

A. & B. Glass Company Limited

Report and consolidated Financial Statements

Year Ended

30 April 2017



Company Registration Number 1543721

A. & B. Glass Company Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

CONTENTS

PAGE:

2	Report of the Directors
4	Strategic Report
6	Directors' Responsibilities
7	Independent Auditor's Report
8	Consolidated Statement of Comprehensive Income
9	Consolidated Statement of Financial Position
10	Company Statement of Financial Position
11	Statement of Changes in Equity
12	Consolidated Cash Flow Statement
13	Notes to the Consolidated Financial Statements

DIRECTORS

D F Barrett
S D Stone
P B McManus

COMPANY NUMBER

1543721

REGISTERED OFFICE

Addison Road
Chilton Industrial Estate
Sudbury
Suffolk
CO10 2YW

AUDITOR

RSM UK Audit LLP
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 2017

The directors present their report and consolidated financial statements of A. & B. Glass Company Limited for the year ended 30 April 2017.

RESULTS AND DIVIDENDS

The results for the group for the year (together with comparatives) are as follows:

	2017	2016	2015	2014
	£000s	£000s	£000s	£000s
Turnover	37,149	37,441	36,486	36,539
Gross Profit	8,058	8,880	9,120	8,421
Operating (Loss)/Profit	(356)	925	945	(227)
Net bank borrowings	3,442	3,058	2,900	3,163

The company paid a dividend of £nil (2016: £250,000) during the year.

An important non-financial KPI is the reportable accidents per employee: there were nil in the current or prior period.

EMPLOYEE INVOLVEMENT AND DISABLED PERSONS

The group actively encourages employee involvement in the business. There are regular board, management and staff meetings to ensure employees are kept abreast of strategy, performance and future developments ensuring the flow of information throughout the business.

The group is an equal opportunity employer and is committed to ensuring no employee or applicant is treated less favourably on grounds of age, race, religion, gender, ethnic origin, disability or sexual orientation.

The group continues to support the employment of disabled persons, wherever practicable, and to ensure that they share in the training, career development and promotion opportunities available to all employees.

DIRECTORS

The following directors have held office since 1 May 2016:

D F Barrett
S D Stone
P B McManus

AUDITOR

The auditor, RSM UK Audit LLP, has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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.

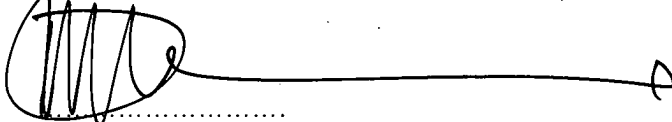
A. & B. Glass Company Limited

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2017

STRATEGIC REPORT

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the company has disclosed the information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in its Strategic Report.

On behalf of the Board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke ending in a small hook.

P McManus
Director

Date 7/12/2017

A. & B. Glass Company Limited

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The company's and group's main activity continues to be the manufacture, installation and maintenance of UPVC windows, doors and conservatories.

REVIEW OF THE BUSINESS

The group has three trading companies as follows:

A. & B. Glass Company Limited

A. & B. Glass Company Limited operates in the trade, new build & commercial marketplaces in the UK.

Turnover of £26,042,645 in the year was 4% down on 2016's figure of £27,149,566 and resulted in a trading loss of £282,493 compared to a prior year trading profit of £821,829. Net assets dropped to £5,075,311.

The drop in overall turnover was down almost entirely to a reduction in commercial work. This drop was exacerbated by an erosion of gross margin, the reasons for which are documented below; and also included the additional effects of honouring a significant number of fixed-price contracts. These factors combined to produce the trading loss, which was frustrating after two years of solid profits.

John Fredericks Plastics Limited

John Fredericks Plastics Limited supplies the trade market throughout the UK.

The results for the year were disappointing, with a trading loss of £224,136 (compared to a trading profit of £53,026 the previous year) and a subsequent reduction in net assets to £169,706. The senior management changes made by the directors at the end of the previous financial year improved sales, but this was more than negated by upward pressure on both raw material and production labour costs; the former caused in no small part by opportunistic price increases in the weeks immediately after the referendum vote in June 2016.

Due to the highly competitive nature of the trade supply industry, these cost increases could not be passed on to customers, and the directors were unable to react quickly enough to prevent this sharp drop in financial performance.

