Company registration number 01543721 (England and Wales)

A & B GLASS COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

A & B GLASS COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr P McManus	
	Mr G Street	(Appointed 15 November 2022)
	Mr D Richardson	(Appointed 15 November 2022)
	Mr D Sowter	(Appointed 15 November 2022)
Company number	01543721	
Registered office	2 Addison Road Sudbury CO10 2YW	
Auditor	Ensors Accountants LLP Connexions 159 Princes Street Ipswich IP1 1QJ	

A & B GLASS COMPANY LIMITED

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A & B GLASS COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

The directors present the strategic report for the year ended 31 October 2023.

Review of the business
The business operated at full capacity for the first quarter of the year as customers reacted to strong positive market forces. Demand dropped to more historic levels throughout the remainder of the year, but turnover for the year as a whole of £30,937,837 was almost 11% higher than £27,894,988 for the prior year ended 31 October 2022.

As in 2022, price rather than volume was the main driver of growth, and the company's inability to pass on higher input prices and overhead costs (particularly labour costs), resulted in a small reduction in profit for the year.

Business environment
The industry has traditionally been extremely competitive, and the company has always faced intense price pressure in the marketplace.

Throughout 2021 & 2022 the industry faced a combination of supply chain issues and both general and industry-specific cost inflation. While these factors eased somewhat over the last year, this has been offset by increased customer reluctance to accept any upward price movement, particularly as demand eased towards the end of the financial year.

from third party suppliers in order to smooth demand and meet contractual obligations.

Strategy
The company continues to service the newbuild and commercial refurbishment sectors.

As at the date of this report, the directors have no plans to materially change this strategy.

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 company's financial performance is considered to be the UK economy, and in particular interest rates and the cost & availability of mortgage borrowing. The directors will closely monitor the impact of this and the risk factors below and will take swift strategic action should the need arise.

Price Risk
The company is exposed to significant commodity price risk as a result of its purchasing requirements. The directors continually monitor prices, but the ability to fix prices or engage with alternative suppliers is limited.

Credit Risk
The company has policies that require appropriate health checks on both potential and existing customers. This credit risk is managed on a proactive basis through the sales process from credit check and order to debt collection and recovery.

Liquidity Cashflow Risk
Cashflow and liquidity risk is managed and minimised by diligent management of the credit control function, and credit terms are strictly enforced. In order to maintain the company's invoice discounting facility, the business insures virtually all debts and maintains a broad spread of customers in all divisions.

Brexit Risk
The company's turnover for the year has been derived from its principal activity wholly undertaken in the United Kingdom. The directors see currency fluctuations as a result of purchasing requirements as the main Brexit risk.

Future outlook
Despite the macro-economic uncertainty and industry-specific challenges, the company has a sizeable order book and will continue to work diligently to protect margins and profitability wherever possible. During the year the company's investment in the integrated service hub contributed to improved response and customer satisfaction levels, which have become an increasingly important KPI for both newbuild and commercial customers.

In 2022 the company started a significant capital project to replace old production machinery and this will continue throughout 2024 and beyond. It is hoped that increased levels of automation will both increase product quality and enable the redeployment and upskilling of much of the production team.

Key performance indicators
The directors consider that the key financial indicators of the business are turnover, gross profit, operating profit, net bank borrowings and short term liquidity. Directors and senior management continually monitor and report on these financial KPIs and are satisfied with the company's performance in relation to them.

Other performance indicators
An important non-financial KPI is the reportable accidents per employee of which there were none in the current year or prior period.

On behalf of the board

Mr P McManus
Director

4 April 2024

A & B GLASS COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2023

The directors present their annual report and financial statements for the year ended 31 October 2023.

