

**A J BAKER (GRINDING) LIMITED**

**ABBREVIATED ACCOUNTS**

**YEAR ENDED  
31 AUGUST 1998**

**COMPANY NO:  
1268617**



**A J BAKER (GRINDING) LIMITED**

**AUDITORS' REPORT**

**TO A J BAKER (GRINDING) LIMITED UNDER SECTION 247B OF THE  
COMPANIES ACT 1985**

I have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of the company for the year ended 31 August 1998 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

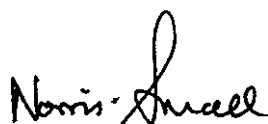
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report my opinion to you.

**Basis of opinion**

I have carried out the procedures I consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



**Norris-Small  
Chartered Accountants and Registered Auditor**

**Birmingham  
2 December 1998**

**A J BAKER (GRINDING) LIMITED**

**ABBREVIATED BALANCE SHEET  
AT 31 AUGUST 1998**

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	2	541,340	545,623
Investments	3	318,050	318,050
		<hr/>	<hr/>
		859,390	863,673
<b>Current assets</b>			
Stock and work in progress		453,519	408,854
Debtors		238,106	196,364
Bank and cash balances		500	500
		<hr/>	<hr/>
		692,125	605,718
<b>Creditors:</b>			
Amounts falling due within one year	4	(460,992)	(423,037)
		<hr/>	<hr/>
<b>Net current assets</b>		231,133	182,681
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,090,523	1,046,354
<b>Creditors:</b>			
Amounts falling due after more than one year	4	(133,612)	(149,235)
<b>Provisions for liabilities and charges</b>		(2,000)	(2,000)
		<hr/>	<hr/>
<b>Net assets</b>		954,911	895,119
		<hr/> <hr/>	<hr/> <hr/>
<b>Equity capital and reserves</b>			
Called up share capital	5	10,000	10,000
Profit and loss account		944,911	885,119
		<hr/>	<hr/>
<b>Equity Shareholders' funds</b>		954,911	895,119
		<hr/> <hr/>	<hr/> <hr/>

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The abbreviated accounts were approved by the Board on 24 December 1998 and signed on its behalf by:

*A. J. Baker.*

**ALAN JOHN BAKER**  
Director

# A J BAKER (GRINDING) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS 31 AUGUST 1998

### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

#### **Turnover**

Turnover consists of the invoiced value (excluding VAT) for goods supplied to third parties.

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future. Provision has also been made for taxation deferred by the roll over of capital gains.

#### **Tangible fixed assets and depreciation**

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold buildings	2% per annum
Plant and machinery	15% per annum
Fixtures and fittings	25% per annum
Motor vehicles	25% per annum

#### **Stocks**

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

#### **Pensions**

The company makes payments to defined contribution pension schemes, and costs are charged against profits as incurred.

**A J BAKER (GRINDING) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
31 AUGUST 1998  
continued**

**2. TANGIBLE ASSETS**

	<b>Total £</b>
<b>Cost</b>	
At 1 September 1997	654,967
Capital expenditure	28,140
Disposals	<u>(18,010)</u>
At 31 August 1998	<u>665,097</u>
<b>Depreciation</b>	
At 1 September 1997	109,344
Charged in year	28,662
Disposals	<u>(14,249)</u>
At 31 August 1998	<u>123,757</u>
<b>Net book value</b>	
At 31 August 1998	<u><u>541,340</u></u>
At 31 August 1997	<u><u>545,623</u></u>

**3. INVESTMENTS**

	<b>1998 £</b>	<b>1997 £</b>
<b>Cost less amounts written off</b>		
At 31 August 1997 and 31 August 1998	<u>318,050</u>	<u>318,050</u>

**4. SECURED LIABILITIES**

The bank borrowings of £213,084 (1997 £308,916) are secured by a fixed charge on the company's freehold and leasehold property, together with a fixed and floating charge over the company's assets. The bank also holds a guarantee for an unlimited amount given by two directors.

**A J BAKER (GRINDING) LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
31 AUGUST 1998  
continued**

**5. SHARE CAPITAL**

	1998 £	1997 £
<b>Authorised</b>		
50,000 ordinary shares of £1 each	50,000	50,000
<b>Allotted and fully paid</b>		
10,000 ordinary shares of £1 each	10,000	10,000

**6. CONTROLLING PARTIES**

The company is controlled by Mr A J Baker and Mrs C E Baker who own 100% of the issued equity shares.