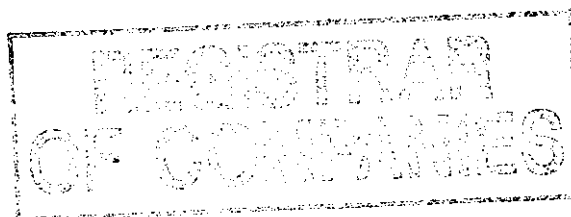


Knipe Whiting Heath

Chartered Certified Accountants



DOUGHTY BROTHERS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000



Knipe Whiting Heath

Chartered Certified Accountants

AUDITORS' REPORT TO DOUGHTY BROTHERS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 to 5 together with the financial statements of Doughty Brothers Limited for the year ended 30th June 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements 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 procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

Knipe Whiting Heath

Chartered Certified Accountants and Registered Auditors

Market Chambers

1 Blackfriars Street

Hereford

HR4 9HS

Date: 30 October 2000

KG Whiting Heath

Knipe Whiting Heath

Chartered Certified Accountants

DOUGHTY BROTHERS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 30TH JUNE 2000

	Notes	2000	1999
		£	£
Fixed assets	2		
Tangible fixed assets		8,028	10,313
Current assets			
Stock		178,639	180,009
Debtors		5,737	15,343
Cash at bank and in hand		19,694	19,114
		<u>204,070</u>	<u>214,466</u>
Creditors: amounts falling due within one year		<u>(113,206)</u>	<u>(126,118)</u>
Net current assets		90,864	88,348
Total assets less current liabilities		<u>98,892</u>	<u>98,661</u>
Capital and reserves			
Share capital	3	17,800	17,800
Other reserves		12,400	12,400
Profit and loss account		68,692	68,461
Shareholders' funds		<u>98,892</u>	<u>98,661</u>

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

These abbreviated financial statements were approved by the board on 27 October 2000 and signed on its behalf.


J E H Doughty
Director

Knipe Whiting Heath

Chartered Certified Accountants

DOUGHTY BROTHERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

1 Accounting policies

Basis of accounting

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

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation, less any residual value, over their estimated useful lives as follows:

Leasehold property improvements	20% reducing balance basis
Motor vehicles	20% reducing balance basis
Fixtures and fittings	25% straight line basis

Depreciation on leasehold property is provided by equal annual instalments calculated to write off the cost over its estimated useful life.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost is ascertained on the basis consistent with previous years.

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.

Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating leases

Rentals paid under operating leases are charged to income as incurred.

Knipe Whiting Heath

Chartered Certified Accountants

DOUGHTY BROTHERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

2 Fixed assets

	Tangible fixed assets £	Total £
Cost		
At 1st July 1999	41,448	41,448
Additions	868	868
At 30th June 2000	42,316	42,316
Depreciation and amortisation		
At 1st July 1999	31,135	31,135
Charge for the year	3,153	3,153
At 30th June 2000	34,288	34,288
Net book value		
At 30th June 2000	8,028	8,028
<i>At 30th June 1999</i>	<i>10,313</i>	<i>10,313</i>

3 Share capital

	2000 £	1999 £
Authorised		
12,500 Ordinary shares of £1.00 each	12,500	12,500
12,500 Deferred ordinary shares of £1.00 each	12,500	12,500
	25,000	25,000
Allotted		
8,900 Allotted, called up and fully paid ordinary shares of £1.00 each	8,900	8,900
8,900 Allotted, called up and fully paid deferred ordinary shares of £1.00 each	8,900	8,900
	17,800	17,800

The deferred ordinary shares have no rights to a distribution of profits in any financial year ending 31 December 2002. They are irredeemable and have no voting rights. On a return of assets in a liquidation or otherwise the deferred shareholders will be paid the amount paid up on such shares.

Knipe Whiting Heath

Chartered Certified Accountants

DOUGHTY BROTHERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000

4 Transactions with directors

Creditors include the following amounts which are owed to the directors of the company :

J E H and Mrs R M Doughty	£9,710
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The company occupies premises owned by the directors of the company. The annual rent of the property is £6,000 (1999: £6,000). At the year end £665 was owed to the directors.