

A. & B. Glass Company Limited

Report and Financial Statements

Year Ended

30 April 2004



A. & B. GLASS COMPANY LIMITED

Annual report and financial statements for the year ended 30 April 2004

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Directors

RW Byford
DF Barrett
MJ Byford
PA Byford

Secretary and registered office

Mrs KM Byford, Addison Road, Chilton Industrial Estate, Sudbury, Suffolk, CO10 2YW

Company number

1543721

Auditors

Baker Tilly, 87 Guildhall Street, Bury St Edmunds, Suffolk, IP33 1PU

A. & B. GLASS COMPANY LIMITED

Report of the directors for the year ended 30 April 2004

The directors present their report together with the audited financial statements for the year ended 30 April 2004.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

Ordinary dividends of £234,729 were paid in the year (2003 – £380,484). The directors do not recommend a final dividend.

Principal activity, trading review and future developments

The company's main activity continues to be the manufacture and installation of UPVC windows, double glazed sealed units, patio doors and related products, including conservatories.

Concentrated efforts in both trade and new build sales and marketing have contributed to profitable results. The directors believe that the company's policy of continued efficiency improvements will continue to support healthy future profits.

Charitable and political donations

The company made charitable donations of £3,368 (2003 - £485) during the year.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	2004	2003
RW Byford	74	74
DF Barrett	-	-
MJ Byford	-	-
PA Byford	-	-

A. & B. GLASS COMPANY LIMITED

Report of the directors for the year ended 30 April 2004 (*Continued*)

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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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.

By order of the Board

K.M. Byford

17/12/04

Mrs KM Byford
Secretary

A. & B. GLASS COMPANY LIMITED

Independent auditors' report to the shareholder of A. & B. Glass Company Limited

We have audited the financial statements of A. & B. Glass Company Limited for the year ended 30 April 2004 on pages 4 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

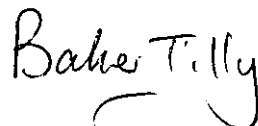
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY
Chartered Accountants
and Registered Auditors
87 Guildhall Street
Bury St Edmunds
Suffolk
IP33 1PU

21 December 2004

A. & B. GLASS COMPANY LIMITED**Profit and loss account for the year ended 30 April 2004**

	Note	2004 £	2003 £
Turnover	2	14,026,123	14,408,234
Cost of sales		<u>(9,157,199)</u>	<u>(9,718,920)</u>
Gross profit		4,868,924	4,689,314
Selling and distribution costs		<u>(418,474)</u>	<u>(257,717)</u>
Administrative expenses		<u>(3,450,660)</u>	<u>(3,277,340)</u>
Operating profit	3	999,790	1,154,257
Restructuring costs		-	(113,453)
Interest receivable		986	13,860
Interest payable and similar charges	6	<u>(156,141)</u>	<u>(197,186)</u>
Profit on ordinary activities before taxation		844,635	857,478
Taxation on profit on ordinary activities	7	<u>(338,871)</u>	<u>(309,412)</u>
Profit on ordinary activities after taxation		505,764	548,066
Dividends	8	<u>(234,729)</u>	<u>(380,484)</u>
Retained profit for the year		271,035	167,582
Retained profit brought forward		<u>4,497,126</u>	<u>4,329,544</u>
Retained profit carried forward		<u>4,768,161</u>	<u>4,497,126</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 17 form part of these financial statements.

A. & B. GLASS COMPANY LIMITED

Balance sheet at 30 April 2004

	Note	2004	2003
		£	£
Fixed assets			
Tangible assets	9	5,998,830	6,506,425
Investments	10	4	2
		<u>5,998,834</u>	<u>6,506,427</u>
Current assets			
Stocks	11	529,437	583,810
Debtors - amounts falling due:			
- within one year	12	2,443,076	2,498,763
- after more than one year	12	747,125	-
Cash at bank and in hand		136,121	189,715
		<u>3,855,759</u>	<u>3,272,288</u>
Creditors: amounts falling due within one year	13	<u>(3,132,283)</u>	<u>(2,100,223)</u>
Net current assets		<u>723,476</u>	<u>1,172,065</u>
Total assets less current liabilities		<u>6,722,310</u>	<u>7,678,492</u>
Creditors: amounts falling due after more than one year	14	(1,557,049)	(2,851,266)
Provision for liabilities and charges			
Deferred taxation	15	<u>(397,000)</u>	<u>(330,000)</u>
		<u>(1,954,049)</u>	<u>(3,181,266)</u>
Net assets		<u>4,768,261</u>	<u>4,497,226</u>
Capital and reserves			
Called up share capital	16	74	74
Capital redemption reserve		26	26
Profit and loss account		4,768,161	4,497,126
Shareholder's funds	17	<u>4,768,261</u>	<u>4,497,226</u>

