

A. & B. Glass Company Limited

FINANCIAL STATEMENTS

for the year ended

30 April 2007



Company Registration No 1543721

A. & B. Glass Company Limited

DIRECTORS AND OFFICERS

DIRECTORS

RW Byford
D F Barrett
M J Byford
P A Byford

SECRETARY

KM Byford

COMPANY NUMBER

1543721 (England and Wales)

REGISTERED OFFICE

Addison Road
Chilton Industrial Estate
Sudbury
Suffolk
CO10 2YW

AUDITORS

Baker Tilly UK Audit LLP
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

A. & B. Glass Company Limited

DIRECTORS' REPORT

The directors present their report and financial statements of A & B Glass Company Limited for the year ended 30 April 2007

PRINCIPAL ACTIVITIES

The company's main activity continues to be the manufacture and installation of PVC-U windows, doors and conservatories

REVIEW OF THE BUSINESS

The company continues to trade under difficult market conditions. On 29th September 2006 the company purchased the business carried on under the name of Fineline. The acquisition offered scope for rationalisation of its operation resulting in the cessation of production at Rochester and transfer to the Sudbury site. The cost of closure and reorganisation are reflected in the trading results for the year.

The acquisition of Fineline means that production capacity is now more fully utilised and the company is moving to consolidate and improve the commercial and retail markets created. Trade sales have stabilised and the New Build sector offers further scope for expansion.

There are few economic indicators to suggest an improvement in the market place and the trend towards consolidation of small traders and supply only manufacturers is continuing. The directors are mindful of the business opportunities afforded by this.

The coming year will see a return to improved and sustainable profitability.

Business environment

Environmental issues are becoming of increasing importance in the market place.

Strategy

The company intends to optimise its production capacity by concentrating on developing New Build and Commercial sales and acquisitions to gain market share. Maintaining a flexible production is regarded as paramount in satisfying the intended market.

Future Outlook

The trend towards consolidation is likely to continue with a continuing fall out of the very small businesses and supply only manufacturers. A trend towards other factors (e.g. environmental, service back up style etc) having a more significant impact on the buying decision in the Retail Market is likely to continue.

Principal risks and uncertainties

A move towards buying on price on major Commercial and New Build contracts could lead to a reduction in quality of both the product and service which would ultimately impact on the end user and degrade the manufacturing and installation infrastructure.

Key performance indicators

Given the nature of the business and the rapid change within the company it is the opinion of the directors that key performance indicators would not assist understanding about the required development, performance or position of the business.

A. & B. Glass Company Limited

DIRECTORS' REPORT (CONTINUED)

EVENTS SINCE THE END OF THE YEAR

On 5 October 2007 the company purchased the issued share capital of Coastal Windows Limited for a net cash outlay of £1,440,000

As part of a group re-organisation the trade, assets and liabilities of Asset Manufacturing Limited, a subsidiary company, will be transferred to A & B Glass Company Limited on 30 April 2008

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £815

Ordinary dividends of £11,000 were paid in the year (2006 - £81,000) The directors do not recommend a final dividend

DIRECTORS

The following directors have held office since 1 May 2006

RW Byford

D F Barrett

M J Byford

P A Byford

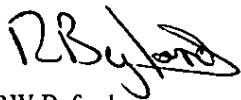
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007 in accordance with the provisions of the Companies Act 1989, s26(5) Baker Tilly UK Audit LLP has indicated its willingness to continue in office

On behalf of the board



RW Byford
Director

27 02-08

A. & B. Glass Company Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the Accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. 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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF A & B GLASS COMPANY LIMITED

We have audited the financial statements on pages 6 to 23

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 auditors' 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 the 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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 April 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP
Registered Auditor & Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

27.02.08

A. & B. Glass Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 April 2007

	Notes	2007 £	2006 £
TURNOVER	1		
Continuing operations		11,543,468	10,717,093
Acquisitions		<u>4,540,177</u>	<u>-</u>
		16,083,645	10,717,093
 Cost of sales		 <u>11,724,884</u>	 <u>7,624,485</u>
Gross profit		4,358,761	3,092,608
 Other operating expenses (net)	2	 <u>4,053,154</u>	 <u>3,330,093</u>
OPERATING PROFIT/(LOSS)		305,607	(237,485)
Continuing operations		436,316	(237,485)
Acquisitions		<u>(130,709)</u>	<u>-</u>
		305,607	(237,485)
 Profit on sale of property	6	 -	 3,258,047
Cost of fundamental reorganisation	6	<u>(256,986)</u>	<u>-</u>
 PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		 48,621	 3,020,562
 Investment income	4	 <u>32,865</u>	 <u>10,806</u>
		81,486	3,031,368
 Interest payable	5	 <u>77,810</u>	 <u>56,195</u>
 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	 3,676	 2,975,173
 Taxation	8	 <u>2,861</u>	 <u>(35,878)</u>
 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	19	 <u><u>815</u></u>	 <u><u>3,011,051</u></u>