Masterlite DG Limited

Masterlite DG Limited was purchased in 2013 and operated as a retail installer covering a local Essex postcode area.

During the financial year, the decision was taken to cease trading and at the date of this report, a voluntary liquidation process is underway. Masterlite contributed £34,245 to group turnover in the year and after writing off old balances, made a £40,033 trading profit.

BUSINESS ENVIRONMENT

The industry continues to be extremely competitive and the group faces intense pressure in the marketplace. Although Brexit was an unwelcome and expensive distraction, it is hoped that any adverse effect on confidence in the marketplace will be short-lived, particularly in relation to new build.

STRATEGY

Competitive pricing, first class customer service and an ongoing commitment to quality and innovation will continue to be central to the group's strategy of continued sustainable growth.

FUTURE OUTLOOK

Despite the difficulties faced in the year, the directors are confident that the group will return to profitability in the year ended 30 April 2018.

A. & B. Glass Company Limited

STRATEGIC REPORT

At A. & B. Glass Company Limited, the order book continues to grow past £10m, and all three divisions expect turnover to increase. Although it is proving difficult to pass on all raw material and labour cost increases, sourcing and productivity improvements are helping to restore margins.

At John Fredericks Plastics Limited, the directors are confident that management changes made both during and after the financial year will result in the long term success of the business and they are committed to supporting the company and its recovery. During the year ended 30 April 2017, the directors made funds available for the purchase of additional machinery and in the current and next financial year, the fleet will be updated. Further investment has been made in updating and redecorating the reception area at Huddersfield, and this work will continue to other parts of the building.

Group wide, the directors have reviewed the group's product offerings and as well as rationalising the product range, they have recently launched a new range of mechanically-jointed timber-look windows to take advantage of the public's desire for more premium products. This launch has been supported by a comprehensive marketing program, and initial sales figures have been very encouraging.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have considered the principal risks and uncertainties during the coming year, many of which are driven by factors which cannot be controlled or which are difficult to predict.

The key business risk affecting the group's financial performance is considered to be the UK economy. The directors will closely monitor the impact of this and the risk factors below and will take swift and decisive strategic action should the need arise.

PRICE RISK

The group is exposed to commodity price risk as a result of its purchasing requirements. The Directors continually monitor prices and, where appropriate, take action to fix prices.

CREDIT RISK

The group has implemented policies that require appropriate credit checks on potential customers. This credit risk is then managed on a proactive basis through the sales process through to debt collection and recovery.

LIQUIDITY/CASHFLOW RISK

The group manages net cash inflows generated by its operations as part of its banking arrangements.

KEY PERFORMANCE INDICATORS

The directors consider that the key financial indicators of the business are turnover, gross profit, operating profit and bank loans and overdraft. These are shown in the Report of the Directors on page 2. In challenging trading conditions the directors are satisfied with the group's performance in relation to the key performance indicators.

The indicators and comparisons with 2016 are detailed in the directors' report.

On behalf of the Board



P McManus
Director

7/12/2017

A. & B. Glass Company Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A. & B. Glass Company Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF A. & B. GLASS COMPANY LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 8 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' report.

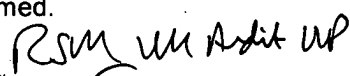
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



PETER HOWARD (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

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

Date 08/12/17

A. & B. Glass Company Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2017

	Note	2017 £	2016 £
Turnover	1	37,149,245	37,440,767
Cost of sales		(29,090,880)	(28,560,862)
Gross profit		8,058,365	8,879,905
Other operating expenses		(8,414,178)	(7,955,264)
Operating (loss)/profit		(355,813)	924,641
Interest receivable	2	16	36
Interest payable and similar charges	2	(111,404)	(130,536)
(Loss)/profit before taxation	3	(467,201)	794,141
Taxation	6	43,403	(178,820)
(Loss)/profit for the financial year after taxation		(423,798)	615,321
Total comprehensive (loss)/income for the year		(423,798)	615,321

Turnover and operating (loss)/profit are derived from the group's continuing operations.

The notes on pages 13 to 30 form part of these financial statements.

