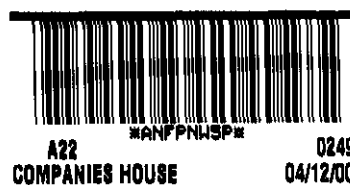


A & B GLASS COMPANY LIMITED
(Registered Number: 1543721)

FINANCIAL STATEMENTS
30 APRIL 2000

ANDREW MOORE & CO
CHARTERED ACCOUNTANTS
SUDBURY SUFFOLK



A & B GLASS COMPANY LIMITED**INDEX TO FINANCIAL STATEMENTS
30 APRIL 2000**

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A & B GLASS COMPANY LIMITED**COMPANY INFORMATION**

DIRECTORS	R W Byford D F Barrett (appointed 29 June 2000)
SECRETARY	Mrs K M Byford
REGISTERED OFFICE	Woodhall Business Park Sudbury Suffolk CO10 1WH
BANKERS	Lloyds TSB 30 Market Hill Sudbury Suffolk CO10 2EL
AUDITORS	Andrew Moore & Co 2 King Street Sudbury Suffolk CO10 2EB
SOLICITORS	Bates Wells & Braithwaite 27 Friars Street Sudbury Suffolk CO10 2AD
REGISTERED NUMBER	1543721

A & B GLASS COMPANY LIMITED

REPORT OF THE DIRECTORS YEAR ENDED 30 APRIL 2000

The directors submit their report and the audited financial statements for the year ended 30 April 2000.

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.

A trading subsidiary, Indigo Ross Design and Print Limited, provides design and printing services to the Company and third parties.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors are satisfied with the results for the year. The Company managed to increase turnover and has been able to improve gross profit margins despite problems encountered in sourcing good quality PVCU materials from suppliers.

The directors believe that, by maintaining its commitment to quality, service and customer support the Company will increase its market share in the current year. Additionally, the Company is actively seeking and promoting new opportunities including possible acquisitions and new products.

RESULTS AND DIVIDENDS

The results are shown in the profit and loss account set out on page 5. The directors do not recommend the payment of a final dividend.

TANGIBLE FIXED ASSETS

Movements in fixed assets are set out in Note 10 on page 14 of the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year and their interest in the share capital of the Company were as follows:

	<u>Ordinary shares of £1 each</u>	
	<u>At 30 April 2000 and 1999</u>	<u>At the date of this report</u>
R W Byford	74	74
D F Barrett (appointed 29 June 2000)	<u>-</u>	<u>-</u>

A & B GLASS COMPANY LIMITED

**REPORT OF THE DIRECTORS (CONTINUED)
YEAR ENDED 30 APRIL 2000**

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 directors on 9 November 2000 and signed on their behalf:

Mrs K M Byford
Secretary
A & B Glass Company Limited
Sudbury
Suffolk
CO10 1WH

K.M. Byford.

A & B GLASS COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**
YEAR ENDED 30 APRIL 2000

	<u>Notes</u>	<u>2000</u>		<u>1999</u>	
		£	£	£	£
TURNOVER	3		11,046,153		10,661,462
Cost of sales			<u>7,375,850</u>		<u>7,170,502</u>
GROSS PROFIT			3,670,303		3,490,960
Selling and distribution costs		192,691		219,781	
Administrative expenses		<u>2,198,580</u>		<u>2,099,944</u>	
			<u>2,391,271</u>		<u>2,319,725</u>
OPERATING PROFIT	4		1,279,032		1,171,235
Income from shares in group undertakings		10,000		-	
Interest receivable		908		5,623	
Interest payable and similar charges	7	<u>37,338</u>		<u>47,340</u>	
			<u>26,430</u>		<u>41,717</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,252,602		1,129,518
Tax on profit on ordinary activities	8		<u>411,753</u>		<u>327,066</u>
PROFIT FOR THE FINANCIAL YEAR			840,849		802,452
Dividend	9		<u>660,000</u>		<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	21		<u>180,849</u>		<u>802,452</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 2000