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

A. & B. Glass Company Limited

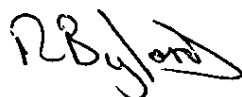
BALANCE SHEET

30 April 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	10	155,787	-
Tangible assets	11	5,060,962	4,774,365
Investments	12	1,000,006	1,000,006
		<u>6,216,755</u>	<u>5,774,371</u>
CURRENT ASSETS			
Stocks	13	1,068,275	482,423
Debtors amounts falling due within one year	14	4,173,011	2,234,629
Debtors amounts falling due after more than one year	14	635,105	928,155
Cash at bank and in hand		2,383	496,966
		<u>5,878,774</u>	<u>4,142,173</u>
CREDITORS Amounts falling due within one year	15	2,346,227	1,466,595
NET CURRENT ASSETS		<u>3,532,547</u>	<u>2,675,578</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,749,302	8,449,949
CREDITORS Amounts falling due after more than one year	16	(1,451,142)	(133,221)
PROVISIONS FOR LIABILITIES AND CHARGES Deferred tax	17	(381,142)	(389,525)
NET ASSETS		<u>7,917,018</u>	<u>7,927,203</u>
CAPITAL AND RESERVES			
Called up share capital	18	74	74
Other reserves	19	26	26
Profit and loss account	19	7,916,918	7,927,103
SHAREHOLDER'S FUNDS	20	<u>7,917,018</u>	<u>7,927,203</u>

The financial statements on pages 6 to 23 were approved by the board of directors and authorised for issue on 27.2.08 and are signed on its behalf by

RW Byford



Director

A. & B. Glass Company Limited

CASH FLOW STATEMENT

for the year ended 30 April 2007

	<i>Notes</i>	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	21	177,991	672,332
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		32,865	10,806
Interest paid		(77,810)	(33,033)
Interest element of finance lease rentals		-	(23,162)
Net cash outflow for returns on investments and servicing of finance		(44,945)	(45,389)
TAXATION		(30,000)	(222,254)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(248,181)	(236,939)
Receipts from sales of tangible assets		59,484	4,047,823
Net cash (outflow)/inflow for capital expenditure		(188,697)	3,810,884
ACQUISITIONS AND DISPOSALS			
Purchase of unincorporated business		(1,441,857)	-
Cost of restructuring		(256,986)	-
Net cash outflow for acquisitions and disposals		(1,698,843)	-
EQUITY DIVIDENDS PAID		(11,000)	(81,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(1,795,494)	4,134,573
FINANCING			
New long term bank loan	21	1,461,017	-
Repayment of long term bank loan		-	(2,691,238)
Capital element of hire purchase contracts	21	(185,017)	(178,720)
Net cash inflow/(outflow) from financing		1,276,000	(3,139,958)
(DECREASE)/INCREASE IN CASH IN THE YEAR	21	(519,494)	994,615

A. & B. Glass Company Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

GOODWILL

Goodwill, representing the excess of the purchase price compared with the fair value of assets acquired, is capitalised and written off over 5 years as in the opinion of the directors this represents the period over which the goodwill is effective

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation

Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows

Land and buildings Freehold	2% straight line and 5% straight line for building improvements
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance and 20% straight line
Motor vehicles	25% reducing balance

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value

STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

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.

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 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.

A. & B. Glass Company Limited

ACCOUNTING POLICIES (CONTINUED)

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

PENSIONS CONTRIBUTIONS

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.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

RETENTIONS

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.