All shareholder's funds relate to equity interests.

The financial statements were approved by the Board on 17th December 2004



RW Byford
Director

The notes on pages 7 to 17 form part of these financial statements.

A. & B. GLASS COMPANY LIMITED

Cash flow statement for the year ended 30 April 2004

	Note	2004	2003
		£	£
Net cash inflow from operating activities	22	1,558,077	1,945,703
Returns on investments and servicing of finance			
Interest received		986	13,860
Bank interest paid		(121,328)	(170,345)
Hire purchase interest paid		(34,515)	(27,968)
Other interest paid		(137)	-
Net cash outflow from returns on investments and servicing of finance		(154,994)	(184,453)
Restructuring costs		-	(113,453)
Taxation			
Corporation tax		(90,979)	(415,637)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,317,961)	(378,252)
Receipts from sales of tangible fixed assets		244,089	18,229
Net cash outflow from capital expenditure		(1,073,872)	(360,023)
Acquisitions and disposals			
Investment in subsidiary undertaking		(2)	-
Equity dividends paid		(234,729)	(380,484)
Cash inflow before management of liquid resources and financing		3,501	491,653
Financing	24		
Repayment of mortgage		(76,455)	(71,525)
Capital element of hire purchase contracts		(159,475)	(114,953)
Cash outflow from financing		(235,930)	(186,478)
(Decrease)/increase in cash in the year	24	(232,429)	305,175

The notes on pages 7 to 17 form part of these financial statements.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Group accounts

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a medium sized group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents sales to customers at invoiced amounts less value added tax.

Investments

Fixed asset investments are stated at cost.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	2% straight line
Leasehold buildings	-	4% straight line
Building improvements	-	5% straight line
Plant and machinery	-	15% reducing balance
Office equipment	-	15% reducing balance
Vehicles	-	25% reducing balance
Computer equipment	-	20% straight line

Impairment of fixed assets

Where there is evidence of impairment, the need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Stocks and work in progress

(a) Raw materials

Raw materials are purchased for direct sale to customers, use in repair jobs for customers or 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.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (Continued)

1 Accounting policies (Continued)

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.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxation profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Finance leases and hire purchase contracts

Where assets are financed by hire purchase contracts or leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The corresponding commitments are shown as amounts payable. Depreciation on the relevant assets is charged to the profit and loss account.

Payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding. The capital element reduces the amounts payable.

Annual rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

The company operates a defined contribution scheme and contributes to a Directors' Executive Pension Scheme. The assets of these schemes are held separately from the company in independently administered funds. Pension costs are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (*Continued*)

3 Operating profit

	2004 £	2003 £
This has been arrived at after charging:		
Depreciation	544,328	527,015
Hire of plant and machinery – operating leases	66,306	67,162
Hire of land and buildings	38,521	38,236
Auditors' remuneration	13,900	12,900
Loss on sale of fixed assets	33,560	20,161
	<u>544,328</u>	<u>527,015</u>

4 Employees

Staff costs for all employees, including directors, consist of:

	2004 £	2003 £
Wages and salaries	3,258,777	3,257,834
Social security costs	323,285	286,827
Other pension costs	85,893	100,105
	<u>3,667,955</u>	<u>3,644,766</u>

The average number of employees of the company during the year, including directors, was as follows:

	2004 Number	2003 Number
Production and administration	164	169
	<u>164</u>	<u>169</u>

5 Directors

	2004 £	2003 £
Directors' emoluments consist of:		
Remuneration for management services	616,257	335,890
Pension contributions	41,542	66,032
	<u>657,799</u>	<u>401,922</u>

Emoluments of the highest paid director:

	2004 £	2003 £
Emoluments and other benefits	306,352	213,399
Pension contributions	-	39,002
	<u>306,352</u>	<u>252,401</u>

There were three directors in the company's defined contribution pension scheme during the year (2003 - three).