	<u>2000</u>		<u>1999</u>	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 1)		1,566,274		1,180,552
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE (Note 2)		(27,047)		(41,015)
TAXATION		(439,441)		(301,480)
CAPITAL EXPENDITURE (Note 2)		<u>(291,726)</u>		<u>(1,118,653)</u>
		808,060		(280,596)
EQUITY DIVIDENDS PAID		<u>(660,000)</u>		-
		148,060		(280,596)
FINANCING (Note 2)		<u>(100,305)</u>		<u>(74,928)</u>
INCREASE (DECREASE) IN CASH		47,755		(355,524)
		<u> </u>		<u> </u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (Note 3)				
Increase (decrease) in cash		47,755		(355,524)
Cash outflow from decrease in debt and hire purchase		<u>100,305</u>		<u>74,928</u>
Change in net debt resulting from cash flow		148,060		(280,596)
New hire purchase agreements		<u>(73,566)</u>		<u>(42,633)</u>
Movement in net debt in the year		74,494		(323,229)
Net debt at 1 May 1999		<u>(522,271)</u>		<u>(199,042)</u>
Net debt at 30 April 2000		<u>(447,777)</u>		<u>(522,271)</u>

A & B GLASS COMPANY LIMITED**NOTES TO THE CASH FLOW STATEMENT**
YEAR ENDED 30 APRIL 2000

	<u>2000</u> £	<u>1999</u> £
1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating profit	1,279,032	1,171,235
Depreciation charges	276,104	265,219
Loss on disposal of tangible fixed assets	10,176	5,948
(Increase) decrease in stocks	(105,001)	62,190
(Increase) in debtors	(259,208)	(193,760)
Increase (decrease) in creditors	<u>365,171</u>	<u>(130,280)</u>
Net cash inflow from operating activities	<u>1,566,274</u>	<u>1,180,552</u>
2 GROSS CASH FLOWS		
	<u>2000</u> £	<u>1999</u> £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Dividend received	10,000	-
Interest received	823	6,104
Interest element of hire purchase payments	(2,154)	(2,137)
Other interest and similar charges	<u>(35,716)</u>	<u>(44,982)</u>
	<u>(27,047)</u>	<u>(41,015)</u>
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(307,521)	(1,137,733)
Receipts from sales of tangible fixed assets	<u>15,795</u>	<u>19,080</u>
	<u>(291,726)</u>	<u>(1,118,653)</u>
FINANCING		
Capital element of hire purchase payments	(68,496)	(51,699)
Capital element of mortgage repayments	<u>(31,809)</u>	<u>(23,229)</u>
	<u>(100,305)</u>	<u>(74,928)</u>

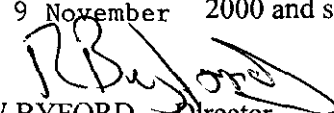
A & B GLASS COMPANY LIMITED**NOTES TO THE CASH FLOW STATEMENT (CONTINUED)**
YEAR ENDED 30 APRIL 2000**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 May 1999 £	Cash flow £	New hire purchase agreements £	Other non cash changes £	At 30 April 2000 £
Cash at bank and in hand	2,856	77,563			80,419
Bank overdraft	(56,196)	(29,808)			(86,004)
		47,755			
		<u> </u>			
Debt due within one year	(26,253)			(5,353)	(31,606)
Debt due after one year	(393,169)	31,809		5,353	(356,007)
Hire purchase commitments	(49,509)	68,496	(73,566)		(54,579)
		<u>100,305</u>			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	(522,271)	148,060	(73,566)	-	(447,777)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

