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**CARTEL CUTTING EQUIPMENT LIMITED**

**Abbreviated Accounts**  
**for the year ended 31st July 2003**

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Company Registered Number - 2251852



**Auditors' Report to Cartel Cutting Equipment Limited**

**Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 4 together with the full statutory accounts of the Company for the year ended 31st July 2003 prepared under Section 226 of the Companies Act 1985.

**Respective Responsibilities of the Directors and Auditors**

The Directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our 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 our opinion to you.

**Basis of Opinion**

We have carried out the procedures we consider necessary to confirm by reference to the accounts, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory accounts.

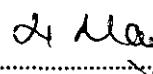
**Opinion**

In our 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 4 are properly prepared in accordance with those provisions.



Porter Garland

Chartered Accountants  
Registered Auditor



2004

Portland House  
Park Street  
Bagshot  
Surrey

**CARTEL CUTTING EQUIPMENT LIMITED**

**Abbreviated Balance Sheet: 31st July 2003**

<b><u>Fixed Assets</u></b>	<b><u>Note</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Tangible assets	1	64,602	79,066
Investment		3,173	-
		-----	-----
		67,775	79,066
 <b><u>Current Assets</u></b>			
Stock		131,377	161,156
Debtors		248,899	288,740
Cash at bank and in hand		72,370	14,882
		-----	-----
		452,646	464,778
 <b><u>Creditors: Amounts Falling Due Within One Year</u></b>		 319,669	 344,777
		-----	-----
<b><u>Net Current Assets</u></b>		132,977	120,001
		-----	-----
<b><u>Total Assets less Current Liabilities</u></b>		200,752	199,067
		-----	-----
 <b><u>Creditors: Amounts Falling Due After More Than One Year</u></b>	2	 2,884	 15,736
		-----	-----
		£ 197,868	£ 183,331
		=====	=====
 <b><u>Capital and Reserves</u></b>			
Called up share capital	3	16	16
Profit and loss account		197,852	183,315
		-----	-----
		£ 197,868	£ 183,331
		=====	=====

The abbreviated accounts have been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of  
the Board of Directors

  
.....

K.J. Walters  
Director

Approved by the Board on ..... 21st May ..... 2004.

The notes on page 4 form an integral part of these accounts.

## CARTEL CUTTING EQUIPMENT LIMITED

### Accounting Policies

for the year ended 31st July 2003

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b) Cash Flow

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement.

c) Turnover

Turnover represents net invoiced sales of goods and services, excluding VAT.

d) Tangible Fixed Assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:-

Furniture, Fixtures and Fittings	15% on cost
Motor Vehicles	25% on cost
Plant and Machinery	15% on cost

e) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

f) Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised when assets are revalued unless, by the balance sheet date, the Company has entered into a binding agreement to sell the assets and recognised the gains and losses expected to arise on sale or where assets have been sold and it is expected that the taxable gain will be rolled over into a replacement asset.

g) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

h) Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. 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 account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

i) Pension Costs

Contributions in respect of the Company's pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

# CARTEL CUTTING EQUIPMENT LIMITED

## Notes to the Abbreviated Accounts

for the year ended 31st July 2003

1. <u>Fixed Assets</u>	<u>Tangible Fixed Assets</u>	<u>Intangible Fixed Assets</u>	<u>Total</u>
<u>Cost or Valuation</u>			
At 1st August 2002	221,663	3,530	225,193
Additions	8,936	-	8,936
<u>At 31st July 2003</u>	<u>£ 230,599</u>	<u>3,530</u>	<u>234,129</u>
<u>Depreciation</u>			
At 1st August 2002	142,597	3,530	146,127
Charge for year	23,400	-	23,400
<u>At 31st July 2003</u>	<u>£ 165,997</u>	<u>3,530</u>	<u>169,527</u>
<u>Written Down Amount as at 31st July 2003</u>	<u>£ 64,602</u>	<u>-</u>	<u>64,602</u>
<u>Written Down Amount as at 31st July 2002</u>	<u>£ 79,066</u>	<u>-</u>	<u>79,066</u>

2. <u>Creditors</u>	<u>2003</u>	<u>2002</u>
Creditors include the following:-		
Repayable by instalments:-		
Due within five years	<u>£ 2,884</u>	<u>£ 15,736</u>
Due after five years	<u>£ -</u>	<u>£ -</u>

3. <u>Called Up Share Capital</u>		
Authorised		
10,000 ordinary shares of £1 each	<u>£ 10,000</u>	<u>£ 10,000</u>
Issued and fully paid		
16 ordinary shares of £1 Each	<u>£ 16</u>	<u>£ 16</u>

## 4. Transactions Involving Directors

During the year the Company purchased goods and services to the value of £627,294 (2002: £534,425) from Jo-At Limited, a company in which K.J. Walters is materially interested as a shareholder. At 31st July 2003, the Company owed Jo-At Limited £180,707 (2002: £171,452) in respect of these goods and services.