

COMPANY REGISTRATION NUMBER 00502384



A. & E. BAINES LIMITED
ABBREVIATED ACCOUNTS
31 DECEMBER 2004

LITHGOW PERKINS LLP
Chartered Accountants
Crown Chambers
Princes Street
Harrogate

A. & E. BAINES LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2004

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A. & E. BAINES LIMITED

**ACCOUNTANTS' REPORT TO THE DIRECTORS OF A. & E. BAINES
LIMITED**

YEAR ENDED 31 DECEMBER 2004

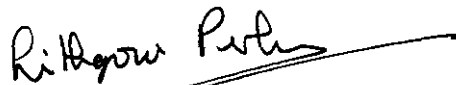
In accordance with the engagement letter dated 14 February 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet for the year ended 31 December 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



LITHGOW PERKINS LLP
Chartered Accountants

Crown Chambers
Princes Street
Harrogate

3 March 2005

A. & E. BAINES LIMITED
ABBREVIATED BALANCE SHEET
31 DECEMBER 2004

	Note	2004 £	2003 £
FIXED ASSETS	2		
Tangible assets		<u>1,806,494</u>	<u>1,607,464</u>
CURRENT ASSETS			
Debtors		59,516	9,220
Cash at bank and in hand		147,782	15,710
		<u>207,298</u>	<u>24,930</u>
CREDITORS: Amounts falling due within one year	3	78,994	63,780
NET CURRENT ASSETS/(LIABILITIES)		<u>128,304</u>	<u>(38,850)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,934,798</u>	<u>1,568,614</u>
CREDITORS: Amounts falling due after more than one year	4	-	58,197
		<u>1,934,798</u>	<u>1,510,417</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	33,000	33,000
Share premium account		63,000	63,000
Revaluation reserve		1,478,425	1,163,971
Profit and loss account		360,373	250,446
SHAREHOLDERS' FUNDS		<u>1,934,798</u>	<u>1,510,417</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 the requirements of the Act relating to financial statements, so far as applicable to the company.

The Balance sheet continues on the following page.
The notes on pages 5 to 8 form part of these abbreviated accounts.

A. & E. BAINES LIMITED

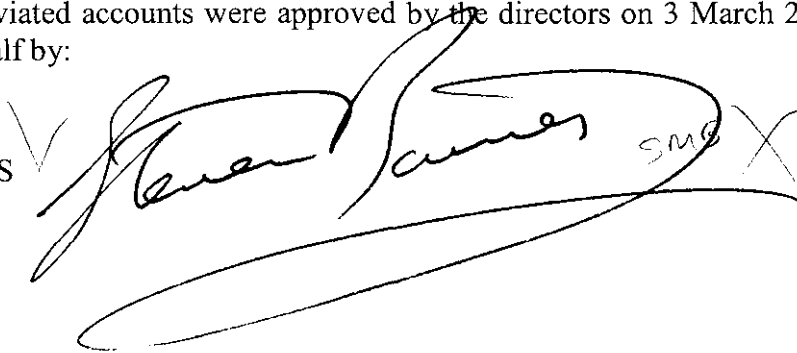
ABBREVIATED BALANCE SHEET *(continued)*

31 DECEMBER 2004

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 3 March 2005 and are signed on their behalf by:

S M BAINES

A handwritten signature in black ink, appearing to read 'Steven James', is written over a large, horizontal, oval-shaped scribble. To the right of the signature, the letters 'SMB' are written, followed by a large 'X'.

The notes on pages 5 to 8 form part of these abbreviated accounts.

A. & E. BAINES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% straight line
Motor Vehicles	- 25% reducing balance

Investment properties

No depreciation is provided on investment properties in accordance with Statement of Standard Accounting Practice No. 19. This constitutes a departure from the Companies Act 1985, and as such the profit for the year is stated higher than it would have been if the full requirements of the Companies Act had been followed. The reasoning behind not providing for any depreciation in the year is that the property is subject to an annual valuation by the company's directors in accordance with UK GAAP.

A. & E. BAINES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES *(continued)*

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

A. & E. BAINES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2004

2. FIXED ASSETS

	Tangible Assets £
COST OR VALUATION	
At 1 January 2004	1,634,981
Additions	1,073
Disposals	(131,150)
Revaluation	331,150
At 31 December 2004	<u><u>1,836,054</u></u>
DEPRECIATION	
At 1 January 2004	27,517
Charge for year	2,043
At 31 December 2004	<u><u>29,560</u></u>
NET BOOK VALUE	
At 31 December 2004	<u><u>1,806,494</u></u>
At 31 December 2003	<u><u>1,607,464</u></u>

In accordance with Statement of Standard Accounting Practice No. 19 the freehold properties were valued by the directors at their open market value. The historical cost of land and buildings at 31 December 2004 was £321,574 (2003 £436,029).

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004 £	2003 £
Bank loans and overdrafts	-	5,000
Hire purchase agreements	-	2,333
	<u>-</u>	<u>7,333</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2004 £	2003 £
Bank loans and overdrafts	-	58,197
	<u>-</u>	<u>58,197</u>

A. & E. BAINES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2004

4. CREDITORS: Amounts falling due after more than one year *(continued)*

Included within creditors falling due after more than one year is an amount of £Nil (2003 - £38,197) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

5. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
35,000 Ordinary shares of £1 each	<u>35,000</u>	<u>35,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>	<u>33,000</u>