A. & B. Glass Company Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 April 2017

	Note	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	7	717,204		786,184	
Tangible assets	8	1,207,835		1,442,910	
		<u>1,925,039</u>		<u>2,229,094</u>	
CURRENT ASSETS					
Stocks	10	1,753,445		1,629,450	
Debtors	11	10,560,115		10,491,109	
Cash at bank and in hand		123,440		626,896	
		<u>12,437,000</u>		<u>12,747,455</u>	
CREDITORS: amounts falling due within one year	12	<u>(9,459,709)</u>		<u>(9,531,192)</u>	
NET CURRENT ASSETS		<u>2,977,291</u>		<u>3,216,263</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,902,330</u>		<u>5,445,357</u>	
CREDITORS: amounts falling due after more than one year	13	(136,549)		(256,666)	
PROVISION FOR LIABILITIES	15	(250,595)		(249,707)	
NET ASSETS		<u>4,515,186</u>		<u>4,938,984</u>	
CAPITAL AND RESERVES					
Called up share capital	17	74		74	
Other reserve		26		26	
Profit and loss account		4,515,086		4,938,884	
TOTAL EQUITY		<u>4,515,186</u>		<u>4,938,984</u>	

The notes on pages 13 to 30 form part of these financial statements.

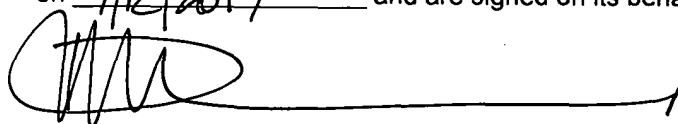
A. & B. Glass Company Limited**STATEMENT OF FINANCIAL POSITION**
30 April 2017

Company number: 1543721

	Note	2017	2016
		£	£
FIXED ASSETS			
Tangible assets	8	1,043,344	1,277,185
Investments	9	1,448,870	1,510,870
		<u>2,492,214</u>	<u>2,788,055</u>
CURRENT ASSETS			
Stocks	10	962,696	904,592
Debtors	11	9,433,420	9,139,909
Cash at bank and in hand		97,157	590,269
		<u>10,493,273</u>	<u>10,634,770</u>
CREDITORS: amounts falling due within one year	12	<u>(7,557,077)</u>	<u>(7,609,163)</u>
NET CURRENT ASSETS		<u>2,936,196</u>	<u>3,025,607</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,428,410</u>	<u>5,813,662</u>
CREDITORS: amounts falling due after more than one year	13	(136,549)	(237,357)
PROVISION FOR LIABILITIES	15	(216,550)	(217,950)
NET ASSETS		<u>5,075,311</u>	<u>5,358,355</u>
CAPITAL AND RESERVES			
Called up share capital	17	74	74
Other reserves		26	26
Profit and loss account		5,075,211	5,358,255
TOTAL EQUITY		<u>5,075,311</u>	<u>5,358,355</u>

The company's loss for the year and total comprehensive loss for the year was £283,044.

The financial statements on pages 8 to 30 were approved by the Board of directors and authorised for issue on 7/12/2017 and are signed on its behalf by:



P McManus
Director

The notes on pages 13 to 30 form part of these financial statements.

A. & B. Glass Company Limited**STATEMENT OF CHANGES IN EQUITY**
For the year ended 30 April 2017

Group	Share Capital & Other Reserves	Profit & Loss Account	Total
	£	£	£
Balance at 1 May 2015	100	4,573,563	4,573,663
Total comprehensive income for the year	-	615,321	615,321
Dividends paid	-	(250,000)	(250,000)
Balance at 30 April 2016	100	4,938,884	4,938,984
Total comprehensive loss for the year	-	(423,798)	(423,798)
Balance at 30 April 2017	100	4,515,086	4,515,186

Company	Share Capital & Other Reserves	Profit & Loss Account	Total
	£	£	£
Balance at 1 May 2015	100	4,956,069	4,956,169
Total comprehensive income for the year	-	652,186	652,186
Dividends paid	-	(250,000)	(250,000)
Balance at 30 April 2016	100	5,358,255	5,358,355
Total comprehensive loss for the year	-	(283,044)	(283,044)
Balance at 30 April 2017	100	5,075,211	5,075,311

