

A. & B. Glass Company Limited

Report and Financial Statements

Year Ended

30 April 2005



A. & B. GLASS COMPANY LIMITED

Annual report and financial statements for the year ended 30 April 2005

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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, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

A. & B. GLASS COMPANY LIMITED

Report of the directors for the year ended 30 April 2005

The directors present their report together with the audited financial statements for the year ended 30 April 2005.

Results and dividends

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

Ordinary dividends of £95,000 were paid in the year (2004 – £234,729). 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 PVC-U windows, doors and conservatories.

The fall in trade in the year continued into the following year to 30 April 2006 but a considerable improvement is being experienced following concentrated marketing efforts to maintain and improve Trade and Retail sales whilst creating a complete new programme to develop both New Build and Commercial sales. The directors believe that the company's policy of continued efficiency improvements will continue to rebuild healthy future profits.

During the year the company acquired Asset Manufacturing Limited, based in Thetford, for £1m, it manufactures PVC-U windows and doors and is expected to complement and enhance the group's commercial activities.

Charitable and political donations

The company made charitable donations of £695 (2004 - £3,368) 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	
	2005	2004
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 2005 (*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



Mrs KM Byford

Secretary 25 July 2006

A. & B. GLASS COMPANY LIMITED

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

We have audited the financial statements on pages 4 to 18.

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 the member 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

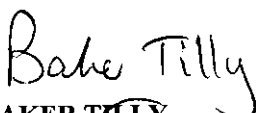
Basis of opinion

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 at 30 April 2005 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*
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

26 July 2006

A. & B. GLASS COMPANY LIMITED**Profit and loss account for the year ended 30 April 2005**

	Note	2005 £	2004 £
Turnover	2	12,391,847	14,026,123
Cost of sales		(8,163,469)	(9,157,199)
Gross profit		<u>4,228,378</u>	<u>4,868,924</u>
Selling and distribution costs		(367,668)	(418,474)
Administrative expenses		(3,124,563)	(3,450,660)
Operating profit	3	<u>736,147</u>	<u>999,790</u>
Interest receivable		16,677	986
Interest payable and similar charges	6	(201,494)	(156,141)
Profit on ordinary activities before taxation		<u>551,330</u>	<u>844,635</u>
Taxation on profit on ordinary activities	7	(227,439)	(338,871)
Profit on ordinary activities after taxation		<u>323,891</u>	<u>505,764</u>
Dividends	8	(95,000)	(234,729)
Retained profit for the year		<u>228,891</u>	<u>271,035</u>
Retained profit brought forward		<u>4,768,161</u>	<u>4,497,126</u>
Retained profit carried forward		<u><u>4,997,052</u></u>	<u><u>4,768,161</u></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 18 form part of these financial statements.

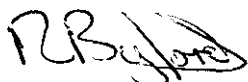
A. & B. GLASS COMPANY LIMITED

Balance sheet at 30 April 2005

	Note	2005	2004
		£	£
Fixed assets			
Tangible assets	9	5,715,148	5,998,830
Investments	10	1,000,006	4
		<u>6,715,154</u>	<u>5,998,834</u>
Current assets			
Stocks	11	473,474	529,437
Debtors - amounts falling due:			
- within one year	12	2,265,250	2,443,076
- after more than one year	12	1,035,911	747,125
Cash at bank and in hand		218,817	136,121
		<u>3,993,452</u>	<u>3,855,759</u>
Creditors: amounts falling due within one year	13	<u>(3,956,538)</u>	<u>(3,132,283)</u>
Net current assets (including debts of £1,035,911 due after more than one year)		<u>36,914</u>	<u>723,476</u>
Total assets less current liabilities		<u>6,752,068</u>	<u>6,722,310</u>
Creditors: amounts falling due after more than one year	14	(1,357,504)	(1,557,049)
Provision for liabilities and charges			
Deferred taxation	15	<u>(397,412)</u>	<u>(397,000)</u>
		<u>(1,754,916)</u>	<u>(1,954,049)</u>
Net assets		<u>4,997,152</u>	<u>4,768,261</u>
Capital and reserves			
Called up share capital	16	74	74
Capital redemption reserve		26	26
Profit and loss account		4,997,052	4,768,161
Shareholder's funds	17	<u>4,997,152</u>	<u>4,768,261</u>

All shareholder's funds relate to equity interests.

The financial statements were approved by the Board on 25 July 2006



RW Byford
Director

The notes on pages 7 to 18 form part of these financial statements.

