREASE (DECREASE) IN CASH		693,675		(759,632)

A & B GLASS COMPANY LIMITED

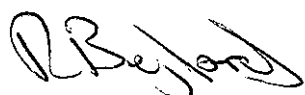
NOTES TO THE CASH FLOW STATEMENT
YEAR ENDED 30 APRIL 1998

	<u>1998</u>	<u>1997</u>
	£	£
1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating profit	1,233,358	526,660
Depreciation charges	199,566	143,702
(Profit) on disposal of tangible fixed assets	(25,070)	(27,627)
(Increase) in stocks	(164,261)	(212,568)
(Increase) in debtors	(147,405)	(789,361)
Increase in creditors	<u>171,829</u>	<u>646,050</u>
Net cash inflow from operating activities	<u>1,268,017</u>	<u>286,856</u>
2 ANALYSIS OF CHANGES IN NET DEBT		
	At 1 May	Other non cash
	<u>1997</u>	<u>changes</u>
	£	£
Cash at bank and in hand	1,729	302,184
Bank overdraft	(393,220)	-
	<u>693,675</u>	
Debt due within one year	(20,969)	(21,136)
Debt due after one year	(439,869)	(421,515)
Hire purchase commitments	(46,991)	(39,381) (58,575)
	<u>45,984</u>	
Total	<u>(899,320)</u>	<u>(39,381) (199,042)</u>
3 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		
	<u>1998</u>	<u>1997</u>
	£	£
Increase (decrease) in cash in the period	693,675	(759,632)
Cash outflow from decrease in debt and hire purchase	<u>45,984</u>	<u>37,813</u>
Change in net debt resulting from cash flow	739,659	(721,819)
New hire purchase agreements	<u>(39,381)</u>	<u>(36,732)</u>
Movement in net debt in the year	700,278	(758,551)
Net debt at 1 May 1997	<u>(899,320)</u>	<u>(140,769)</u>
Net debt at 30 April 1998	<u>(199,042)</u>	<u>(899,320)</u>

A & B GLASS COMPANY LIMITED**BALANCE SHEET**
30 APRIL 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
		£	£
FIXED ASSETS			
Tangible assets	9	1,706,297	1,553,304
Investment in subsidiaries	10	<u>5,002</u>	<u>2</u>
		1,711,299	1,553,306
CURRENT ASSETS			
Stocks	11	559,685	395,424
Debtors	12	1,427,751	1,284,875
Cash at bank and in hand		<u>302,184</u>	<u>1,729</u>
		2,289,620	1,682,028
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>1,613,827</u>	<u>1,631,487</u>
NET CURRENT ASSETS		<u>675,793</u>	<u>50,541</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,387,092	1,603,847
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Commercial mortgage	14	421,515	439,869
Hire purchase liability due within two to five years		<u>26,589</u>	<u>23,708</u>
		448,104	463,577
		1,938,988	1,140,270
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	15	<u>150,000</u>	<u>96,000</u>
NET ASSETS		<u>1,788,988</u>	<u>1,044,270</u>
CAPITAL AND RESERVES			
Called up share capital	16	74	74
Capital redemption reserve		26	26
Profit and loss account	20	<u>1,788,888</u>	<u>1,044,170</u>
SHAREHOLDERS' FUNDS	21	<u>1,788,988</u>	<u>1,044,270</u>

Approved by the director on 17 December 1998:



R W BYFORD - Director

A & B GLASS COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1998**

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

Consolidated accounts

The financial statements comprise the accounts of the Company only. As permitted by Section 248 of the Companies Act 1985, group accounts are not prepared on the grounds that the group headed by the Company is a medium sized group as defined by the Act.

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 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 1998**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 1998 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 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 1998**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 makes pension contributions on behalf of 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.

The Company also operates a small self-administered scheme on behalf of the director. The assets of the Scheme are held separately from those of the Company. The contributions made to the scheme during the year are included within the amount disclosed in Note 6.

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.

