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ACORN WORKS LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2002



ACORN WORKS LIMITED

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**ACCOUNTANTS' REPORT ON THE UNAUDITED ABBREVIATED
ACCOUNTS TO THE DIRECTORS OF
ACORN WORKS LIMITED**

As described on the Abbreviated Balance Sheet you are responsible for the preparation of the financial statements for the year ended 31 August 2002 and you consider that the company is exempt from audit under section 249A(1) of the Companies Act 1985.

In accordance with your instructions we have prepared the abbreviated accounts, which comprise the Abbreviated Balance Sheet and the related notes, in order to assist you to fulfil your statutory responsibilities, from the unaudited financial statements prepared for shareholders.


PKF

Great Yarmouth, UK
7 February 2003

PKF

ACORN WORKS LIMITED
ABBREVIATED BALANCE SHEET
31 AUGUST 2002

		2002	2001
	Notes	£	£
FIXED ASSETS			
Tangible	2	18,689	3,767
CURRENT ASSETS			
Stocks		4,024	3,316
Debtors		193,393	57,604
Cash at bank and in hand		-	23,648
		<u>197,417</u>	<u>84,568</u>
CREDITORS: amounts falling due within one year	3	(166,276)	(67,172)
NET CURRENT ASSETS		<u>31,141</u>	<u>17,396</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>49,830</u>	<u>21,163</u>
CREDITORS: amounts falling due after more than one year	3	(5,398)	-
PROVISIONS FOR LIABILITIES AND CHARGES		(2,051)	-
NET ASSETS		<u><u>42,381</u></u>	<u><u>21,163</u></u>
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		42,281	21,063
		<u>42,381</u>	<u>21,163</u>

The company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with subsection (2) of section 249B.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company 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 abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Act relating to small companies.

The abbreviated accounts were approved by the board on 28 JANUARY 2003

Signed on behalf of the board of directors

P A Goodman

Director

C H Mills

Director

ACORN WORKS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2002

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

(b) Turnover

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

(c) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	25 % Reducing balance
Computer equipment	25 % Reducing balance
Motor vehicles	25 % Reducing balance

(d) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) Deferred taxation

Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Deferred tax assets are only recognised 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.

ACORN WORKS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 2002

2 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 September 2001	5,970
Additions	16,693
	<u>22,663</u>
At 31 August 2002	<u>22,663</u>
Depreciation	
At 1 September 2001	2,203
Charge for the year	1,771
	<u>3,974</u>
At 31 August 2002	<u>3,974</u>
Net book amount	
At 31 August 2002	<u>18,689</u>
At 31 August 2001	<u>3,767</u>

3 CREDITORS

Creditors amounting to **£25,163** (2001 - £NIL) are secured.

4 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 September 2001 and 31 August 2002 Ordinary shares of £1 each	<u>1,000</u>	<u>100</u>	<u>100</u>