A. & B. Glass Company Limited

CONSOLIDATED CASH FLOW STATEMENT for the year ended 30 April 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Operating activities					
Cash generated from operations	22	238,326		730,488	
Corporation tax paid		(163,409)		(156,209)	
Net cash from operating activities			74,917		574,279
Investing activities					
Interest received		16		36	
Purchase of fixed assets		(135,372)		(162,472)	
Sale of fixed assets		-		1,428	
Net cash used in investing activities			(135,356)		(161,008)
Financing activities					
Interest paid		(89,248)		(94,180)	
Hire purchase interest paid		(22,156)		(36,356)	
Equity dividend paid		-		(250,000)	
Capital element of hire purchase payments		(212,113)		(191,049)	
Net cash used in financing activities			(323,517)		(571,513)
Net decrease in cash and cash equivalents			(383,956)		(158,314)
Cash and cash equivalents at the beginning of the year			(3,057,876)		(2,899,562)
Cash and cash equivalents at the end of the year			(3,441,832)		(3,057,876)
Relating to:					
Cash at bank and in hand			123,440		626,896
Debt factoring			(3,565,272)		(3,684,772)
			(3,441,832)		(3,057,876)

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

ACCOUNTING POLICIES

GENERAL INFORMATION

A. & B. Glass Company Limited ("the Company") is a private limited company, limited by shares, domiciled and incorporated in England and Wales.

The address of the Company's registered office and principal place of business is Addison Road, Chilton Industrial Estate, Sudbury, Suffolk, CO10 2YW

The Company's principal activities are the manufacture and distribution of double glazed UPVC doors, windows and conservatories.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of A. & B. Glass Company Limited and all of its subsidiaries. Subsidiaries are consolidated using the acquisition method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 April 2017. The difference between the cost of acquisition of shares in subsidiaries and the fair value of net assets acquired is capitalised as purchased goodwill and amortised through profit and loss. As permitted by s408 of the Companies Act 2006, the company has not presented its own statement of comprehensive income, as it prepares group accounts and the statement of financial position shows the company's loss for the financial year.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of A. & B. Glass Company Limited and SDSDAB Limited. The consolidated financial statements are available from its registered office, Addison Road, Chilton Industrial Estate, Sudbury, Suffolk, CO10 2YW.

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

GOING CONCERN

The company and group are well established and enjoy long standing relationships with customers and suppliers. As a consequence, the directors believe that the company and group are well placed to manage their business risks successfully.

The directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Group. The figures presented are rounded to the nearest £.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax. Turnover is recognised when goods have been delivered and, where applicable installed.

GOODWILL

Goodwill, representing the excess of the purchase price compared with the fair value of assets acquired, is capitalised and written off over 20 years in respect of the trade of John Fredericks Plastics Limited and Asset Manufacturing Limited as, in the opinion of the directors, these represent the periods over which the goodwill will be effective.

INTANGIBLE FIXED ASSETS

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Purchased computer software	25% per annum
-----------------------------	---------------

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation. Depreciation is provided on all tangible fixed assets; at rates calculated to write off the cost of each asset to its estimated residual value over its expected useful life, as follows:

Leasehold property improvements	5% straight line or over the years remaining on the lease
Plant & machinery	15% per annum reducing balance
Motor vehicles	20% - 25% per annum reducing balance
Fixtures, fittings & equipment	15% - 20% per annum reducing balance

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

INVESTMENTS

Fixed asset investments are stated at cost less accumulated impairment losses.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the company and group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit and loss.

Reversals of impairment losses are also recognised in profit or loss.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are permanently non-taxable or non-deductible; or are otherwise taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expense in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited to comprehensive income, except where it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

LEASES

Hire Purchase

An asset and corresponding liability are recognised for leasing agreements that transfer to the company and group; substantially all of the risks and rewards incidental to ownership ("hire purchase"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating Leases as a Lessee

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

Operating Leases as a Lessor

Rental income from assets leased under operating leases is recognised on a straight line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction in the rental income and recognised on a straight line basis over the lease term.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock.

RETIREMENT BENEFITS

The company operates a defined contribution scheme and contributes to a Director's Personal Pension Scheme. The assets of these schemes are held separately from the company and group in independently administered funds. Pension costs are charged to profit or loss in the year in which they become payable. Differences between contributions payable in the year and contributions actually paid are shown as accruals or prepayments.

FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised when the company and group becomes a party to the contractual provisions of the instrument and are only offset when the company and group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade group and other debtors

Trade group and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company and group after deducting all of its liabilities.

Debt factoring

Debt factoring is presented within creditors: amounts falling due within one year.

Trade, group and other creditors

Trade, group and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

WARRANTY PROVISION

Provision is made for liabilities arising in respect of expected warranty claims on warranties provided in conjunction with the sale of goods. Provisions are recognised when the Company or Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

The provision is based on expected costs to be incurred over the next 3 to 10 years based on previous warranty claims.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Using the information available at the balance sheet date, the directors make judgements based on their experience on the level of impairment required for stock and trade debtors and the provision for future warranty costs. Further information received after the balance sheet date may impact on the level of provision.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the company and group as lessee.

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

1 TURNOVER

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2 INTEREST

Interest payable and similar charges	2017 £	2016 £
On bank loans and overdrafts	89,248	94,180
Hire purchase interest	22,156	36,356
	<u>111,404</u>	<u>130,536</u>
Interest receivable	2017 £	2016 £
On bank balances	16	36
	<u>16</u>	<u>36</u>

3 (LOSS)/PROFIT BEFORE TAXATION

	2017 £	2016 £
(Loss)/profit is stated after charging:		
Amortisation of intangible assets	70,980	63,973
Depreciation of tangible assets – owned	214,076	172,763
Depreciation of tangible assets – held under hire purchase contracts	170,297	151,483
Loss on disposal of tangible assets	9,505	11,298
Operating lease rentals – other	661,980	675,926
Stock – amounts expensed to cost of sales	19,552,568	18,837,475
Auditor's remuneration		
- statutory audit of parent and consolidated accounts	16,700	17,500
- audit of subsidiaries	13,750	20,300
<i>Other services relating to taxation</i>		
- Compliance services	10,575	12,475
- Advisory services	2,300	4,175

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

4 DIRECTORS' EMOLUMENTS

	2017 £	2016 £
Emoluments	373,920	359,112
Group pension contributions to money purchase schemes	26,600	26,600
	<u>400,520</u>	<u>385,712</u>
The number of directors for whom retirement benefits are accruing under the money purchase scheme was:	<u>3</u>	<u>3</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments	138,110	131,676
Pension contributions	<u>8,000</u>	<u>8,000</u>

The directors' remuneration, noted above, is paid through the parent company, SDSDAB Limited.

5 EMPLOYEES

Number of employees

The average monthly number of persons (including directors) employed during the year was:

	2017 No.	2016 No.
Production and administration	<u>422</u>	<u>388</u>

Employment costs

	2017 £	2016 £
Wages and salaries	9,907,421	8,897,102
Social security costs	876,062	813,028
Other pension costs	79,448	75,924
	<u>10,862,931</u>	<u>9,786,054</u>

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

6 TAXATION

	2017 £	2016 £
UK Corporation tax		
Current tax on (loss)/profit for the year	-	159,781
Group relief receivable	(14,583)	-
Adjustment in respect of prior years	(5,468)	(2,714)
Current tax (credit)/charge	(20,051)	157,067
Deferred tax		
Origination and reversal of timing differences	(23,026)	21,753
Adjustment in respect of prior years	(326)	-
Tax on (loss)/profit	(43,403)	178,820
Factors affecting the tax (credit)/charge for the year		
The tax assessed for the year is different to that calculated at the standard rate of corporation tax as explained below:		
(Loss)/profit before taxation	(467,201)	794,141
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.92% (2016 – 20%)	(93,051)	158,828
Effects of:		
Non-deductible expenses	14,905	32,871
Adjustments to previous periods	(5,794)	(2,714)
Non-deductible income	(7,354)	-
Losses carried back	9,426	-
Capital gains	37,463	-
Fixed asset timing differences	6,038	4,122
Tax charged at different rates	(5,036)	(14,287)
	49,648	19,992
Taxation (credit)/charge for the year	(43,403)	178,820