A & B GLASS COMPANY LIMITED**BALANCE SHEET**
30 APRIL 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
FIXED ASSETS			
Tangible assets	10	2,675,428	2,596,416
Investment in subsidiaries	11	<u>5,002</u>	<u>5,002</u>
		2,680,430	2,601,418
CURRENT ASSETS			
Stocks	12	602,496	497,495
Debtors	13	1,880,323	1,621,030
Cash at bank and in hand		<u>80,419</u>	<u>2,856</u>
		2,563,238	2,121,381
CREDITORS: AMOUNTS FALLING DUE			
WITHIN ONE YEAR	14	<u>1,886,330</u>	<u>1,581,188</u>
NET CURRENT ASSETS			
		<u>676,908</u>	<u>540,193</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		3,357,338	3,141,611
CREDITORS: AMOUNTS FALLING DUE AFTER			
MORE THAN ONE YEAR			
Commercial mortgage	15	356,007	393,169
Hire purchase liability due within two to five years		<u>29,042</u>	<u>7,002</u>
		385,049	400,171
		2,972,289	2,741,440
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	16	<u>200,000</u>	<u>150,000</u>
NET ASSETS			
		<u>2,772,289</u>	<u>2,591,440</u>
CAPITAL AND RESERVES			
Called up share capital	17	74	74
Capital redemption reserve	21	26	26
Profit and loss account	21	<u>2,772,189</u>	<u>2,591,340</u>
SHAREHOLDERS' FUNDS			
	22	<u>2,772,289</u>	<u>2,591,440</u>

Approved by the directors on 9 November 2000 and signed on their behalf:


 R W BYFORD - Director

A & B GLASS COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2000**

1 STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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
Leasehold buildings	-	4% 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

Land is not depreciated.

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 2000**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 glazed 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) Finished goods and work in progress

The manufacture of glazed 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. Incomplete 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 30% on the liability method on all timing differences, where it is expected that the liability will reverse in the future.

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.

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.

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 2000**2 ACCOUNTING POLICIES (CONTINUED)****Pensions**

The Company makes pension contributions on behalf of certain of its employees through independent schemes and the Company also operates a small self-administered pension scheme on behalf of certain senior employees. The assets of the schemes are held independently of the Company. 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 glazed units.

All of the turnover was achieved in the United Kingdom.

4 OPERATING PROFIT

	<u>2000</u> £	<u>1999</u> £
This is stated after charging:		
Directors' remuneration (see Note 6)	183,406	243,713
Auditors' remuneration	10,000	10,000
Depreciation		
- Assets held under hire purchase contracts	12,363	40,362
- Owned assets	263,741	224,857
Charges under operating leases in respect of		
- Hire of plant and machinery	121,745	128,327
- Other operating leases	<u>33,955</u>	<u>38,336</u>

5 STAFF COSTS

	<u>2000</u> £	<u>1999</u> £
Wages and salaries	2,208,231	2,020,650
Social security costs	211,629	198,798
Pension costs	<u>227,613</u>	<u>226,712</u>
	<u>2,647,483</u>	<u>2,446,160</u>

The average number of employees during the year was 126 (1999: 125).

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 2000**6 DIRECTORS' REMUNERATION**

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Details for the Company's sole director during the year were as follows:		
Emoluments for qualifying services (including benefits in kind)	77,304	72,819
Company contributions to money purchase scheme	<u>106,102</u>	<u>170,702</u>
	<u>183,406</u>	<u>243,521</u>

The director accrues pension benefits under a money purchase scheme.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
On bank loans and overdrafts		
- repayable within one year	6,387	8,853
- repayable by instalments, some of which fall due after more than five years	28,933	36,436
On hire purchase agreements	2,018	2,018
On late paid tax	-	33
	<u>37,338</u>	<u>47,340</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
UK corporation tax at 30% (1999: 30.9%)	361,753	334,041
Deferred taxation provided	<u>50,000</u>	-
	411,753	334,041
(Over) provision in previous year	-	(6,975)
	<u>411,753</u>	<u>327,066</u>

9 DIVIDENDS

During the year an interim dividend totalling £8,918.92 per share (net) was paid (1999: £Nil).

No final dividend is proposed.