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

Results and dividends
The results for the year are as follows:

	Year ended 31-Oct 2023 £000	Year ended 31-Oct 2022 £000	Year ended 31-Oct 2021 £000	18m ended 31-Oct 2020 £000	Year ended 30-Apr 2019 £000
Turnover	30,938	27,895	22,856	36,001	33,145
Gross Profit	9,028	8,051	6,992	8,729	6,684
Operating profit/(loss)	950	1,106	1,058	357	-800
Net bank borrowings	1,290	1,941	1,569	1,674	3,386

Ordinary dividends were paid amounting to £500,000. The directors do not recommend payment of a further dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P McManus	
Mr D Barrett	(Resigned 15 November 2022)
Mr S Stone	(Resigned 15 November 2022)
Mr G Street	(Appointed 15 November 2022)
Mr D Richardson	(Appointed 15 November 2022)
Mr D Sowter	(Appointed 15 November 2022)

Qualifying third party indemnity provisions
Qualifying third party indemnity provision is in place for the benefit of all directors of the company.

Financial instruments
The company's treasury activities are operated within policies and procedures approved by the Board, which include defined controls on the use of financial instruments managing the company's risk. The company's finances its operations by a mixture of retained profits, cash, a CBILS loan and an invoice discounting facility.

Business relationships
The company is reliant on a small number of key suppliers, most of whom are industry-specific. Close working relationships have always been key and particularly so since May 2020 as the industry firstly faced significant challenges maintaining continuity of supply in the light of worldwide shortages of raw materials, followed by unprecedented demand as markets responded to several lockdowns.

Both the newbuild and commercial divisions of the company operate in a very price-competitive environment and have a relatively small number of large customers. These customers provide the business with long term contract work.

Post reporting date events
In 2021 the company changed both funders and bankers, and managing relationships with both has been an important contributor to its recent good performance. The initial three-year invoice discounting agreement with Independent Growth Finance (IGF) was renewed in December 2023 for a further three year period.

Auditor
In accordance with the company's articles, a resolution proposing that Ensors Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

Matters covered in the strategic report
Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the group.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern
The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 2.

The directors have reviewed the company's recent trading performance and its forecasts through to October 2024 to assess the required level of finance. In their consideration of going concern, the directors have reviewed the cash forecasts and revenue projections, which they believe are prudent. Forecasts for the year ended 31 October 2024 show that the company will remain profitable and there is sufficient headroom in the available funding facility to continue as a going concern and meet its liabilities as they fall due.

The company is well-established and has long-standing relationships with both customers and suppliers. The steadily increasing turnover, consistent profitability and positive cash generation over the last three years have all given the directors confidence that the company enjoys a new-found flexibility that will allow it to adapt to challenges to the commercial environment that may arise in the future. For these reasons the directors continue to adopt the going concern basis in preparing these financial statements.

Medium-sized companies exemption
This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr P McManus
Director

4 April 2024

A & B GLASS COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2023

The directors are responsible for preparing the annual 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

A & B GLASS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF A & B GLASS COMPANY LIMITED

Opinion

We have audited the financial statements of A & B Glass Company Limited (the 'company') for the year ended 31 October 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2023 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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
- 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud;
- reviewed and challenged accounting estimates to ensure no indication of management bias.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF A & B GLASS COMPANY LIMITED

Use of our report

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Barry Gostling
Senior Statutory Auditor
For and on behalf of Ensors Accountants LLP

4 April 2024

Chartered Accountants
Statutory Auditor

Connexions
159 Princes Street
Ipswich
IP1 1QJ

A & B GLASS COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2023

	Notes	2023 £	2022 £
Turnover	3	30,937,838	27,894,988
Cost of sales		(21,909,920)	(19,843,826)
Gross profit		9,027,918	8,051,162
Administrative expenses		(8,077,499)	(6,944,827)
Operating profit	4	950,419	1,106,335
Interest payable and similar expenses	7	(200,678)	(77,533)
Profit before taxation		749,741	1,028,802
Tax on profit	8	(213,163)	(173,366)
Profit for the financial year		536,578	855,436

The profit and loss account has been prepared on the basis that all operations are continuing operations.

