

C.M. SUPPLIES LIMITED
ACCOUNTS FOR THE YEAR ENDED
30TH NOVEMBER, 1997.

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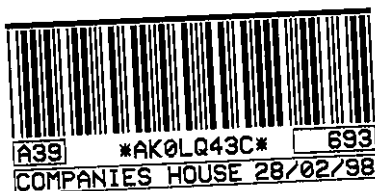
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Prepared by :

D. K. RUMSBY & CO.,
REGISTERED AUDITORS,
64-66, OUTRAM STREET,
SUTTON IN ASHFIELD,
NOTTINGHAMSHIRE,
NG17 4FS.

19TH FEBRUARY, 1998.



C.M. SUPPLIES LIMITED

DIRECTORS

M. A. Milward, Esq.
C. J. Milward, Esq.

REGISTERED OFFICE

66, Outram Street,
Sutton in Ashfield,
Nottinghamshire,
NG17 4FS.

SECRETARY

C. J. Milward, Esq.

REPORT OF THE DIRECTORS

ACCOUNTS

The directors present their report with the financial statements of the company for the year ended 30th November 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture and sale of double glazing products.

REVIEW OF THE BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS AND TRANSFERS TO RESERVES

An interim dividend of £200 per Ordinary £1 share was paid on 21st October 1997. The directors recommend that no final dividend be paid.

The retained profit transferred to reserves will be £126,298.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows :

	AT 30.11.97.	AT 30.11.96.
M. A. Milward, Esq.	50	50
C. J. Milward, Esq.	50	50

In accordance with the Articles of Association, no director is required to retire by rotation at the forthcoming Annual General Meeting.

/continued.,

C.M. SUPPLIES LIMITED

REPORT OF THE DIRECTORS - continued

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

Select suitable accounting policies and then apply them consistently.

Make judgments and 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

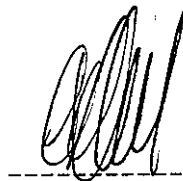
AUDITORS

The auditors, D. K Rumsby & Co., will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small size companies.

ON BEHALF OF THE BOARD

SECRETARY



C. J. MILWARD, ESQ.

DATED

19TH FEBRUARY, 1998.

C.M. SUPPLIES LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF

C.M. SUPPLIES LIMITED

We have audited the financial statements on pages four to nine which have been prepared under the historical cost convention and the accounting policies set out on page six.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page two, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30th November 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

D. K. RUMSBY & CO.,
REGISTERED AUDITORS,
64-66, OUTRAM STREET,
SUTTON IN ASHFIELD,
NOTTINGHAMSHIRE,
NG17 4FS.



19TH FEBRUARY 1998.

D. K. RUMSBY & CO.

C.M. SUPPLIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 30TH NOVEMBER, 1997.

		1996
	£	£
Turnover {Note 2}	1297008	940785
Cost of Sales	904355	743546
	-----	-----
GROSS PROFIT	392653	197239
Administrative Expenses	206859	133093
	-----	-----
OPERATING PROFIT {Note 3}	185794	64146
Interest Receivable {Note 4}	328	-
	-----	-----
	186122	64146
Interest Payable and Similar Charges {Note 5}	1666	3226
	-----	-----
Profit on Ordinary Activities before taxation	184456	60920
Tax on Profit on Ordinary Activities {Note 6}	38158	14433
	-----	-----
Profit for the financial year after taxation	146298	46487
Dividends {Note 7}	20000	32000
	-----	-----
	126298	14487
Retained Profit brought forward	19272	4785
	-----	-----
RETAINED PROFIT CARRIED FORWARD	145570	19272
	=====	=====

There are no recognised gains and losses in the year other than the profit for the year.

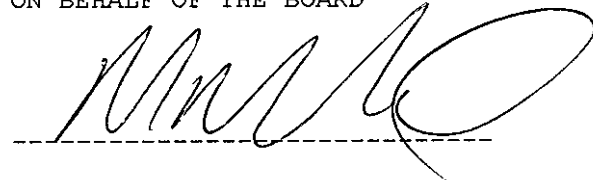
C.M. SUPPLIES LIMITED

BALANCE SHEET AT 30TH NOVEMBER, 1997.

	£	£	1996 £
FIXED ASSETS			
Tangible Assets {Note 8}		134230	38337 =====
CURRENT ASSETS			
Stocks {Note 9}	63341		46831
Debtors {Note 10}	89957		98221
Cash at bank and in hand	51294		1762
	-----		-----
	204592		146814
CREDITORS			
Amounts falling due within one year {Note 11}	159667		146010 -----
	-----		-----
NET CURRENT ASSETS		44925	804
		-----	-----
TOTAL ASSETS less CURRENT LIABILITIES		179155	39141
CREDITORS			
Amounts falling due after more than one year {Note 12}		(8011)	(1433)
PROVISION FOR LIABILITIES AND CHARGES {Note 13}		(7138)	-
		-----	-----
		164006	37708
		=====	=====
CAPITAL AND RESERVES			
Called Up Share Capital {Note 16}		100	100
Share Premium		18336	18336
Profit and Loss Account		145570	19272
		-----	-----
SHAREHOLDERS' FUNDS {Note 19}		164006	37708
		=====	=====

These accounts have been prepared in accordance with the Special Provision of Part VII of the Companies Act 1985 relating to small sized companies.

ON BEHALF OF THE BOARD



DIRECTOR

APPROVED BY THE BOARD ON : 19TH FEBRUARY 1998.

C.M. SUPPLIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR
ENDED 30TH NOVEMBER, 1997.

1996

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

TURNOVER

Turnover represents net invoiced sales of goods, excluding value added tax.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and Machinery	-	20% on reducing balance.
Motor Vehicles	-	25% on reducing balance.
Computer Equipment	-	25% on cost.