A. & B. GLASS COMPANY LIMITED

Cash flow statement for the year ended 30 April 2005

	Note	2005	2004
		£	£
Net cash inflow from operating activities	22	938,239	1,558,077
Returns on investments and servicing of finance			
Interest received		16,677	986
Bank interest paid		(169,115)	(121,328)
Hire purchase interest paid		(32,379)	(34,515)
Other interest paid		-	(137)
Net cash outflow from returns on investments and servicing of finance		(184,817)	(154,994)
Taxation			
Corporation tax		(322,174)	(90,979)
Capital expenditure			
Payments to acquire tangible fixed assets		(211,875)	(1,317,961)
Receipts from sales of tangible fixed assets		68,225	244,089
Net cash outflow from capital expenditure		(143,650)	(1,073,872)
Acquisitions and disposals			
Investment in subsidiary undertaking		(1,000,002)	(2)
Equity dividends paid		(95,000)	(234,729)
Cash (outflow)/inflow before management of liquid resources and financing		(807,404)	3,501
Financing			
New loan		750,000	-
Repayment of mortgage		(76,519)	(76,455)
Capital element of hire purchase contracts		(170,879)	(159,475)
Cash inflow/(outflow) from financing		502,602	(235,930)
Decrease in cash in the year	24	(304,802)	(232,429)

The notes on pages 7 to 18 form part of these financial statements.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005

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 less provision for permanent diminution in value.

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

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 2005 (*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 2005 (Continued)

3 Operating profit

	2005 £	2004 £
This has been arrived at after charging:		
Depreciation	510,913	544,328
Hire of plant and machinery – operating leases	75,692	66,306
Hire of land and buildings	15,950	15,250
Auditors' remuneration	31,504	31,953
Loss on sale of fixed assets	16,419	33,560

4 Employees

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

	2005 £	2004 £
Wages and salaries	2,897,469	3,258,777
Social security costs	254,541	323,285
Other pension costs	104,527	85,893
	<u>3,256,537</u>	<u>3,667,955</u>

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

	2005 Number	2004 Number
Production and administration	<u>161</u>	<u>164</u>

5 Directors

	2005 £	2004 £
Directors' emoluments consist of:		
Remuneration for management services	276,335	616,257
Pension contributions	65,059	41,542
	<u>341,394</u>	<u>657,799</u>

Emoluments of the highest paid director:

Emoluments and other benefits	131,583	306,352
Pension contributions	65,059	-
	<u>196,642</u>	<u>306,352</u>

There were three directors in the company's defined contribution pension scheme during the year (2004 - three).

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (*Continued*)

6 Interest payable and similar charges

	2005 £	2004 £
Bank overdraft	24,504	5,794
Bank loans	144,611	115,695
Hire purchase	32,379	34,515
Other interest	-	137
	<u>201,494</u>	<u>156,141</u>

7 Taxation on profit on ordinary activities

	2005 £	2004 £
<i>Current year</i>		
UK corporation tax	224,241	267,000
Transfer to deferred taxation	412	67,000
<i>Prior years</i>		
UK corporation tax	2,786	4,871
	<u>227,439</u>	<u>338,871</u>

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

	2005 £	2004 £
Profit on ordinary activities before tax	551,330	844,635
Profit on ordinary activities multiplied by standard rate of UK corporation tax at 30% (2004 - 30%)	165,399	253,391
Effects of:		
Expenses not deductible for tax purposes	44,737	69,625
Differences between capital allowances and depreciation	13,716	(55,888)
Other timing differences	389	(145)
Rounding of corporation tax charge	-	17
Corporation tax charge for the current year	<u>224,241</u>	<u>267,000</u>

8 Dividends

	2005 £	2004 £
Interim dividend paid at £1,283.78 (2004 - £3,172.01) per share	<u>95,000</u>	<u>234,729</u>

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (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 2004	2,938,864	777,884	104,198	3,535,877	118,071	559,419	195,122	8,229,435
Additions	-	-	6,300	204,343	600	76,363	24,269	311,875
Disposals	-	-	-	(193,179)	-	(94,891)	-	(288,070)
At 30 April 2005	2,938,864	777,884	110,498	3,547,041	118,671	540,891	219,391	8,253,240
<i>Depreciation</i>								
At 1 May 2004	128,350	101,146	13,396	1,625,467	41,304	217,560	103,382	2,230,605
Provided for the year	42,777	18,115	5,392	305,832	11,575	94,142	33,080	510,913
Disposals	-	-	-	(149,967)	-	(53,459)	-	(203,426)
At 30 April 2005	171,127	119,261	18,788	1,781,332	52,879	258,243	136,462	2,538,092
<i>Net book value</i>								
At 30 April 2005	2,767,737	658,623	91,710	1,765,709	65,792	282,648	82,929	5,715,148
At 30 April 2004	2,810,514	676,738	90,802	1,910,410	76,767	341,859	91,740	5,998,830

The net book value of tangible fixed assets includes an amount of £771,901 (2004 - £862,418) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge for the year was £143,019 (2004 - £181,465).