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 2000

10 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Long leasehold land and buildings £	Building improvements £	Plant and machinery £	Office equipment £	Motor vehicles £	Computer equipment £	Total £
Cost								
At 1 May 1999	538,638	777,884	90,456	1,503,660	43,719	426,032	169,149	3,549,538
Additions	-	-	6,107	285,698	7,475	47,511	34,296	381,087
Disposals	-	-	-	-	(2,200)	(56,776)	-	(58,976)
At 30 April 2000	<u>538,638</u>	<u>777,884</u>	<u>96,563</u>	<u>1,789,358</u>	<u>48,994</u>	<u>416,767</u>	<u>203,445</u>	<u>3,871,649</u>
Provision for depreciation								
At 1 May 1999	37,365	10,569	37,779	571,343	25,259	167,239	103,568	953,122
Provided during year	9,156	18,120	4,948	152,116	3,089	65,110	23,565	276,104
Written out on disposals	-	-	-	-	(882)	(32,123)	-	(33,005)
At 30 April 2000	<u>46,521</u>	<u>28,689</u>	<u>42,727</u>	<u>723,459</u>	<u>27,466</u>	<u>200,226</u>	<u>127,133</u>	<u>1,196,221</u>
Net book value								
At 30 April 2000	<u>492,117</u>	<u>749,195</u>	<u>53,836</u>	<u>1,065,899</u>	<u>21,528</u>	<u>216,541</u>	<u>76,312</u>	<u>2,675,428</u>
At 30 April 1999	<u>501,273</u>	<u>767,315</u>	<u>52,677</u>	<u>932,317</u>	<u>18,460</u>	<u>258,793</u>	<u>65,581</u>	<u>2,596,416</u>

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 2000**10 TANGIBLE FIXED ASSETS (CONTINUED)**

(a) The basis of providing for depreciation is set out in Note 2.

(b) The estimated portion of the purchase cost relating to land is:

	£
Freehold land and buildings	81,000
Long leasehold land and buildings	325,000

(c) The net book value of assets held under hire purchase agreements and included above is:

	<u>2000</u> £	<u>1999</u> £
Motor vehicles	65,011	134,247
Plant and machinery	30,879	-

11 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 as at 30 April 2000</u>	<u>Profit for the year ended 30 April 2000</u>
				£	£	£
Britannia Frames Limited	England and Wales	Ordinary	100%* ¹	2	2	Dormant
Indigo Ross Design and Print Limited	England and Wales	Ordinary	100%	5,000	18,863	6,795

*¹ 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.

12 STOCKS

	<u>2000</u> £	<u>1999</u> £
Raw materials and consumables	364,269	328,634
Work in progress	78,183	52,686
Finished goods and goods for resale	<u>160,044</u>	<u>116,175</u>
	<u>602,496</u>	<u>497,495</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 2000**13 DEBTORS**

	<u>2000</u> £	<u>1999</u> £
Trade debtors	1,604,029	1,418,563
Other debtors	39,100	33,368
Prepayments	<u>237,194</u>	<u>169,099</u>
	<u>1,880,323</u>	<u>1,621,030</u>

Included in other debtors at 30 April 2000 is an amount of £914 due from Mr R W Byford, the director of the Company. The maximum outstanding balance during the year was £1,328.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2000</u> £	<u>1999</u> £
Bank overdraft (secured)	86,004	56,196
Current instalments on commercial mortgage (Note 15)	31,606	26,253
Current instalments on hire purchase agreements	25,537	42,507
Trade creditors	1,130,951	742,457
Other taxes and social security costs	181,687	201,835
Current corporation tax payable	256,353	334,041
Accruals and other creditors	170,230	170,019
Amounts owed to group undertakings	<u>3,962</u>	<u>7,880</u>
	<u>1,886,330</u>	<u>1,581,188</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>2000</u>	<u>1999</u>
	£	£
Due within one year (Note 14)	31,606	26,253
Due within one to two years	34,144	28,150
Due within two to five years	119,784	97,260
Due after five years or more	<u>202,079</u>	<u>267,759</u>
Due after more than one year	<u>356,007</u>	<u>393,169</u>
	<u>387,613</u>	<u>419,422</u>

The mortgage is secured over the Company's freehold and leasehold property. The balance due was repayable by 107 monthly instalments of £5,045.64. Interest was charged at 1.75% over Barclays Base Rate on the reducing balance quarterly.

