

A J BAKER (GRINDING) LIMITED

ABBREVIATED ACCOUNTS

**YEAR ENDED
31 AUGUST 2003**



**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 2003 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
15 January 2004**

A J BAKER (GRINDING) LIMITED

**ABBREVIATED BALANCE SHEET
AT 31 AUGUST 2003**

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	2	710,087	796,012
Investments	3	50,000	63,050
		760,087	859,062
Current assets			
Stock and work in progress		96,540	153,543
Debtors		131,262	96,921
Bank and cash balances		229,295	500
		457,097	250,964
Creditors:			
Amounts falling due within one year	4	(203,244)	(180,702)
Net current assets		253,853	70,262
Total assets less current liabilities		1,013,940	929,324
Creditors:			
Amounts falling due after more than one year	4	-	(56,253)
Provision for liabilities and charges		(2,000)	(3,000)
Net assets		1,011,940	870,071
Equity capital and reserves			
Called up share capital	5	10,000	10,000
Investment property revaluation reserve		90,511	11,254
Profit and loss account		911,429	848,817
Equity Shareholders' funds		1,011,940	870,071

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 15 January 2004 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 2003

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 2003
continued**

2. TANGIBLE ASSETS

	Total £
Cost	
At 1 September 2002	971,522
Capital expenditure	133,677
Revaluation	42,357
Disposals	<u>(298,497)</u>
At 31 August 2003	<u>849,059</u>
Depreciation	
At 1 September 2002	175,510
Provided in the year	17,712
Disposals	<u>(54,250)</u>
At 31 August 2003	<u>138,972</u>
Net book value	
At 31 August 2003	<u><u>710,087</u></u>
At 31 August 2002	<u><u>796,012</u></u>

3. INVESTMENTS

	2003 £
At valuation	
At 1 September 2002	63,050
Revaluation	36,900
Disposals	<u>(49,950)</u>
At 31 August 2003	<u><u>50,000</u></u>

A J BAKER (GRINDING) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
31 AUGUST 2003
continued**

4. SECURED LIABILITIES

The bank borrowings of £Nil (2002 £104,465) 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.

5. SHARE CAPITAL

	2003 £	2002 £
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.