

A A J ENGINEERING LIMITED
ACCOUNTS FOR THE YEAR ENDED
28TH FEBRUARY 2003

J. LOCHHEAD & CO

1 The Granary
Central Buildings
High Street
Wombourne
South Staffs
WV5 9DN



A.A.J. ENGINEERING LIMITED

DIRECTORS	-	A.L. Smith J.C. Donnelly
SECRETARY	-	J.C. Donnelly
REGISTERED OFFICE	-	Unit 18 Heaton House Camden Street Hockley Birmingham
REGISTERED NUMBER	-	1989949

REPORT AND ACCOUNTS 28TH FEBRUARY 2003

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		The Following pages do not form part of the statutory accounts :
	10	Detailed Profit and loss account.
	11	Notes to the detailed profit and loss account

A.A.J. ENGINEERING LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 28TH FEBRUARY 2003

The Directors present their report and the financial statements for the year ended 28th February 2003.

Principal Activities

The Principal Activity of the Company during the year continued to be that of General Engineering

The results for the year are on page 3.

The Directors consider the Companies financial affairs to be satisfactory.

Dividends

The Directors have paid a dividend of £2000 during the year.

Fixed Assets

Details of movements in fixed assets are set out in note (8) to the financial statements.

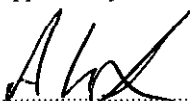
Directors

The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital was as follows :-

	<u>Ordinary £1 Shares</u>	
	<u>At Commencement</u>	<u>At Year End</u>
A.L. Smith -	45	45
J.C. Donnelly -	45	45
	-----	-----
	90	90
	-----	-----

These accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small Companies and in accordance with the Financial Reporting Standard for Smaller Entities.

This report was approved by the board on **26th November** 2003 and signed on its behalf.


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A. L. Smith
Director

A. A. J. ENGINEERING LIMITED

STATEMENTS OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :-

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the preparation and detection of fraud and other irregularities.

A. A. J. ENGINEERING LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 28TH FEBRUARY 2003

	<u>2003</u>	<u>2002</u>
Turnover	143113	132076
Cost of Sales	60164	59973
	-----	-----
Gross Profit	82949	72103
Administrative Expenses	65864	68035
	-----	-----
Operating Profit	17085	4068
Interest Payable	16	374
	-----	-----
Profit on Ordinary activities before taxation	17069	3694
Taxation on profit on ordinary activities	78	-
	-----	-----
Profit on ordinary activities after taxation	16991	3694
Dividend	2000	2700
	-----	-----
Profit for the year	14991	994
Retained profit brought forward	31499	30505
	-----	-----
Retained profit carried forward	46490	31499
	-----	-----

There were no recognised gains and losses for 2003 and 2002 other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these accounts.

A. A. J. ENGINEERING LIMITED

BALANCE SHEET AS AT 28TH FEBRUARY 2003

	<u>Note</u>	<u>2003</u>	<u>2002</u>
<u>FIXED ASSETS</u>			
Tangible assets	(8)	9218	8155
<u>CURRENT ASSETS</u>			
Stock & Work in Progress	(9)	1060	1435
Debtors	(10)	51039	52191
Cash at Bank	(20)	13025	4016
		-----	-----
		65124	57642
		-----	-----
<u>Less CREDITORS : Amounts</u>			
<u>falling due within one year.</u>			
Corporation Tax	(6)	78	-
Creditors	(11)	15514	17527
Directors	(18)	12170	16681
		-----	-----
		27762	34208
		-----	-----
NET CURRENT ASSETS		37362	23434
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		46580	31589
		-----	-----
<u>Less CREDITORS : Amounts</u>			
<u>Falling due after more than one year</u>			
Hire Purchase		-	-
		-----	-----
		46580	31589
		-----	-----
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	(14)	90	90
Profit & Loss Account		46490	31499
		-----	-----
Shareholders Funds - All equity	(16)	46580	31589
		-----	-----

The notes on pages 6 - 9 form part of these accounts.