A & B GLASS COMPANY LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	**10**		90,156		11,507
Tangible assets	**11**		1,745,832		1,268,549
Investments	**12**		5		5
			1,835,993		1,280,061
Current assets					
Stocks	**14**	987,614		1,039,850	
Debtors	**15**	7,673,621		8,982,121	
Cash at bank and in hand		1,136,947		1,060,314	
		9,798,182		11,082,285	
Creditors: amounts falling due within one year	**16**	(4,910,877)		(6,016,293)	
Net current assets			4,887,305		5,065,992
Total assets less current liabilities			6,723,298		6,346,053
Creditors: amounts falling due after more than one year	**17**		(829,992)		(660,063)
Provisions for liabilities					
Provisions	**20**	52,426		50,118	
Deferred tax liability	**21**	432,389		263,959	
			(484,815)		(314,077)
Net assets			5,408,491		5,371,913
Capital and reserves					
Called up share capital	**23**		74		74
Other reserves			26		26
Profit and loss reserves			5,408,391		5,371,813
Total equity			5,408,491		5,371,913

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 4 April 2024 and are signed on its behalf by:

Mr P McManus
Director

Company registration number 01543721 (England and Wales)

A & B GLASS COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2023

	Notes	Share capital	Other reserves	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 November 2021		74	26	4,516,377	4,516,477
Year ended 31 October 2022:					
Profit and total comprehensive income		-	-	855,436	855,436
Balance at 31 October 2022		74	26	5,371,813	5,371,913
Year ended 31 October 2023:					
Profit and total comprehensive income		-	-	536,578	536,578
Dividends	9	-	-	(500,000)	(500,000)
Balance at 31 October 2023		74	26	5,408,391	5,408,491

1 Accounting policies

Company information

A & B Glass Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 Addison Road, Sudbury, CO10 2YW. The nature of the company's operations and its principal activities can be found in the Directors' report.

1.1 Accounting convention

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- 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 Group Limited. These consolidated financial statements are available from its registered office, Addison Road, Chilton Industrial Estate, Sudbury, Suffolk, CO10 2YW.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of the goods and, where applicable installation), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to labour costs and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.5 Intangible fixed assets other than goodwill

Other intangible assets are recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	25% per annum

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 **Accounting policies** **(Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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 after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Invoice financing

The Company has an invoice discounting agreement. The amount owed by customers to the Company is included within trade debtors and the amount owed to the invoice discounting company is included within creditors. The amount owed to the invoice discounting company represents the difference between the amounts advanced by the discounting company and the invoices discounted. The interest element of the invoice discounting charges and other related costs are recognised as they accrue and included in the Statement of Comprehensive Income within interest payable and similar expenses.

1 **Accounting policies** **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions is made for liabilities arising in respect of extended warranty claims on warranties provided in conjunction with the sale of goods. Provisions are recognised when the Company 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.

1.15 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 or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. 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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

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

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Cost of stock

The cost element of stock carried forward in the statement of financial position at the period end is estimated by the directors based on raw material cost plus an appropriate proportion of labour and overheads. This therefore represents a critical accounting estimate arrived at by the directors based on their experience.

Impairment of assets

In determining whether there are indicators of impairment of the company's tangible and intangible assets management make judgements. The factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Using the information available at the reporting 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 statement of financial position date may impact on the level of provision.

Revenue recognition

The Company applies its policies on turnover and long term contracts when recognising revenue and profit on partially completed contracts. The application of this policy requires judgements to be made in respect of the total expected costs to complete and the profit margin achievable on each contract. The Company has in place established internal controls processes to ensure that the evaluation of costs and revenues is based upon appropriate estimates.

3 Turnover and other revenue

The whole turnover is attributable to the principal business activity.

All turnover arose within the United Kingdom.

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2023 £	2022 £
Fees payable to the company's auditor for the audit of the company's financial statements	21,500	19,350
Depreciation of owned tangible fixed assets	457,342	348,522
Profit on disposal of tangible fixed assets	(13,181)	(22,618)
Amortisation of intangible assets	16,003	3,565
Operating lease charges	457,544	435,558

5 Employees

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

	2023 Number	2022 Number
Production and administration	198	181

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	6,163,054	5,160,431
Social security costs	569,908	503,434
Pension costs	107,340	86,491
	6,840,302	5,750,356

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	236,294	-
Company pension contributions to defined contribution schemes	7,047	-
	243,341	-

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	89,563	-
Company pension contributions to defined contribution schemes	3,362	-

There were no directors paid through A & B Glass Company Limited in the prior year.

