

ABRASIVES DIRECT LIMITED

COMPANY NUMBER 04214242

COMPANY REGISTERED IN ENGLAND AND WALES

ABBREVIATED STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2004

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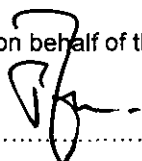
ABRASIVES DIRECT LIMITED
ABBREVIATED BALANCE SHEET AS AT 31ST MARCH 2004

		<u>2004</u>		<u>2003</u>	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		86,916		-
Current assets					
Stock and work in progress		174,256		10,279	
Debtors and prepayments		458,562		8,232	
		632,818		18,511	
Creditors: amounts falling due within one year	3	648,972		15,507	
Net current (liabilities)/assets			(16,154)		3,004
			70,762		3,004
Creditors: amounts falling due after more than one year	3		(37,805)		-
Provision for liabilities and charges	4		(6,254)		-
Net assets			26,703		3,004
<u>Capital and reserves</u>					
Called up share capital	5		100		100
Profit and loss account			26,603		2,904
Shareholders' funds			26,703		3,004

For the financial year ended 31st March 2004, the company was entitled to exemption from audit under 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

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

Signed on behalf of the board of directors



..... Mr J C Toms - Director

Approved by the board on
28th February 2005

ABRASIVES DIRECT LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2004****1. Accounting Policies****a Basis of accounting**

The accounts have been prepared in accordance with the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective June 2002).

b Turnover

Turnover represents net invoiced sales of goods, exclusive of value added tax.

c Tangible fixed assets

Depreciation is provided for in order to write off the cost of the tangible fixed assets over their anticipated useful lives. The principal annual rates used for this are as follows:-

Plant & machinery	15% reducing balance
Computer system	25% reducing balance
Fixtures and fittings	25% reducing balance

d Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

e Deferred taxation

Under the Financial Reporting Standard for Smaller Entities (effective June 2002) deferred tax is required to be provided for in full on timing differences which result in an obligation to pay more tax at a future date or dates. Deferred taxation arising from claims for capital allowances for corporation tax purposes being made in advance of the writing off of equivalent amounts of depreciation in the financial accounts are calculated at the corporation tax rate expected at the time of reversal.

f Invoice Discounting

The company has an invoice discounting facility with HSBC Invoice Finance Limited. The significant benefits and risks relating to the discounted invoices remains with Abrasives Direct Limited. Accordingly the discounted trade debts and the liability owing to HSBC Invoice Finance Limited are shown gross on the balance sheet.

ABRASIVES DIRECT LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2004

2. Fixed Assets

	<u>Tangible Fixed Assets</u>	<u>Total</u>
	£	£
<u>COST</u>		
Cost at 01.04.2003	-	-
Additions	91,609	91,609
	-----	-----
Cost at 31.03.2004	91,609	91,609
	-----	-----
 <u>DEPRECIATION</u>		
Depreciation at 01.04.2003	-	-
Depreciation for the year	4,693	4,693
	-----	-----
Depreciation at 31.03.2004	4,693	4,693
	-----	-----
 Net book value 31.03.2004	86,916	86,916
	-----	-----
Net book value 01.04.2003	-	-
	-----	-----

3. Creditors

Creditors include the following:

	<u>2004</u>	<u>2003</u>
	£	£
Bank loans:		
Repayable within five years	15,692	-
Repayable after five years	24,308	-
	-----	-----
	40,000	-
	-----	-----

Creditors also include a bank overdraft of £10,553, (2003 - £1,761). The bank overdraft and loan are secured.

4. Deferred taxation

Deferred taxation arising from claims for capital allowances for corporation tax purposes being made in advance of the writing off of equivalent amounts of depreciation in the financial accounts, calculated at a corporation tax rate of 19 %, has been provided for as follows :

	<u>2004</u>	<u>2003</u>
	£	£
Deferred taxation provision at 31.03.2003	-	-
Movement in provision in the year ended 31.03.2004	6,254	-
	-----	-----
Deferred taxation provision at 31.03.2004	6,254	-
	-----	-----

ABRASIVES DIRECT LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2004

5. Share Capital

	<u>2004</u>	<u>2003</u>
	£	£
<u>Authorised</u>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Allotted, called up and fully paid</u>		
Ordinary shares of £1 each fully paid	<u>100</u>	<u>100</u>

6. Related Party Transactions

The company is controlled by Mr J C Toms together with his wife Mrs F C Toms.

During the year the company also undertook transactions with Mackenzie Coating and Finishing Limited, a company in which J C Toms and F C Toms are interested as directors and shareholders. Abrasives Direct Limited recharged expenses of £16,920 to Mackenzie Coating and Finishing Limited during the year and the balance due from this company at the year-end was £16,920. Abrasives Direct Limited also purchased goods and services from Mackenzie Coating and Finishing Limited during the year amounting to £173,400. The balance due to Mackenzie Coating and Finishing Limited in this respect at the year-end was £41,857. These transactions were on a normal commercial basis.

During the year the company also undertook transactions with JG Naylor & Co Limited, a company in which J C Toms and F C Toms are interested as directors and shareholders. Abrasives Direct Limited also purchased goods and services from JG Naylor & Co Limited during the year amounting to £10,602. The balance due to JG Naylor & Co Limited in this respect at the year-end was £3,839. These transactions were on a normal commercial basis.