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (*Continued*)

6 Interest payable and similar charges

	2004 £	2003 £
Bank overdraft	5,794	44,247
Bank loans	115,695	124,971
Hire purchase interest	34,515	27,968
Other interest	137	-
	<u>156,141</u>	<u>197,186</u>

7 Taxation on profit on ordinary activities

	2004 £	2003 £
<i>Current year</i>		
UK corporation tax	267,000	222,000
Transfer to deferred taxation	67,000	72,000
<i>Prior years</i>		
UK corporation tax	4,871	15,412
	<u>338,871</u>	<u>309,412</u>

The tax assessed for the year is lower than that calculated by applying the standard rate of corporation tax for companies in the UK - 30%. The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>844,635</u>	<u>857,478</u>
Profit on ordinary activities multiplied by standard rate of UK corporation tax at 30% (2003 - 30%)	253,391	257,243
Effects of:		
Expenses not deductible for tax purposes	69,625	16,361
Capital allowances for year in excess of depreciation	(55,888)	(52,066)
Other timing differences	(145)	492
Rounding of corporation tax charge	17	(30)
Corporation tax charge for the current year	<u>267,000</u>	<u>222,000</u>

8 Dividends

	2004 £	2003 £
Interim dividend paid at £3,172.01 (2003 - £5,141.68) per share	<u>234,729</u>	<u>380,484</u>

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (Continued)

9 Tangible assets

	Freehold land and buildings £	Long leasehold land and buildings £	Building improvements £	Plant and machinery £	Office equipment £	Vehicles £	Computer equipment £	Total £
<i>Cost</i>								
At 1 May 2003	2,938,864	777,884	100,018	3,721,334	118,071	588,129	129,124	8,373,424
Additions	-	-	4,180	235,447	-	1,040,426	66,712	1,346,765
Credit on previous additions	-	-	-	(227,383)	-	-	-	(227,383)
Disposals	-	-	-	(193,521)	-	(1,069,136)	(714)	(1,263,371)
At 30 April 2004	2,938,864	777,884	104,198	3,535,877	118,071	559,419	195,122	8,229,435
<i>Depreciation</i>								
At 1 May 2003	85,573	83,030	8,221	1,379,300	27,756	206,171	76,948	1,866,999
Provided for the year	42,777	18,116	5,175	384,931	13,548	89,137	26,720	580,404
Credit on previous additions	-	-	-	(36,076)	-	-	-	(36,076)
Disposals	-	-	-	(102,688)	-	(77,748)	(286)	(180,722)
At 30 April 2004	128,350	101,146	13,396	1,625,467	41,304	217,560	103,382	2,230,605
<i>Net book value</i>								
At 30 April 2004	2,810,514	676,738	90,802	1,910,410	76,767	341,859	91,740	5,998,830
At 30 April 2003	2,853,291	694,854	91,797	2,342,034	90,315	381,958	52,176	6,506,425

The net book value of tangible fixed assets includes an amount of £862,418 (2003 - £1,031,694) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge for the year was £181,465 (2003 - £150,364).

The element of cost relating to land is estimated by the directors as:

	2004 £	2003 £
Freehold land	800,000	800,000
Long leasehold land	325,000	325,000
	1,125,000	1,125,000

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (Continued)

10 Investments

	£
At 1 May 2003	2
Additions	2
At 30 April 2004	4

At the year end the company held shares in the following:

Company	Country of registration or incorporation	Shares held Class	%	Cost £	Nature of business
Britannia Frames Limited	England and Wales	Ordinary	100	2	Dormant
Airfleet Aircraft Leasing Limited	England and Wales	Ordinary	100	2	Aircraft charter

The aggregate amount of capital and reserves and the results of Britannia Frames Limited for the year ended 30 April 2004 were as follows:

	Capital and reserves £	Profit £
Britannia Frames Limited	2	-

Airfleet Aircraft Leasing Limited will produce financial statements for their first accounting period ending 30 April 2005. It was formed on 8 March 2004 and began trading shortly before 30 April 2004. The directors confirm that its profit and its capital and reserves at 30 April 2004 were immaterial in the context of these financial statements.