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

7 INTANGIBLE FIXED ASSETS

Group	Computer Software £	Goodwill £	Total £
<i>Cost</i>			
At 1 May 2016	31,560	2,629,264	2,660,824
Additions	2,000	-	2,000
At 30 April 2017	33,560	2,629,264	2,662,824
<i>Amortisation</i>			
At 1 May 2016	1,908	1,872,732	1,874,640
Charge for the year	8,375	62,605	70,980
At 30 April 2017	10,283	1,935,337	1,945,620
<i>Net book value</i>			
At 30 April 2017	23,277	693,927	717,204
At 30 April 2016	29,652	756,532	786,184

Company	Computer Software £	Goodwill £	Total £
<i>Cost</i>			
At 1 May 2016	-	1,202,947	1,202,947
At 30 April 2017	-	1,202,947	1,202,947
<i>Amortisation</i>			
At 1 May 2016	-	1,202,947	1,202,947
At 30 April 2017	-	1,202,947	1,202,947
<i>Net book value</i>			
At 30 April 2017	-	-	-
At 30 April 2016	-	-	-

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

8 TANGIBLE FIXED ASSETS

Group	Leasehold property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Cost</i>					
At 1 May 2016	370,154	6,661,560	928,940	1,533,364	9,494,018
Additions	7,728	72,485	18,449	60,141	158,803
Disposals	-	-	-	(137,970)	(137,970)
At 30 April 2017	377,882	6,734,045	947,389	1,455,535	9,514,851
<i>Depreciation</i>					
At 1 May 2016	227,170	6,007,548	825,179	991,211	8,051,108
Disposals	-	-	-	(128,465)	(128,465)
Charge for the year	34,769	115,947	26,730	206,927	384,373
At 30 April 2017	261,939	6,123,495	851,909	1,069,673	8,307,016
<i>Net book value</i>					
At 30 April 2017	115,943	610,550	95,480	385,862	1,207,835
At 30 April 2016	142,984	654,012	103,761	542,153	1,442,910

Included above are assets held under hire purchase contracts as follows:

Group	Leasehold property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Net book value</i>					
At 30 April 2017	54,986	22,646	-	245,803	323,435
At 30 April 2016	70,331	72,087	-	460,028	602,446

At 30 April 2017, the group and company had contractual obligations to purchase motor vehicles for £87,828 (2016: £nil).

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

8 TANGIBLE FIXED ASSETS (CONTINUED)

Company	Leasehold property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Cost</i>					
At 1 May 2016	332,976	4,112,768	312,296	1,066,584	5,824,624
Additions	-	23,476	5,539	54,816	83,831
Disposals	-	-	-	(129,770)	(129,770)
At 30 April 2017	332,976	4,136,244	317,835	991,630	5,778,685
<i>Depreciation</i>					
At 1 May 2016	209,757	3,544,468	223,669	569,545	4,547,439
Charge for the year	24,957	87,020	18,765	179,663	310,405
On disposals	-	-	-	(122,503)	(122,503)
At 30 April 2017	234,714	3,631,488	242,434	626,705	4,735,341
<i>Net book value</i>					
At 30 April 2017	98,262	504,756	75,401	364,925	1,043,344
At 30 April 2016	123,219	568,300	88,627	497,039	1,277,185

Included above are assets held under hire purchase contracts as follows:

	Leasehold property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<i>Net book value</i>					
At 30 April 2017	54,986	5,633	-	245,803	306,422
At 30 April 2016	70,331	28,554	-	460,028	558,913

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

9 FIXED ASSETS INVESTMENTS

Company	Shares in subsidiary undertakings £
<i>Cost</i>	
At 1 May 2016 and at 30 April 2017	3,084,285
<i>Provisions for impairment</i>	
At 1 May 2016	1,573,415
Impairment losses	62,000
At 30 April 2017	1,635,415
<i>Carrying amount</i>	
At 30 April 2017	1,448,870
At 1 May 2016	1,510,870

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

Company	Registered office	Shares held Class	%
<i>Subsidiary undertakings</i>			
Asset Manufacturing Limited	△	Ordinary	100.00
A & B Glass Properties Limited	△	Ordinary	100.00
Coastal Windows Limited	△	Ordinary	100.00
Coastal Limited	△	Ordinary	100.00
John Fredericks Plastics Limited	△	Ordinary	100.00
Masterlite DG Limited	▲	Ordinary	100.00

△ The registered office of these companies is Addison Road, Chilton Industrial Estate, Subury, Suffolk, CO10 2YW, England

▲ The registered office of this company is Unit 4 Hadleigh Business Centre, 351 London Road, Hadleigh, Benfleet, Essex, SS7 2BT, England

The principal activity of John Fredericks Plastics Limited is that of the manufacture and distribution of double glazed UPVC doors, windows and conservatories. The principal activity of Masterlite DG Limited was double glazing installation.