7 Interest payable and similar expenses

	2023 £	2022 £
Interest on invoice finance arrangements	123,003	54,415
Interest on finance leases and hire purchase contracts	77,675	23,118
	200,678	77,533

8 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	44,733	447
Adjustments in respect of prior periods	-	(5,623)
Total current tax	44,733	(5,176)
Deferred tax		
Origination and reversal of timing differences	168,430	178,542
Total tax charge	213,163	173,366

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	749,741	1,028,802
Expected tax charge based on the standard rate of corporation tax in the UK of 22.49% (2022: 19.00%)	168,617	195,472
Tax effect of expenses that are not deductible in determining taxable profit	2,315	5,503
Adjustments in respect of prior years	-	(5,623)
Depreciation on assets not qualifying for tax allowances	106,495	-
Other differences	(4,882)	(2,642)
Fixed asset timing differences	(227,811)	(16,259)
Timing differences	168,429	(3,085)
Taxation charge for the year	213,163	173,366

9 Dividends

	2023	2022
	£	£
Final paid	500,000	-

10 Intangible fixed assets

	Goodwill	Software	Total
	£	£	£
Cost			
At 1 November 2022	1,202,947	38,383	1,241,330
Additions - internally developed	-	94,652	94,652
At 31 October 2023	1,202,947	133,035	1,335,982
Amortisation and impairment			
At 1 November 2022	1,202,947	26,876	1,229,823
Amortisation charged for the year	-	16,003	16,003
At 31 October 2023	1,202,947	42,879	1,245,826
Carrying amount			
At 31 October 2023	-	90,156	90,156
At 31 October 2022	-	11,507	11,507

11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2022	221,650	4,786,165	383,628	1,087,662	6,479,105
Additions	17,694	420,711	45,638	450,817	934,860
Disposals	-	-	-	(133,079)	(133,079)
At 31 October 2023	239,344	5,206,876	429,266	1,405,400	7,280,886
Depreciation and impairment					
At 1 November 2022	221,650	4,163,566	352,113	473,227	5,210,556
Depreciation charged in the year	2,111	183,421	18,456	253,354	457,342
Eliminated in respect of disposals	-	-	-	(132,844)	(132,844)
At 31 October 2023	223,761	4,346,987	370,569	593,737	5,535,054
Carrying amount					
At 31 October 2023	15,583	859,889	58,697	811,663	1,745,832
At 31 October 2022	-	622,599	31,515	614,435	1,268,549

11 Tangible fixed assets **(Continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023	2022
	£	£
Plant and equipment	757,226	407,949
Motor vehicles	767,629	561,791
	1,524,855	969,740

12 Fixed asset investments

	Notes	2023	2022
		£	£
Investments in subsidiaries	13	5	5

13 Subsidiaries

Details of the company's subsidiaries at 31 October 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Asset Manufacturing Limited	United Kingdom	Ordinary	100.00
A & B Glass Properties Limited	United Kingdom	Ordinary	100.00
Coastal Windows Limited	United Kingdom	Ordinary	100.00
Coastal Limited	United Kingdom	Ordinary	100.00

All subsidiary undertakings are held directly.

The registered office of all companies is Addison Road, Chilton Industrial Estate, Sudbury, Suffolk, CO10 2YW, England.

All subsidiary undertakings listed above under S394A and S448A of the Companies Act 2006 are exempt from preparing and filing individual accounts. These companies have taken exemption in section 479A of the Companies Act 2006 from the requirements in the Act for their individual accounts to be audited.