11 Stocks

	2004 £	2003 £
Raw materials	320,371	318,857
Work in progress	93,538	123,678
Finished goods and goods for resale	115,528	141,275
	529,437	583,810

There was no material difference between the replacement cost of stocks and the amounts stated above.

12 Debtors

	2004 £	2003 £
Amounts falling due within one year:-		
Trade debtors	2,264,950	2,414,421
Amounts due from connected entity (note 21)	245	-
Other debtors	72,415	18,676
Prepayments and accrued income	105,466	65,666
	2,443,076	2,498,763
Amounts falling due after more than one year:-		
Amounts due from subsidiary (note 21)	747,125	-

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (Continued)

13 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft (secured)	328,968	150,133
Mortgages (secured – see note 14)	1,105,372	22,854
Obligations under finance lease and hire purchase contracts (secured – see note 14)	157,545	152,972
Trade creditors	804,056	961,694
Amounts owed to connected undertaking (note 21)	2	2
Corporation tax	222,892	42,000
Other taxation and social security	268,730	340,569
Other creditors	17,757	7,342
Accruals	226,961	422,657
	<u>3,132,283</u>	<u>2,100,223</u>

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

14 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Mortgages (secured)	1,182,385	2,341,358
Obligations under finance lease and hire purchase contracts (secured)	374,664	509,908
	<u>1,557,049</u>	<u>2,851,266</u>

	2004 Mortgages £	2004 Finance lease and hire purchase contracts £	2003 Mortgages £	2003 Finance lease and hire purchase contracts £
Repayable within one year (note 13)	1,105,372	157,545	22,854	152,972
Repayable between one and two years	135,124	158,110	1,065,046	152,972
Repayable between two and five years	583,884	216,554	448,291	356,936
Repayable in more than five years	463,377	-	828,021	-
	<u>2,287,757</u>	<u>532,209</u>	<u>2,364,212</u>	<u>662,880</u>

The mortgages are secured on the company's freehold and leasehold land and buildings.

An amount of £1 million is to be repaid before April 2005, with no fixed repayment date and with interest charged at 1.25% above Lloyds TSB Bank plc Base Rate.

A further £1,364,212 is payable by 96 monthly instalments with interest also charged at 1.25% above Base Rate.

Obligations under finance leases and hire purchase contracts are secured on the underlying assets.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (Continued)

15 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 May 2003	330,000
Transfer to profit and loss account	67,000
Balance at 30 April 2004	397,000

	Provided	
Deferred taxation	2004 £	2003 £
Accelerated capital allowances	397,000	330,000

There was no unprovided deferred taxation.

16 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2004 Number	2003 Number	2004 £	2003 £
Ordinary shares of £1 each	100	100	74	74

17 Reconciliation of movements in shareholder's funds

	2004 £	2003 £
Profit for the year	505,764	548,066
Dividends	(234,729)	(380,484)
Net addition to shareholder's funds	271,035	167,582
Opening shareholder's funds	4,497,226	4,329,644
Closing shareholder's funds	4,768,261	4,497,226

18 Pensions

The company operates a defined contribution pension scheme. The company also contributes to a directors' executive pension scheme. The assets of these schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to these funds.

The pension charge for the year was £85,893 (2003 - £100,105). Contributions of £6,185 (2003 - £6,669) were payable to the funds at the year end and are included in creditors.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (Continued)

19 Capital commitments

	2004 £	2003 £
Contracted for but not provided	<u>167,500</u>	<u>28,804</u>

20 Commitments under operating leases

As at 30 April 2004, the company had annual commitments under non-cancellable operating leases as set out below:

	2004		2003	
	Land and buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire:				
Within one year	17,500	5,919	-	12,899
In two to five years	-	62,967	17,500	48,293
After five years	17,500	-	17,500	-
	<u>35,000</u>	<u>68,886</u>	<u>35,000</u>	<u>61,192</u>