CONSOLIDATION

The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2007

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity, wholly undertaken in the United Kingdom

2 OTHER OPERATING EXPENSES (NET)	2007 £	2006 £
Administrative expenses	4,249,654	3,330,093
Other operating income	(196,500)	-
	<u>4,053,154</u>	<u>3,330,093</u>

3 COST OF SALES AND OTHER OPERATING EXPENSES (NET)

The total figures for continuing operations in 2007 include the following amounts relating to acquisitions cost of sales £3,712,160 and administrative expenses £958,726

4 INVESTMENT INCOME	2007 £	2006 £
Bank interest	<u>32,865</u>	<u>10,806</u>

5 INTEREST PAYABLE	2007 £	2006 £
On bank loans and overdrafts	10,940	5,328
On loans repayable after 5 years	51,502	27,705
Lease finance charges and hire purchase interest	15,368	23,162
	<u>77,810</u>	<u>56,195</u>

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Amortisation of intangible assets	20,576	-
Depreciation of tangible assets		
Charge for the year		
owned assets	432,335	306,093
leased assets	45,378	118,174
Loss on disposals	17,387	-
Operating lease rentals		
Land and buildings	160,545	30,943
Auditors' remuneration	32,800	26,780
Profit on sale of property	-	(3,258,047)
Cost of fundamental reorganisation	<u>256,986</u>	<u>-</u>

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

7 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was	2007 No	2006 No
Production and administration	150	118
	<u>£</u>	<u>£</u>
Staff costs for the above persons		
Wages and salaries	2,757,983	2,897,469
Social security costs	283,197	254,541
Other pension costs	311,375	104,527
	<u>3,798,537</u>	<u>3,136,914</u>

DIRECTORS' REMUNERATION	2007 £	2006 £
Emoluments for qualifying services	266,377	575,853
Company pension contributions to money purchase schemes	63,000	75,000
	<u>329,377</u>	<u>650,853</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2006- 3)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	118,248	382,171
Company pension contributions to money purchase schemes	-	65,069
	<u></u>	<u></u>

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

8	TAXATION	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	11,244	(8,696)
	Adjustment for prior years	-	(19,295)
	Current tax charge	11,244	(27,991)
	Deferred tax		
	Origination and reversal of timing differences	(8,383)	(7,887)
		2,861	(35,878)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	3,676	2,975,173
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 19.00% (2006 30.00%)	698	892,552
	Effects of		
	Non deductible expenses	13,265	56,023
	Difference between depreciation and capital allowances	(3,118)	21,498
	Capital gain	88	-
	Adjustments to previous periods	-	(19,295)
	Rolled over gain	-	(977,516)
	Other tax adjustments	311	(1,253)
	Current tax charge	11,244	(27,991)

In the year ended 30 April 2006 the company sold land at a profit of £3,258,047. No provision for tax in relation to this sale was provided, as rollover relief was claimed, as in the directors opinion all of proceeds would be re-invested into qualifying assets within the qualifying period. The qualifying period for re-investment of the proceeds expires in June 2008 and if there is a shortfall between the amount re-invested and the proceeds received the company will be liable for the tax thereon and any interest and penalties.

9	DIVIDENDS	2007 £	2006 £
	Ordinary		
	Interim paid - £148.65 (2006 - £1,094.59) per share	11,000	81,000

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

10 INTANGIBLE FIXED ASSETS

	<i>Goodwill</i> £
Cost	
1 May 2006	-
Additions	176,363
30 April 2007	176,363
Amortisation	
1 May 2006	-
Charge in the year	20,576
30 April 2007	20,576
Net book value	
30 April 2007	155,787

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

11 TANGIBLE FIXED ASSETS

	<i>Land and buildings Freehold</i>	<i>Land and buildings Long Leasehold</i>	<i>Plant and machinery</i>	<i>Fixtures, fittings & equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£	£	£
Cost						
1 May 2006	3,099,362	500	3,551,766	349,709	583,618	7,584,955
Additions	24,822	-	423,226	182,958	210,175	841,181
Disposals	-	(500)	(60,450)	(7,006)	(84,723)	(152,679)
30 April 2007	3,124,184	-	3,914,542	525,661	709,070	8,273,457
Depreciation						
1 May 2006	238,800	-	2,046,445	225,630	299,715	2,810,590
Charge in the year	50,360	-	275,808	50,341	101,204	477,713
Disposals	-	-	(7,307)	(233)	(68,268)	(75,808)
30 April 2007	289,160	-	2,314,946	275,738	332,651	3,212,495
Net book value						
30 April 2007	2,835,024	-	1,599,596	249,923	376,419	5,060,962
30 April 2006	2,860,561	500	1,505,323	124,078	283,903	4,774,365

Included above are assets held under finance leases or hire purchase contracts as follows

	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£
Net book value			
30 April 2007	188,745	36,210	224,955
30 April 2006	642,344	48,281	690,625