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

	2005 £	2004 £
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 2005 (Continued)

10 Investments

	£
At 1 May 2004	4
Additions	1,000,002
At 30 April 2005	1,000,006

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 Ltd	England and Wales	Ordinary	100	2	Dormant
Airfleet Aircraft Leasing Ltd	England and Wales	Ordinary	100	2	Aircraft charter
A & B Glass Properties Ltd	England and Wales	Ordinary	100	2	Property ownership
Asset Manufacturing Ltd	England and Wales	Ordinary	100	1,000,000	PVC-U windows and doors

The aggregate amount of capital and reserves and the results of the subsidiary companies for the period ended 30 April 2005 were as follows:

	Capital and reserves £	Profit/(loss) £
Britannia Frames Limited	2	-
Airfleet Aircraft Leasing Limited	(202,566)	(202,568)
Asset Manufacturing Limited	681,320	100,822
A & B Glass Properties Limited	8,236	8,234

11 Stocks

	2005 £	2004 £
Raw materials	272,364	320,371
Work in progress	71,935	93,538
Finished goods and goods for resale	129,175	115,528
	473,474	529,437

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

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (Continued)

12 Debtors

	2005 £	2004 £
Amounts falling due within one year:-		
Trade debtors	1,996,304	2,264,950
Amounts due from subsidiaries (note 21)	154,446	-
Amounts due from connected entity (note 21)	7,033	245
Other debtors	12,285	72,415
Prepayments and accrued income	95,182	105,466
	<u>2,265,250</u>	<u>2,443,076</u>
Amounts falling due after more than one year:-		
Amounts due from subsidiaries (note 21)	<u>1,035,911</u>	<u>747,125</u>

13 Creditors: amounts falling due within one year

	2005 £	2004 £
Bank overdraft (secured)	716,466	328,968
Mortgages (secured – see note 14)	1,885,124	1,105,372
Obligations under finance lease and hire purchase contracts (secured – see note 14)	179,940	157,545
Trade creditors	560,679	804,056
Amounts owed to subsidiaries (note 21)	4	2
Corporation tax	127,745	222,892
Other taxation and social security	281,736	268,730
Other creditors	9,604	17,757
Accruals	195,240	226,961
	<u>3,956,538</u>	<u>3,132,283</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

	2005 £	2004 £
Mortgages (secured)	1,076,114	1,182,385
Obligations under finance lease and hire purchase contracts (secured)	281,390	374,664
	<u>1,357,504</u>	<u>1,557,049</u>

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (Continued)

14 Creditors: amounts falling due after more than one year

	2005	2005	2004	2004
		Finance lease and hire purchase contracts		Finance lease and hire purchase contracts
	Mortgages £	£	Mortgages £	£
Repayable within one year (note 13)	1,885,124	179,940	1,105,372	157,545
Repayable between one and two years	164,876	179,132	135,124	158,110
Repayable between two and five years	673,140	102,258	583,884	216,554
Repayable in more than five years	238,098	-	463,377	-
	<u>2,961,238</u>	<u>461,330</u>	<u>2,287,757</u>	<u>532,209</u>

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

An amount of £1.75 million is to be repaid before 30 June 2005, with no fixed repayment date and with interest charged at 1.25% above Lloyds TSB Bank plc Base Rate.

A further £1,211,238 is payable by 84 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.

15 Provisions for liabilities and charges

	Deferred taxation	
	2005	2004
	£	£
Balance at 1 May 2004	397,000	330,000
Transfer to profit and loss account	412	67,000
Balance at 30 April 2005	<u>397,412</u>	<u>397,000</u>

	Provided	
	2005	2004
	£	£
Deferred taxation		
Accelerated capital allowances	400,938	397,000
Other short term timing differences	(3,526)	-
Deferred taxation	<u>397,412</u>	<u>397,000</u>

There was no unprovided deferred taxation.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (Continued)

16 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2005	2004	2005	2004
	Number	Number	£	£
Ordinary shares of £1 each	100	100	74	74

17 Reconciliation of movements in shareholder's funds

	2005	2004
	£	£
Profit for the year	323,891	505,764
Dividends	(95,000)	(234,729)
Net addition to shareholder's funds	228,891	271,035
Opening shareholder's funds	4,768,261	4,497,226
Closing shareholder's funds	4,997,152	4,768,261

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 £103,253 (2004 - £85,893). Contributions of £11,752 (2004 - £6,185) were payable to the funds at the year end and are included in creditors.