14 Stocks

	2023	2022
	£	£
Raw materials and consumables	456,240	500,304
Work in progress	192,599	223,342
Finished goods and goods for resale	338,775	316,204
	987,614	1,039,850

15 Debtors

	2023	2022
Amounts falling due within one year:	**£**	**£**
Trade debtors	4,865,390	5,575,347
Amounts owed by group undertakings	1,059,382	1,812,371
Other debtors	302,075	257,393
Prepayments and accrued income	337,513	355,202
	6,564,360	8,000,313

	2023	2022
Amounts falling due after more than one year:	**£**	**£**
Trade debtors	1,109,261	981,808
Total debtors	7,673,621	8,982,121

16 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	**£**
Bank loans and overdrafts	**18**	151,094	-
Obligations under finance leases	**19**	529,164	272,472
Other borrowings	**18**	41,667	154,098
Trade creditors		2,121,559	3,372,886
Corporation tax		45,051	447
Other taxation and social security		174,932	181,137
Other creditors		70,656	63,444
Invoice financing (secured)		1,248,206	1,744,857
Accruals and deferred income		528,548	226,952
		4,910,877	6,016,293

The invoice financing is secured by a fixed and floating charge over the Company's assets and undertakings.

Obligations under hire purchase are secured on the underlying assets.

17 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	**£**
Obligations under finance leases	**19**	829,992	618,396
Other borrowings	**18**	-	41,667
		829,992	660,063

18 Loans and overdrafts

	2023	2022
	£	£
Bank overdrafts	151,094	-
Other loans	41,667	195,765
	192,761	195,765
Payable within one year	192,761	154,098
Payable after one year	-	41,667

The long-term loan has been part guaranteed by the UK Government under the Coronavirus Business Interruption Loan scheme ("CBILS"), The guarantee provides a partial guarantee, should the Company default on repaying the CBILS facility.

The Company borrowed £500,000 from IGF Business Credit Limited during the year ended 31 October 2021 under the CBILS. The loan is being repaid over a loan term of three years from the date the loan is first drawn down. Interest will be charged at 5.95% per annum over the base rate of National Westminster bank plc (currently 5.25%).

19 Finance lease obligations

Future minimum lease payments due under finance leases:	2023 £	2022 £
Within one year	620,949	272,472
In two to five years	928,431	618,396
	1,549,380	890,868
Less: future finance charges	(190,224)	-
	1,359,156	890,868

20 Provisions for liabilities

	2023	2022
	£	£
Warranty provision	52,426	50,118

Movements on provisions:

	Warranty provision £
At 1 November 2022	50,118
Additional provisions in the year	2,308
At 31 October 2023	52,426

20 Provisions for liabilities **(Continued)**

The warranty provision relates to potential costs arising under a warranty on products. The provision is based on expected costs to be incurred based on previous warranty claims.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023	Liabilities 2022
Balances:	**£**	**£**
Accelerated capital allowances	426,024	268,455
Short term timing differences	6,365	(4,496)
	432,389	263,959

	2023
Movements in the year:	**£**
Liability at 1 November 2022	263,959
Charge to profit or loss	168,430
Liability at 31 October 2023	432,389

Factors that may affect future tax charges

As at 31 October 2022, the main rate of corporation tax in the UK was 19%. The main rate of corporation tax will increase from the current 19% to 25% from 1 April 2023. Based on anticipated trading activity of the Company the rate used to determine deferred tax liabilities is 25%.

22 Retirement benefit schemes

	2023	2022
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	107,340	86,491

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2023	2022	2023	2022
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
74 of £1 each	74	74	74	74

23 Share capital **(Continued)**

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at the annual general meetings of the Company.

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	470,718	450,306
Between two and five years	1,421,169	1,739,146
	1,891,887	2,189,452

25 Related party transactions

Transactions with related parties

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

26 Ultimate controlling party

The company's immediate parent company is A & B Glass Holding Company Limited. The company's ultimate parent company is A&B Glass Group Limited and is the smallest and largest group for which consolidated accounts including A & B Glass Company Limited are prepared. The registered office of both Companies is Addison Road, Chilton Industrial Estate, Sudbury, Suffolk, CO10 2YW. The consolidated accounts for A&B Glass Group Limited are available from Companies House.

P McManus is considered the ultimate controlling party, as a Director and the majority shareholder in A&B Glass Group Limited.

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