All other subsidiary undertakings listed above have not traded throughout the year, and under S394A and S448A of the Companies Act 2006 are exempt from preparing and filing individual accounts. These companies, along with Masterlite DG Limited, have taken exemption in section 479A of the Companies Act 2006 from the requirements in the Act for their individual accounts to be audited.

An impairment of the carrying value of the investment in Masterlite DG Limited has been recognised as a result of that company undertaking voluntary dissolution.

A. & B. Glass Company Limited**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2017****10 STOCKS**

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials	1,190,194	1,133,443	590,865	566,952
Work in progress	331,498	295,721	158,063	152,097
Finished goods and goods for resale	231,753	200,286	213,768	185,543
	<u>1,753,445</u>	<u>1,629,450</u>	<u>962,696</u>	<u>904,592</u>

11 DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	7,829,361	8,239,731	6,562,035	6,670,006
Amounts owed by parent company	2,083,709	1,789,291	2,290,726	2,089,291
Amount owed by subsidiary undertakings	-	-	-	31,925
Other debtors	106,652	674	106,652	-
Prepayments and accrued income	530,928	458,236	474,007	348,687
Corporation tax	9,465	-	-	-
Deferred tax	-	3,177	-	-
	<u>10,560,115</u>	<u>10,491,109</u>	<u>9,433,420</u>	<u>9,139,909</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Debt factoring (secured)	3,565,272	3,684,772	3,017,547	3,013,228
Obligations under hire purchase contracts	139,437	206,002	120,123	181,395
Trade creditors	4,672,059	4,238,588	3,226,740	2,976,573
Amounts owed to subsidiary undertakings	-	46,033	612,258	597,610
Corporation tax	-	159,412	-	150,316
Other taxes and social security costs	599,231	598,567	262,960	395,168
Other creditors	15,370	880	14,490	-
Accruals and deferred income	468,340	596,938	302,959	294,873
	<u>9,459,709</u>	<u>9,531,192</u>	<u>7,557,077</u>	<u>7,609,163</u>

The debt factoring is secured by a fixed and floating charge over all assets and undertakings of A. & B. Glass Company Limited. Obligations under hire purchase contracts are secured on the underlying assets.

The company and group's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of the secured assets is disclosed in note 8.

A. & B. Glass Company Limited**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2017****13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Obligations under hire purchase contracts	136,549	256,666	136,549	237,357
	136,549	256,666	136,549	237,357
Net obligations under hire purchase contracts				
	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Repayable within one year	139,437	206,002	120,123	181,395
Repayable between one and five years	136,549	256,666	136,549	237,357
	275,986	462,668	256,672	418,752

14 FINANCIAL INSTRUMENTS

The carrying amounts of the Group and Company's financial instruments at 30 April were:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Financial assets -				
Debt instruments measured at amortised cost	9,913,070	10,029,022	8,852,761	8,791,222
Financial liabilities -				
Measured at amortised cost	8,997,027	9,029,879	7,430,666	7,301,036

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

15 PROVISIONS FOR LIABILITIES AND CHARGES

	← Group →			← Company →		
	Deferred tax liability £	Other provision £	Total £	Deferred tax liability £	Other Provision £	Total £
Balance at 1 May 2016	131,571	118,136	249,707	131,571	86,379	217,950
Profit and loss account transfer	(26,529)	27,417	888	(28,817)	27,417	(1,400)
At 30 April 2017	105,042	145,553	250,595	102,754	113,796	216,550

Other provision includes a warranty provision of £145,553 (2016: £118,136) in respect of the group and £113,796 (2016: £86,379) in respect of the company which relates to potential costs under a warranty on products. The provision is based on expected costs to be incurred based on previous warranty claims.

The deferred tax liability relates to accelerated capital allowances.

The deferred tax charge of £23,352 in Note 6 is made up of the £26,529 profit and loss account transfer above and a deferred tax asset reduction of £3,177 as shown in Note 11.