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 1998**4 OPERATING PROFIT**

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Director's remuneration (see Note 6)	153,620	50,579
Auditors' remuneration	9,000	7,000
Depreciation		
- Assets held under hire purchase contracts	17,314	12,296
- Owned assets	182,252	131,406
Charges under operating leases in respect of		
- Hire of plant and machinery	84,730	23,769
- Other operating leases	<u>74,974</u>	<u>19,978</u>

5 STAFF COSTS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,985,954	927,078
Social security costs	181,751	92,030
Other pension costs	117,340	9,410
	<u>2,285,045</u>	<u>1,028,518</u>

The average number of employees during the year was 114 (1997: 63).

6 DIRECTOR'S REMUNERATION

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Emoluments for qualifying services (including benefits in kind)	57,980	49,877
Company contributions to money purchase scheme	95,640	702
	<u>153,620</u>	<u>50,579</u>

The director accrues pension benefits under a money purchase scheme.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
On bank loans and overdrafts		
- repayable within one year	11,923	12,756
- repayable by instalments, some of which fall due after more than five years	39,110	35,881
On hire purchase agreements	4,127	2,143
On late paid tax	1,394	-
	<u>56,554</u>	<u>50,780</u>

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 1998**8 TAXATION**

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

	<u>1998</u> £	<u>1997</u> £
UK corporation tax at 31% (1997: 23.4%)	323,000	114,915
Deferred taxation provided	<u>54,000</u>	<u>23,000</u>
	377,000	137,915
 (Over) provision in previous year	 <u>(801)</u>	 <u>(90)</u>
	<u>376,199</u>	<u>137,825</u>

9 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 1997	538,638	90,456	1,058,448	38,170	269,526	122,019	2,117,257
Additions	-	-	216,212	1,390	176,406	24,581	418,589
Disposals	-	-	(16,597)	-	(101,427)	-	(118,024)
At 30 April 1998	<u>538,638</u>	<u>90,456</u>	<u>1,258,063</u>	<u>39,560</u>	<u>344,505</u>	<u>146,600</u>	<u>2,417,822</u>
Provision for depreciation							
At 1 May 1997	19,054	28,642	311,875	19,389	118,571	66,422	563,953
Provided during year	9,155	4,553	118,974	2,955	47,733	16,196	199,566
Written out on disposals	-	-	(58)	-	(51,936)	-	(51,994)
At 30 April 1998	<u>28,209</u>	<u>33,195</u>	<u>430,791</u>	<u>22,344</u>	<u>114,368</u>	<u>82,618</u>	<u>711,525</u>
Net book value							
At 30 April 1998	<u>510,429</u>	<u>57,261</u>	<u>827,272</u>	<u>17,216</u>	<u>230,137</u>	<u>63,982</u>	<u>1,706,297</u>
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>

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 1998**9 TANGIBLE FIXED ASSETS (CONTINUED)**

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

	<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>
	£	£	£	£	£	£	£
At 30 April 1998	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,650</u>	<u>-</u>	<u>106,650</u>
At 30 April 1997	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,127</u>	<u>753</u>	<u>69,880</u>

(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.

10 INVESTMENT IN SUBSIDIARIES

<u>Name</u>	<u>Registered in</u>	<u>Class of shares</u>	<u>Percentage held</u>	<u>Cost</u>	<u>Aggregate capital and reserves</u>	<u>Profit for the year</u>
				£	£	£
Britannia Frames Limited	England and Wales	Ordinary	100%*	2	2	Dormant
Indigo Ross Design and Print Limited	England and Wales	Ordinary	100%	5,000	4,209	3,422

* 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.

Indigo Ross Design and Print Limited was purchased on 1 March 1998 for £5,000.

11 STOCKS

	<u>1998</u>	<u>1997</u>
	£	£
Raw materials and consumables	348,458	299,220
Completed and partly completed glazing units	<u>211,227</u>	<u>96,204</u>
	<u>559,685</u>	<u>395,424</u>

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

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1998

12 DEBTORS

	<u>1998</u>	<u>1997</u>
	£	£
Trade debtors	1,258,401	1,158,595
Other debtors	18,644	37,035
Prepayments	<u>150,706</u>	<u>89,245</u>
	<u><u>1,427,751</u></u>	<u><u>1,284,875</u></u>

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 1998 is shown in Note 14.

