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A J BAKER (GRINDING) LIMITED

ABBREVIATED ACCOUNTS

**YEAR ENDED
31 AUGUST 1999**



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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 1999 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
19 January 2000**

A J BAKER (GRINDING) LIMITED

**ABBREVIATED BALANCE SHEET
AT 31 AUGUST 1999**

| | Note | 1999 £ | 1998 £ |
|---|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 2 | 517,996 | 541,340 |
| Investments | 3 | 318,050 | 318,050 |
| | | 836,046 | 859,390 |
| Current assets | | | |
| Stock and work in progress | | 410,755 | 453,519 |
| Debtors | | 98,449 | 238,106 |
| Bank and cash balances | | 12,085 | 500 |
| | | 521,289 | 692,125 |
| Creditors: | | | |
| Amounts falling due within one year | 4 | (252,274) | (460,992) |
| Net current assets | | 269,015 | 231,133 |
| Total assets less current liabilities | | 1,105,061 | 1,090,523 |
| Creditors: | | | |
| Amounts falling due after more than one year | 4 | (152,855) | (133,612) |
| Provisions for liabilities and charges | | (2,000) | (2,000) |
| Net assets | | 950,206 | 954,911 |
| Equity capital and reserves | | | |
| Called up share capital | 5 | 10,000 | 10,000 |
| Profit and loss account | | 940,206 | 944,911 |
| Equity Shareholders' funds | | 950,206 | 954,911 |

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 19 January 2000 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 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

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 1999
continued**

2. TANGIBLE ASSETS

| | Total £ |
|-----------------------|-----------------------|
| Cost | |
| At 1 September 1998 | 665,097 |
| Capital expenditure | <u>618</u> |
| At 31 August 1999 | <u>665,715</u> |
| Depreciation | |
| At 1 September 1998 | 123,757 |
| Provided in the year | <u>23,962</u> |
| At 31 August 1999 | <u>147,719</u> |
| Net book value | |
| At 31 August 1999 | <u><u>517,996</u></u> |
| At 31 August 1998 | <u><u>541,340</u></u> |

3. INVESTMENTS

| | 1999 £ | 1998 £ |
|--------------------------------------|-------------------|-------------------|
| Cost less amounts written off | | |
| At 31 August 1998 and 31 August 1999 | <u>318,050</u> | <u>318,050</u> |

4. SECURED LIABILITIES

The bank borrowings of £213,440 (1998 £213,084) 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 1999

continued

5. SHARE CAPITAL

| | 1999 | 1998 |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| Authorised | | |
| 50,000 ordinary shares of £1 each | 50,000 | 50,000 |
| Allotted and fully paid | | |
| 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.