A. A. J. ENGINEERING LIMITED

BALANCE SHEET AS AT 28TH FEBRUARY 2003 CONTINUED

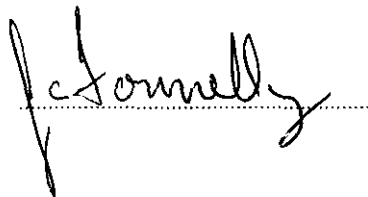
The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no members have requested an audit pursuant of subsection (2) 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibilities for :

1. ensuring that the company keeps accounting records which comply with section 221; and
2. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with requirements of this Act relating to accounts, so far as applicable to the company.

The Financial Statements which have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 applicable to Small Companies, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the board on 26th November 2003 and signed on its behalf.

J. Donnelly
Director

A handwritten signature in dark ink, appearing to read 'J. Donnelly', is written over a horizontal dotted line.

The notes on pages 6 - 9 form part of these accounts.

A. A. J. ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

1 ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the directors report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Plant & Machinery	25%	reducing balance
Motor Vehicle	25%	reducing balance

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss accounts so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rental applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Research and development

Expenditure on research and development is written off in the year that it is incurred.

A. A. J. ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

1.8 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of directors there is a reasonable probability that a liability or asset will crystallise in the near future.

1.10 Pensions

The company does not operate a pension scheme.

2 Operating Profit

The operating profit is stated after charging :	<u>2003</u>	<u>2002</u>
Depreciation of Fixed Assets	3072	4182
Profit on asset disposal	1166	335

4 Directors Remuneration

Emoluments for services as directors	38710	38207
--------------------------------------	-------	-------

5 Capital Commitments

There were no capital commitments at the accounting date (2002 -)

6 Taxation

UK Corporation Tax at 10%	78	-
	78	0

7 Dividends

2000	2700
------	------

8 FIXED ASSETS

	<u>Motor Van</u>	<u>Plant & M/C</u>	<u>Total</u>
<u>Cost</u>			
As at 1st March 2002	8800	46024	54824
Addition	6140	201	6341
Disposal	8800	-	8800
	6140	46225	52365
<u>Depreciation</u>			
As at 1st March 2002	6594	40075	46669
Charge for the year	1535	1537	3072
Written back	6594	-	6594
	1535	41612	43147
<u>Net Book Value</u>			
2003	4605	4613	9218
2002	2206	5949	8155

Included in motor vans is a vehicle subject to a Hire Purchase agreement with a NBV of £ - (£2406) and depreciation charged for the year £ - (£801)

A. A. J. ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

9	<u>Stock and Work in Progress</u>	<u>2003</u>	<u>2002</u>
	Stock	1060	1435
		-----	-----
		1060	1435
		-----	-----
10	<u>Debtors</u>		
	All due within one year		
	Trade	48391	5127
	Prepayments	2648	914
		-----	-----
		51039	6041
		-----	-----
11	<u>Creditors Amounts falling due within one year</u>		
	Trade Creditors	6047	8834
	Social Security & Taxes	7132	5864
	Hire Purchase	-	547
	Accruals	2335	2280
		-----	-----
		15514	17525
		-----	-----
12	<u>Creditors amounts falling due after more than one year</u>		
	Hire Purchase	-	-
		-----	-----
13	<u>Deferred Taxation</u>		

No provision is made for deferred taxation

The additional potential liability for deferred taxation is as follows :-

Accelerated Capital Allowances £297 (2002 -£1633)

A. A. J. ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2003

14 **Called up Share Capital**

Authorised

Ordinary Shares of £1 each 5000

Issued

Ordinary Shares of £1 90

15 **Contingent Liabilities**

The company had no contingent liabilities at the accounting date (2002 -)

16 **Movement on Shareholders Funds**

	<u>2003</u>	<u>2002</u>
Profit for the year	16991	3694
Dividend	-2000	-2700
Opening shareholders funds	31589	30595
	-----	-----
Closing shareholders funds	46580	31589
	-----	-----

17 **Interest Payable**

On Bank Loans and Overdrafts

Repayable within 5 years not by instalments	16	374
	-----	-----

18 **Directors Loan Account**

During the year private payments have been made on behalf of the Directors amounting to £5744 (£522-02)

The Directors have paid for items on the companys behalf amounting to £1233 (£1124-02)

19 **During the year**

The company has paid rental income for the premises amounting to £10200 (£10200) to Mrs J Donnelly the wife of one of the directors.

20 **Cash at Bank**

The Bank overdraft is secured by the personal guarantees of the directors.