21 Related party transactions

(i) Related party balances

At 30 April 2004, the company had the following balances with related parties:

	2004 £	2003 £
Debtors:		
<i>Amounts due from subsidiary</i>		
Airfleet Aircraft Leasing Limited	<u>747,125</u>	-
£140,000 due from Airfleet Aircraft Leasing Limited was written off as a bad debt in the year		
<i>Amounts due from connected entity</i>		
Addison & Byford Limited	<u>245</u>	-
<i>Trade debtors include:</i>		
Addison & Byford Limited	<u>7,336</u>	-
Creditors:		
<i>Amounts owed to connected undertaking</i>		
Britannia Frames Limited	<u>2</u>	<u>2</u>
<i>Other creditors include:</i>		
RW Byford	<u>-</u>	<u>1,000</u>
<i>Trade creditors include:</i>		
Addison & Byford Limited	<u>988</u>	-

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 (*Continued*)

21 Related party transactions (*Continued*)

(ii) *Related party transactions*

- Payments on behalf of Addison & Byford Limited totalling £13,877 (2003 - Nil)
- Purchase of goods totalling £10,916 (2003 - £20,744) from Addison & Byford Limited.
- Sale of goods to Addison & Byford Limited in 2003 totalling £3,525 (2004 - Nil).
- Loans made to Addison & Byford Limited totalling £35,000 (2003 - £5,392).
- Sale of a motor vehicle to DF Barrett in 2003 for £14,000 (2004 - Nil).
- Loan made to A & B Glass Directors Executive Pension Scheme in 2003 of £188,000 (2004 - Nil).
- Loan interest received from A & B Glass Directors Executive Pension Scheme of £405 in 2003 (2004 - Nil).
- Payments on behalf of A & B Glass Directors Executive Pension Scheme of £4,607 (2003 - £Nil).
- Sale of helicopter to Airfleet Aircraft Leasing Limited for £775,000 + VAT (2003 - Nil).

(iii) *Nature of relationships*

The company is controlled by Mr RW Byford, a director and the sole shareholder. Mr RW Byford is a director and majority shareholder of Addison & Byford Limited and is a trustee and beneficiary of the A & B Glass Directors Executive Pension Scheme. Mr RW Byford and Mr MJ Byford are both directors of Airfleet Aircraft Leasing Limited.

22 Reconciliation of operating profit to net cash inflow from operating activities

	2004 £	2003 £
Operating profit	999,790	1,154,257
Depreciation	544,328	527,015
Loss on sale of tangible fixed assets	33,560	20,161
Decrease in stocks	54,373	68,463
Decrease in debtors	113,562	126,172
(Decrease)/increase in creditors	(187,536)	49,635
Net cash inflow from operating activities	1,558,077	1,945,703

23 Reconciliation of net cashflow to movement in net debt

	2004 £	2003 £
(Decrease)/increase in cash in the year	(232,429)	305,175
Cashflow from change in debt and lease financing	235,930	186,478
Change in net debt resulting from cashflows	3,501	491,653
New finance lease and hire purchase contracts	(28,804)	(208,599)
Movement in net debt in the year	(25,303)	283,054
Net debt at start of year	(2,987,510)	(3,270,564)
Net debt at end of year	(3,012,813)	(2,987,510)

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2004 *(Continued)*

24 Analysis of net debt

	At start of year £	Cash flow £	Non-cash changes £	At end of year £
Cash in hand, at bank	189,715	(53,594)	-	136,121
Overdrafts	(150,133)	(178,835)	-	(328,968)
	<u>39,582</u>	<u>(232,429)</u>	<u>-</u>	<u>(192,847)</u>
Debt due within one year	(22,854)	22,854	(1,105,372)	(1,105,372)
Debt due after one year	(2,341,358)	53,601	1,105,372	(1,182,385)
Finance lease and hire purchase commitments	<u>(662,880)</u>	<u>159,475</u>	<u>(28,804)</u>	<u>(532,209)</u>
Total	<u>(2,987,510)</u>	<u>3,501</u>	<u>(28,804)</u>	<u>(3,012,813)</u>

25 Ultimate controlling party

During the year, and the previous year, the company was under the control of Mr RW Byford, a director and the sole shareholder.