The element of cost relating to land is estimated by the directors as £800,000 (2006 £800,000) for Freehold land

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

12 FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i>
	£
Cost	
1 May 2006 and 30 April 2007	1,000,006

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Britannia Frames Limited	England and Wales	Ordinary	100
Airfleet Aircraft Leasing Limited	England and Wales	Ordinary	100
Asset Manufacturing Limited	England and Wales	Ordinary	100
A & B Glass Properties Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	<i>Capital and reserves</i>	<i>Profit/(loss) for the year</i>
	£	£
Britannia Frames Limited	2	-
Airfleet Aircraft Leasing Limited	-	-
Asset Manufacturing Limited	1,393,903	(40)
A & B Glass Properties Limited	86,428	42,380

Airfleet Aircraft Leasing Limited was dissolved on 5 February 2008

13 STOCKS AND WORK IN PROGRESS	2007	2006
	£	£
Raw materials and consumables	919,117	332,519
Work in progress	33,592	46,851
Finished goods and goods for resale	115,566	103,053
	1,068,275	482,423

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

14 DEBTORS	2007 £	2006 £
Trade debtors	3,046,944	1,693,726
Amounts owed by subsidiary undertakings (note 26)	1,260,802	1,218,351
Corporation tax	18,756	-
Other debtors	247,327	140,777
Prepayments and accrued income	234,287	109,930
	<u>4,808,116</u>	<u>3,162,784</u>

Amounts falling due after more than one year and included in the debtors above are

	2007 £	2006 £
Amounts owed by group undertakings	<u>635,105</u>	<u>928,155</u>

15 CREDITORS Amounts falling due within one year	2007 £	2006 £
Bank overdraft	24,911	-
Bank loans	59,511	-
Obligations under finance lease and hire purchase contracts	83,775	185,207
Trade creditors	1,093,634	627,816
Taxes and social security costs	360,513	361,329
Other creditors	326,184	10,310
Accruals and deferred income	397,699	281,933
	<u>2,346,227</u>	<u>1,466,595</u>

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

Obligations under finance leases are secured on the underlying assets

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

16 CREDITORS Amounts falling due in more than one year	2007 £	2006 £
Bank loans	1,401,506	-
Obligations under finance leases and hire purchase agreements	49,636	133,221
	<u>1,451,142</u>	<u>133,221</u>
Loans		
Wholly repayable within five years	1,461,017	-
Included in current liabilities	(59,511)	-
	<u>1,401,506</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	59,904	-
In more than two years but not more than five years	179,712	-
In more than five years	<u>1,161,890</u>	<u>-</u>

The bank loan is secured by way of an unlimited debenture and secured on the company's freehold land and buildings The bank loan is repayable over 15 years and interest is payable at a rate of 1 25% above Base Rate

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

	2007 £	2006 £
Obligations under finance leases and hire purchase contracts		
Repayable within one year	83,775	185,207
Repayable between two and five years	49,636	133,221
	<u>133,411</u>	<u>318,428</u>
	133,411	318,428
Included in current liabilities	(83,775)	(185,207)
	<u>49,636</u>	<u>133,221</u>

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

17 PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Deferred taxation £</i>
Balance at 1 May 2006	389,525
Transfer to profit and loss account	(8,383)
Balance at 30 April 2007	381,142

Deferred taxation provided in the financial statements is as follows

	2007 £	2006 £
Excess of tax allowances over depreciation	381,142	391,798
Other timing differences	-	(2,273)
	381,142	389,525

The company has not provided for deferred tax on the rolled over gain on the sale of the property during the prior year. The related deferred tax liability that would arise if the gain was crystallised is £65,870

18 SHARE CAPITAL

	2007 £	2006 £
Authorised		
100 Ordinary of £1 each	100	100
Allotted, issued and fully paid		
74 Ordinary of £1 each	74	74

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

19 STATEMENT OF MOVEMENT ON RESERVES

	<i>Other reserves (see below)</i>	<i>Profit and loss account</i>
	£	£
1 May 2006	26	7,927,103
Profit for the year	-	815
Dividends	-	(11,000)
	<u>26</u>	<u>7,916,918</u>
30 April 2007	<u>26</u>	<u>7,916,918</u>
Other reserves		
Capital redemption reserve		
Balance at 1 May 2006 & at 30 April 2007	<u>26</u>	

