

A J BAKER (GRINDING) LIMITED

ABBREVIATED ACCOUNTS

**YEAR ENDED
31 AUGUST 2004**



**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 2004 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
10 January 2005**

A J BAKER (GRINDING) LIMITED

**ABBREVIATED BALANCE SHEET
AT 31 AUGUST 2004**

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	2	1,134,392	710,087
Investments	3	50,000	50,000
		1,185,392	760,087
Current assets			
Stock and work in progress		118,700	96,540
Debtors		112,497	131,262
Bank and cash balances		14,527	229,295
		245,724	457,097
Creditors:			
Amounts falling due within one year		(122,608)	(203,244)
		123,116	253,853
Net current assets		1,308,508	1,013,940
Total assets less current liabilities			
Creditors:			
Provision for liabilities and charges		(2,000)	(2,000)
		1,306,508	1,011,940
Net assets		1,306,508	1,011,940
Equity capital and reserves			
Called up share capital	4	10,000	10,000
Investment property revaluation reserve		335,871	90,511
Profit and loss account		960,637	911,429
		1,306,508	1,011,940
Equity Shareholders' funds		1,306,508	1,011,940

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 10 January 2005 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 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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.

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. Where appropriate provision is made for any impairment in the depreciated value of fixed assets. 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

Investment properties are accounted in accordance with SSAP 19. The properties are valued annually and the surplus or deficit transferred to the investment property revaluation reserve. Any deficit below original cost is charged to the profit and loss account.

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.

A J BAKER (GRINDING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
31 AUGUST 2004
continued

1. ACCOUNTING POLICIES

Pensions

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

2. TANGIBLE ASSETS

	Total £
Cost	
At 1 September 2003	849,059
Capital expenditure	137,869
Transfers	-
Revaluation	245,360
Disposals	<u>(33,055)</u>
At 31 August 2004	<u>1,199,233</u>
Depreciation	
At 1 September 2003	138,972
Transfers	-
Provided in the year	12,947
Revaluation	(58,189)
Disposals	<u>(29,889)</u>
At 31 August 2004	<u>63,841</u>
Net book value	
At 31 August 2004	<u><u>1,135,392</u></u>
At 31 August 2003	<u><u>710,087</u></u>

A J BAKER (GRINDING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
31 AUGUST 2004
continued

3. INVESTMENTS

	2004	2003
	£	£
At Valuation		
At 1 September 2003	50,000	63,050
Revaluation	-	36,900
Disposals	-	(49,950)
	<hr/>	<hr/>
At 31 August 2004	<u>50,000</u>	<u>50,000</u>

4. SHARE CAPITAL

	2004	2003
	£	£
Authorised		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted and fully paid		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

5. CONTROLLING PARTIES

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