STOCKS

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

HIRE PURCHASE AND LEASING COMMITMENTS

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

PENSIONS

The company operates a defined contribution scheme which is written off in the profit and loss account in the year to which it relates.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

C.M. SUPPLIES LIMITED

NOTES TO THE ACCOUNTS - continued

3. OPERATING PROFIT

The operating profit is stated after charging :

		1996
Hire of plant and machinery	97	82
Depreciation - owned assets	11312	6137
Depreciation - assets on hire purchase or finance leases	4143	1827
Loss/(Profit) on disposal of fixed assets	4798	-
Auditors remuneration	2000	1400
	=====	=====
Directors' Emoluments	52098	29930
	=====	=====

4. INTEREST RECEIVABLE

Deposit Account interest	328	-
	===	==

5. INTEREST PAYABLE AND SIMILAR CHARGES

Bank loans, overdrafts and other loans repayable within five years otherwise than by instalments	-	2567
Finance charges - hire purchase contracts and finance leases	1666	659
	-----	-----
	1666	3226
	=====	=====

6. TAXATION

The tax charge on the profit on ordinary activities, based on the adjusted results of the year, was as follows :

UK Corporation Tax @ 21.99% (1996 26.42%)	31020	14433
Deferred taxation	7138	-
	-----	-----
	38158	14433
	=====	=====

7. DIVIDENDS

Equity Shares: Ordinary Shares	20000	32000
	=====	=====

8. TANGIBLE FIXED ASSETS

	PLANT AND MACHINERY	MOTOR VEHICLES	COMPUTER EQUIPMENT	TOTAL
COST				
At 1st December 1996	44190	2307	5837	52334
Additions	106824	11045	6927	124796
Disposals	(14452)	(3807)	-	(18259)
AT 30TH NOVEMBER 1997	136562	9545	12764	158871
	-----	-----	-----	-----
DEPRECIATION				
At 1st December 1996	12126	935	935	13996
Charge for year	13138	933	1384	15455
Eliminated on disposals	(3875)	(935)	-	(4810)
AT 30TH NOVEMBER 1997	21389	933	2319	24641
	-----	-----	-----	-----

C.M. SUPPLIES LIMITED

NOTES TO THE ACCOUNTS - continued

8. TANGIBLE FIXED ASSETS - cont'd.

1996

	PLANT AND MACHINERY	MOTOR VEHICLES	COMPUTER EQUIPMENT	TOTAL
NET BOOK VALUE :				
AT 30TH NOVEMBER 1997	115173	8612	10445	134230
	=====	=====	=====	=====
AT 30TH NOVEMBER 1996	32063	1372	4902	38337
	=====	=====	=====	=====

Fixed assets, included in the above, which are held under hire purchase or finance leases are as follows :

COST	PLANT & MACHINERY
At 1st December 1996	10750
Additions	25750
Disposals	(10750)

AT 30TH NOVEMBER 1997	25750
	=====
DEPRECIATION	
At 1st December 1996	3440
Charge for year	4143
Eliminated on disposals	(3440)

AT 30TH NOVEMBER 1997	4143
	=====
NET BOOK VALUE : AT 30TH NOVEMBER 1997	21607
	=====
AT 30TH NOVEMBER 1996	7310
	=====

9. STOCKS

Stock	53841	38754
Work in progress	9500	8077
	-----	-----
	63341	46831
	=====	=====

10. DEBTORS - amounts falling due within one year :

Trade debtors	92687	99013
Provision for bad debts	(2730)	(8792)
ACT recoverable	-	8000
	-----	-----
	89957	98221
	=====	=====

11. CREDITORS - amounts falling due within one year :

Bank loans and overdrafts {See Note 14}	-	5651
Creditors and accruals	84229	86521
Directors current accounts	-	8541
Hire purchase	7442	2867
VAT	6998	9119
PAYE and NIC	22322	9298
Taxation	31020	22433
Sundry creditors and accruals	7656	1580
	-----	-----
	159667	146010
	=====	=====

C.M. SUPPLIES LIMITED

NOTES TO THE ACCOUNTS - continued.

		1996
12. CREDITORS - amounts falling due after more than one year :		
Hire purchase	8011	1433
	=====	=====
13. LOANS AND OVERDRAFTS		
An analysis of the maturity of loans and overdrafts, falling due within one year or on demand, is given below :		
Bank overdrafts	-	5651
	==	=====
14. SECURED DEBTS		
The following secured debts are included within creditors :		
Bank overdrafts	-	5651
Hire purchase	8011	4300
	-----	-----
	8011	9951
	=====	=====
15. PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation	7138	-
	=====	==
Deferred Taxation : Accelerated Capital Allowances	7138	

Balance at 30th November 1997	7138	
	=====	
16. CALLED UP SHARE CAPITAL		
AUTHORISED		
10,000 Ordinary £1 shares	10000	10000
	=====	=====
ALLOTTED, ISSUED AND FULLY PAID		
100 Ordinary £1 shares	100	100
	==	===
17. SHARE PREMIUM ACCOUNT		
Provision	18336	18336
	=====	=====
18. PENSION COMMITMENTS		
The pension cost charge represents a defined contribution scheme payable and amounted to £1198 (1996 £400).		
19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the financial year	146298	46487
Dividends	(20000)	(32000)
	-----	-----
Net Addition to Shareholders' Funds	126298	14487
Opening Shareholders' Funds	37708	23221
	-----	-----
CLOSING SHAREHOLDERS' FUNDS	164006	37708
	=====	=====
Equity interests	164006	37708
	=====	=====
20. DISCLOSURE OF CONTROL		
The company was under equal control of Mr. M.A. Milward and Mr. C.J. Milward throughout the current and previous year, both of whom hold 50% of the issued share capital.		