19 Capital commitments

	2005	2004
	£	£
Contracted for but not provided	17,576	167,500

20 Commitments under operating leases

As at 30 April 2005, the company had annual commitments under non-cancellable operating leases as set out below:

	2005		2004	
	Land and buildings	Other	Land and Buildings	Other
	£	£	£	£
Operating leases which expire:				
Within one year	-	12,268	17,500	5,919
In two to five years	-	41,481	-	62,967
After five years	17,500	-	17,500	-
	17,500	53,479	35,000	68,886

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (Continued)

21 Related party transactions

(i) Related party balances

At 30 April 2005, the company had the following balances with related parties:

	2005 £	2004 £
Debtors:		
<i>Amounts due from subsidiaries</i>		
A & B Glass Properties Limited	786,763	-
Asset Manufacturing Limited	84,446	-
Airfleet Aircraft Leasing Limited *	319,148	747,125

* £140,000 due from Airfleet Aircraft Leasing Limited was written off as a bad debt in the year ended 30 April 2004 and an additional £60,000 was written off in the year ended 30 April 2005.

Amounts due from connected entity

Addison & Byford Limited	7,033	245
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Trade debtors include:

Addison & Byford Limited	-	7,336
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Creditors:

Amounts owed to subsidiaries

A & B Glass Properties Limited	2	-
Britannia Frames Limited	2	2

Trade creditors include:

Addison & Byford Limited	-	988
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(ii) Related party transactions

- Payments on behalf of Addison & Byford Limited totalling £42,687 (2004 - £13,877)
- Purchase of goods totalling £21,772 (2004 - £10,916) from Addison & Byford Limited.
- Sale of goods to Addison & Byford Limited totalling £50,413 (2004 - Nil).
- Loans made to Addison & Byford Limited in 2004 totalling £35,000.
- Sale of goods to Asset Manufacturing Limited totalling £80,090.
- Sale of a motor vehicle to MJ Byford for £19,500.
- Payments on behalf of A & B Glass Directors Executive Pension Scheme of £1,335 (2004 - £4,607).
- Loan made to A & B Glass Properties Limited of £780,000.
- Sale of helicopter to Airfleet Aircraft Leasing Limited in 2004 for £775,000 + VAT.

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (Continued)

21 Related party transactions (Continued)

(iii) Nature of relationships

The company is controlled by Mr RW Byford, a director and 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. A & B Glass Properties Limited and Asset Manufacturing Limited are both wholly owned subsidiaries of the company and Mr RW Byford is a director of both.

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

	2005 £	2004 £
Operating profit	736,147	999,790
Depreciation	510,913	544,328
Loss on sale of tangible fixed assets	16,419	33,560
Decrease in stocks	55,963	54,373
(Increase)/decrease in debtors	(110,960)	113,562
Decrease in creditors	(270,243)	(187,536)
Net cash inflow from operating activities	938,239	1,558,077

23 Reconciliation of net cashflow to movement in net debt

	2005 £	2004 £
Decrease in cash in the year	(304,802)	(232,429)
Cashflow from change in debt and lease financing	(502,602)	235,930
Change in net debt resulting from cashflows	(807,404)	3,501
New finance lease and hire purchase contracts	(100,000)	(28,804)
Movement in net debt in the year	(907,404)	(25,303)
Net debt at start of year	(3,012,813)	(2,987,510)
Net debt at end of year	(3,920,217)	(3,012,813)

A. & B. GLASS COMPANY LIMITED

Notes forming part of the financial statements for the year ended 30 April 2005 (*Continued*)

24 Analysis of net debt

	At start of year £	Cash flow £	Non-cash changes £	At end of year £
Cash in hand, at bank	136,121	82,696	-	218,817
Overdrafts	(328,968)	(387,498)	-	(716,466)
	(192,847)	(304,802)		(497,649)
Debt due within one year	(1,105,372)	(779,752)	-	(1,885,124)
Debt due after one year	(1,182,385)	106,271	-	(1,076,114)
Finance lease and hire purchase Commitments	(532,209)	170,879	(100,000)	(461,330)
Total	(3,012,813)	(807,404)	(100,000)	(3,920,217)

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.