Since the year end the mortgage has changed over to Lloyds Bank and interest is charged at 1.25% over Lloyds Base rate on the reducing balance quarterly.

A & B GLASS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 APRIL 2000

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>2000 and 1999</u>	<u>2000 and 1999</u>
	No	£
Ordinary shares of £1 each	<u>100</u>	<u>74</u>

18 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

- (a) The director had authorised, but the Company had not contracted for, the purchase of fixed assets totalling £Nil at 30 April 2000 (1999: £Nil).
- (b) The Company has provided bonds, guarantees and indemnities on contracts with various councils totalling £Nil at 30 April 2000 (1999: £127,654).

19 RELATED PARTIES

- (a) The Company is controlled by Mr R W Byford, a director and the sole shareholder.
- (b) The Company purchased goods totalling £46,220 (1999: £33,312) from its subsidiary, Indigo Ross Design and Print Limited.

At the year end, the Company owed Indigo Ross Design and Print Limited £1,258 (1999: £7,880).

- (c) 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 of £6,642 (1999: £10,879) was met by A & B Glass Company Limited on behalf of Addison & Byford Limited and re invoiced to Addison & Byford Limited.
- (ii) Recharges for the services of employees of £Nil (1999: £Nil) and storage, handling and scrapping of £8,450 (1999: £8,450) were made by Addison & Byford Limited.
- (iii) A charge for the use of a vehicle of £Nil (1999: £6,000) was made to Addison & Byford Limited.

At the year end, A & B Glass Company Limited owed £12,688 (1999: £7,496) to Addison & Byford Limited.

A & B GLASS COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 30 APRIL 2000**19 RELATED PARTIES (CONTINUED)**

- (d) During the year the Company rented an industrial unit from the A & B Glass Company Limited Executive Pension Plan at an annual rental of £30,000. The lease expires on 30 June 2006.

20 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>2000</u>		<u>1999</u>	
	<u>Other</u>	<u>Land and</u>	<u>Other</u>	<u>Land and</u>
	<u>£</u>	<u>buildings</u>	<u>£</u>	<u>buildings</u>
		<u>£</u>		<u>£</u>
Expiring within one year	6,250	-	27,097	-
Expiring within two to five years	29,602	-	30,041	-
Expiring in more than five years	<u>8,990</u>	<u>30,000</u>	<u>8,990</u>	<u>-</u>
	<u>44,842</u>	<u>30,000</u>	<u>66,128</u>	<u>-</u>

21 RESERVES

	<u>Profit and</u>	<u>Capital</u>	
	<u>loss account</u>	<u>redemption</u>	<u>Total</u>
	<u>£</u>	<u>reserve</u>	<u>£</u>
		<u>£</u>	
At beginning of year	2,591,340	26	2,591,366
Transfer from profit and loss account for the year	<u>180,849</u>	<u>-</u>	<u>180,849</u>
	<u>2,772,189</u>	<u>26</u>	<u>2,772,215</u>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	841,942	802,452
Dividends	<u>660,000</u>	<u>-</u>
Net addition to shareholders' funds	181,942	802,452
Opening shareholders' funds	<u>2,591,440</u>	<u>1,788,988</u>
Closing shareholders' funds	<u>2,773,382</u>	<u>2,591,440</u>

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

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 10, 11 and 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 10, the Company's directors are 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 2000 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 2EB

9 November 2000



Andrew Moore & Co
Chartered Accountants
and Registered Auditors