16 RETIREMENT BENEFITS

The group operates defined contribution pension schemes for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group charged to profit or loss amounted to £79,448 (2016: £75,924). Contributions totalling £18,368 (2016: £14,802) were payable to the fund at the year end and are included in creditors.

17 SHARE CAPITAL

	2017 £	2016 £
<i>Authorised</i>		
100 Ordinary of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
74 Ordinary of £1 each	74	74
<i>Equity shares</i>		
74 Ordinary of £1 each	74	74

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

18 COMMITMENTS UNDER OPERATING LEASES

As a lessee

As at 30 April 2017, the company and group were committed to making the following payments as a lessee under non-cancellable, non-property, operating leases as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts due within one year	136,977	112,883	45,366	49,302
Between one and five years	259,660	96,724	30,046	31,962
	396,637	209,607	75,412	81,264

As at 30 April 2017, the company and group were committed to making the following payments as a lessee under non-cancellable, property, operating leases as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts due within one year	515,000	515,000	345,000	345,000
Between one and five years	2,060,000	2,060,000	1,380,000	1,380,000
After five years	-	515,000	-	345,000
	2,575,000	3,090,000	1,725,000	2,070,000

As a lessor

As at 30 April 2017, the company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts receivable within one year	60,000	60,000	60,000	60,000
Between one and five years	135,000	195,000	135,000	195,000
	195,000	255,000	195,000	255,000

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

19 BORROWINGS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Creditors: amounts falling due within one year:				
Debt factoring	3,565,272	3,684,772	3,017,547	3,013,228
Hire purchase liabilities	139,437	206,002	120,123	181,395
	<u>3,704,709</u>	<u>3,890,774</u>	<u>3,137,670</u>	<u>3,194,623</u>
Creditors: amounts falling due after more than one year:				
Hire purchase liabilities	136,549	256,666	-	237,357
	<u>136,549</u>	<u>256,666</u>	<u>-</u>	<u>237,357</u>
Total	<u>3,841,258</u>	<u>4,147,440</u>	<u>3,137,670</u>	<u>3,431,980</u>

Debt factoring is secured by a fixed and floating charge on all assets of the company. The average interest rate on the debt factoring was 2.75%, based on Lloyds Bank base rate plus 2.25%

20 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The company's immediate parent company is A & B Glass Holding Company Limited. The company's ultimate parent company is SDSDAB Limited and is the smallest and largest group for which consolidated accounts including A. & B. Glass Company Limited are prepared. The consolidated accounts for SDSDAB Limited are available from Companies House.

The directors consider the ultimate controlling party to be D F Barrett, a director and the majority shareholder in SDSDAB Limited.

21 RELATED PARTY TRANSACTIONS

The company has taken advantage of exemptions in relation to the disclosure of transactions with 100% owned group companies where consolidated accounts have been prepared.

The total remuneration of the directors who are considered to be the key management personnel of the group was £440,534 (2016: £423,806), including employer's national insurance of £40,014 (2016: £38,095).

A. & B. Glass Company Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 April 2017

22 RECONCILIATION OF LOSS/PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

Cash generated from operations	2017 £	2016 £
(Loss)/profit for the year	(423,798)	615,321
Adjustments for:		
Corporation tax (credit)/expense	(43,403)	178,820
Corporation tax group relief	14,583	-
Finance costs	111,404	130,536
Investment income	(16)	(36)
Loss on sale of fixed assets	9,505	11,298
Increase/(decrease) in provisions	27,417	(63,621)
Depreciation of tangible fixed assets	384,373	324,246
Amortisation of intangible assets	70,980	63,973
Operating cash flows before movement in working capital	151,045	1,260,537
Movement in working capital:		
Increase in stocks	(123,995)	(267,103)
Increase in debtors	(62,718)	(805,835)
Increase in creditors	273,994	542,889
Cash generated from operations	238,326	730,488

23 DIVIDENDS

	2017 £	2016 £
Ordinary:		
Interim paid - £nil (2016 - £3,378.38) per share	-	250,000

24 CONTINGENT LIABILITIES

Under a group registration the company is jointly and severally liable for value added tax with its subsidiary John Fredericks Plastics Limited, and parent companies. At 30 April 2017 the liability was £138,218 (2016: £132,739).