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2007	2006
	£	£
Profit for the financial year	815	3,011,051
Dividends	(11,000)	(81,000)
	<u>(10,185)</u>	<u>2,930,051</u>
Net (reduction in)/addition to shareholder's funds	<u>7,927,203</u>	<u>4,997,152</u>
Opening shareholders' funds	<u>7,917,018</u>	<u>7,927,203</u>
Closing shareholder's funds	<u>7,917,018</u>	<u>7,927,203</u>

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

21

CASH FLOWS

2007

2006

£

£

a

Reconciliation of operating profit/(loss) to net cash inflow from operating activities

Operating profit/(loss)

305,607

(237,485)

Depreciation of tangible assets

477,713

424,267

Amortisation of intangible assets

20,576

-

Loss on disposal of tangible assets

17,387

-

Increase in stocks

(195,557)

(8,949)

(Increase)/decrease in debtors

(239,857)

260,374

(Decrease)/increase in creditors

(207,878)

234,125

Net cash inflow from operating activities

177,991

672,332

b

Analysis of net (debt)/funds

1 May 2006

Cash flow

Other non-cash changes

30 April 2007

£

£

£

£

Net cash

Cash at bank and in hand

496,966

(494,583)

-

2,383

Bank overdrafts

-

(24,911)

-

(24,911)

496,966

(519,494)

-

(22,528)

Bank deposits

-

-

-

-

Debt

Finance leases

(318,428)

185,017

-

(133,411)

Debts falling due within one year

-

(59,511)

-

(59,511)

Debts falling due after one year

-

(1,401,506)

-

(1,401,506)

(318,428)

(1,276,000)

-

(1,594,428)

Net funds/(debt)

178,538

(1,795,494)

-

(1,616,956)

c

Reconciliation of net cash flow to movement in net debt

2007

2006

£

£

(Decrease)/increase in cash in the year

(519,494)

994,615

Cash (inflow)/outflow from (increase)/decrease in debt and lease financing

(1,276,000)

3,140,461

Change in net debt resulting from cash flows

(1,795,494)

4,135,076

New finance lease

-

(36,321)

Movement in net (debt)/funds in the year

(1,795,494)

4,098,755

Opening net funds/(debt)

178,538

(3,920,217)

Closing net (debt)/funds

(1,616,956)

178,538

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

21 CASH FLOWS

	2007 £
d Purchase of unincorporated business	
Net assets acquired	
Tangible fixed assets	593,000
Stock	390,295
Trade debtors	1,386,719
Trade creditors	(1,104,520)
	<u>1,265,494</u>
Goodwill	176,363
	<u>1,441,857</u>
Discharged by	
Cash paid	<u>1,441,857</u>

22 CAPITAL COMMITMENTS

	2007 £	2006 £
Capital expenditure contracted for but not provided in the financial statements	<u>43,403</u>	<u>10,750</u>

23 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
Land and buildings expiring after five years	17,500	17,500
Plant and machinery expiring in the first year	9,803	9,724
expiring in the second to fifth year	7,876	21,817
	<u>35,179</u>	<u>49,041</u>

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

24 PENSION COMMITMENTS

DEFINED CONTRIBUTION

	2007	2006
	£	£
Contributions payable by the company for the year	<u>311,375</u>	<u>95,734</u>

25 CONTROL

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

26 RELATED PARTY TRANSACTIONS

At 30 April 2007 the company was owed the following amounts by related parties

A & B Glass Properties Limited (subsidiary company) £685,105 (2006 £720,105)

Asset Manufacturing Limited (subsidiary company) £575,697 (2006 £205,098)

Airfleet Aircraft Leasing Limited (subsidiary company) £Nil (2006 £293,148)

An amount of £250,000 has been provided against the balance owed by Airfleet Aircraft Leasing Limited in the previous year, an amount of £34,445 was received from the company in the year and a further £8,703 has been provided this year. Therefore the total irrecoverable balance of £258,703 has been written off

The following transactions occurred during the year with related parties

Sales to Asset Manufacturing Limited of £507,993 (2006 £996,519)

Purchases from Asset Manufacturing Limited £570,954 (2006 £6,887)

Management charge payable by Asset Manufacturing Limited of £196,500 (2006 £Nil)

Rent paid to A & B Glass Executive Pension Scheme (RW Byford, director, is a beneficiary of the scheme) of £17,500 (2006 £17,500)

Sales to Addison and Byford Limited (a company controlled by RW Byford) of £31,042 (2006 £47,180)

Purchases from Addison & Byford Limited of £77,139 (2006 £52,113)

There were no other material transactions with related parties during the year