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
	£	£
Bank overdraft (secured)	-	393,220
Current instalments on commercial mortgage (Note 14)	21,136	20,969
Current instalments on hire purchase agreements	31,986	23,283
Trade creditors	891,878	788,811
Other taxes and social security costs	170,798	195,735
Current corporation tax payable	308,455	114,915
Accruals and other creditors	180,614	94,554
Amounts owed to group undertakings	5,369	-
Loan from director	<u>3,591</u>	<u>-</u>
	<u><u>1,613,827</u></u>	<u><u>1,631,487</u></u>

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

14 COMMERCIAL MORTGAGE

	<u>1998</u>	<u>1997</u>
	£	£
Due within one year (Note 13)	21,136	20,969
Due within one to two years	23,177	21,136
Due within two to five years	83,837	78,500
Due in five years or more	<u>314,501</u>	<u>340,233</u>
Due after more than one year	<u>421,515</u>	<u>439,869</u>
	<u><u>442,651</u></u>	<u><u>460,838</u></u>

The mortgage is secured over the Company's freehold property. The balance due is repayable by 144 monthly instalments of £5,045.64. Interest is charged at 1.75% over Barclays Base Rate on the reducing balance quarterly.

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1998

15 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.

16 CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Issued, called up and fully paid</u>
	<u>1998 and 1997</u>	<u>1998 and 1997</u>
	No	£
Ordinary shares of £1 each	<u>100</u>	<u>74</u>

17 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

- (a) The director had authorised, but the Company had not contracted for, the purchase of fixed assets totalling £45,393 at 30 April 1998 (1997: £Nil).
- (b) The Company has provided guarantees on contracts with various councils totalling £88,139 at 30 April 1998 (1997: £Nil).

18 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, and his spouse hold all the issued share capital in Addison & Byford Limited.

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

- (i) Expenditure on fuel cards, telephones and sundry other items of £16,449 (1997: £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.
- (ii) Recharges for the services of employees totalling £18,165 were made by Addison & Byford Limited.

At 30 April 1998, A & B Glass Company Limited owed £2,146 to Addison & Byford Limited, (1997: £11,123 owed by Addison & Byford Limited).

- (c) On 1 March 1998, the Company purchased all of the issued share capital of Indigo Ross Design and Print Limited for £5,000.

Since that date, the Company has purchased goods totalling £6,368 from the subsidiary.

At 30 April 1998, the Company owed Indigo Ross Design and Print Limited £5,369.

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 1998

19 FINANCIAL COMMITMENTS

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

	<u>1998</u>		<u>1997</u>	
	<u>Land and buildings</u>	<u>Other leases</u>	<u>Land and buildings</u>	<u>Other leases</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Expiring within one year	43,750	1,928	-	9,836
Expiring within two to five years	-	59,527	75,000	60,375
Expiring in more than five years	-	6,279	-	-
	<u>43,750</u>	<u>67,734</u>	<u>75,000</u>	<u>70,211</u>

Since the year end, the Company has purchased its previously leased premises at Hitchin for £745,000.

20 PROFIT AND LOSS ACCOUNT

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Balance at beginning of year	1,044,170	959,105
Transfer from profit and loss account for the year	744,718	352,066
Goodwill written off on acquisition of new trading activity	-	(267,001)
Balance at end of year	<u>1,788,888</u>	<u>1,044,170</u>

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	802,898	352,066
Dividends	58,180	-
	<u>744,718</u>	<u>352,066</u>
Goodwill written off	-	267,001
Net additions to shareholders' funds	744,718	85,065
Opening shareholders' funds	<u>1,044,270</u>	<u>959,205</u>
Closing shareholders' funds	<u>1,788,988</u>	<u>1,044,270</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.

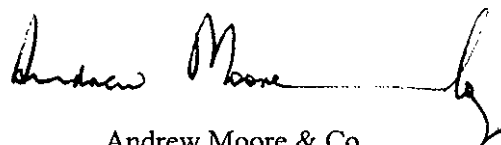
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 1998 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

17 December 1998



Andrew Moore & Co
Chartered Accountants
and Registered Auditors