

AVONBAR LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999





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**AUDITORS' REPORT TO AVONBAR LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 3 to 5, together with the financial statements of the company for the year ended 31 December 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of 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 considered necessary to confirm, by reference to the financial statements, 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 financial statements.

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 3 to 5 are properly prepared in accordance with those provisions.

Other information

On 3 October 2000 we reported, as auditors of AVONBAR LIMITED, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1999, and our audit report was as follows:

"We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**AUDITORS' REPORT TO AVONBAR LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

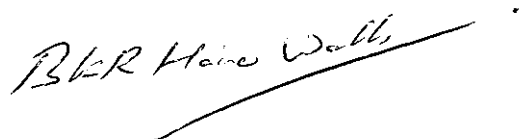
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited as we did not attend the stocktake and in consequence we were unable to carry out audit procedures necessary to obtain adequate assurance regarding the quantity and valuation of stock of £48,000 carried in the balance sheet at 31 December 1999. There were no other satisfactory audit procedures that we could adopt to confirm that stock was properly recorded in terms of quantity and valuation.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence regarding the existence and valuation of stock, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to stock:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained. "



BKR Haines Watts

3 October 2000

**Registered Auditors and
Chartered Accountants**

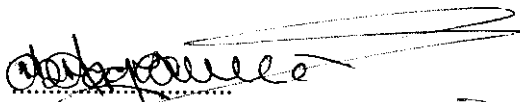
30 Camp Road
Farnborough
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GU14 6EW

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 1999**

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	2		3,236		178,807
Current assets					
Stocks		48,000		81,230	
Debtors		180,852		2,923	
Cash at bank and in hand		879		-	
		229,731		84,153	
Creditors: amounts falling due within one year	3	(124,663)		(88,990)	
Net current assets/(liabilities)			105,068		(4,837)
Total assets less current liabilities			108,304		173,970
Creditors: amounts falling due after more than one year			-		(32,957)
			108,304		141,013
Capital and reserves					
Called up share capital	4		2		2
Revaluation reserve			1,986		131,961
Profit and loss account			106,316		9,050
Shareholders' funds			108,304		141,013

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

The financial statements were approved by the board on 25.9.00 and signed on its behalf by


H I Hargreaves
Director

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999**

1 Accounting Policies**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities.

The company has taken advantage of the exemption from the requirement to produce a cashflow statement.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings (Freehold)	Straight line over forty five years
Plant and machinery	15% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.4 Stock

Stock is valued at the lower of cost and net realisable value and based on the directors' estimate.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24. The assets of the scheme are held in a separately administered fund.

1.6 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999**
2 Fixed assets

	Tangible assets £
Cost or valuation	
At 1 January 1999	189,854
Disposals	(175,000)
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At 31 December 1999	14,854
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Depreciation	
At 1 January 1999	11,047
On disposals	(3,889)
Charge for the year	4,460
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At 31 December 1999	11,618
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Net book value	
At 31 December 1999	3,236
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At 31 December 1998	178,807
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3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £70,869 (1998 - £28,766). This is included within creditors due within one year.

4 Share capital	1999 £	1998 £
Authorised		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>