

A J BAKER (GRINDING) LIMITED

ABBREVIATED ACCOUNTS

**YEAR ENDED
31 AUGUST 2002**



**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 2002 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
12 December 2002**

A J BAKER (GRINDING) LIMITED

**ABBREVIATED BALANCE SHEET
AT 31 AUGUST 2002**

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	2	796,012	630,782
Investments	3	63,050	63,050
		859,062	693,832
Current assets			
Stock and work in progress		153,543	296,538
Debtors		96,921	121,777
Bank and cash balances		500	500
		250,964	418,815
Creditors:			
Amounts falling due within one year	4	(180,702)	(210,091)
Net current assets		70,262	208,724
Total assets less current liabilities		929,324	902,556
Creditors:			
Amounts falling due after more than one year	4	(56,253)	(77,698)
Provision for liabilities and charges		(3,000)	-
Net assets		870,071	824,858
Equity capital and reserves			
Called up share capital	5	10,000	10,000
Investment property revaluation reserve		11,254	-
Profit and loss account		848,817	814,858
Equity Shareholders' funds		870,071	824,858

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 12 December 2002 and signed on its behalf by:

ALAN JOHN BAKER
Director

A. J. Baker

A J BAKER (GRINDING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS 31 AUGUST 2002

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 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. 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

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 2002
continued**

2. TANGIBLE ASSETS

	Total £
Cost	
At 1 September 2001	808,472
Capital expenditure	174,246
Revaluation	11,254
Disposals	<u>(22,500)</u>
 At 31 August 2002	 <u>971,522</u>
Depreciation	
At 1 September 2001	177,690
Provided in the year	19,320
Disposals	<u>(21,500)</u>
 At 31 August 2002	 <u>175,510</u>
Net book value	
At 31 August 2002	<u><u>796,012</u></u>
 At 31 August 2001	 <u><u>630,782</u></u>

3. INVESTMENTS

	2002 £	2001 £
Cost less amounts written off		
At 1 September 2001 and 31 August 2002	<u>63,050</u>	<u>63,050</u>

4. SECURED LIABILITIES

The bank borrowings of £104,465 (2000 £138,855) 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 2002

continued

5. SHARE CAPITAL

	2002 £	2001 £
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.