WILLIAM ASTLEY & COMPANY LIMITED DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002



COMPANY INFORMATION

Directors

R P Bentley

C S Bentley

Secretary

R P Bentley

Company number

142414

Registered office

Llanfair Farm Clifford Hereford HR3 5EX

Accountants

King, Morter, Proud & Co

Kings Arms Vaults, Watton

Brecon Powys LD3 7EF

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2002

The directors present their report and financial statements for the year ended 30 June 2002.

Principal activities

The principal activity of the company continued to be that of mail order of pipes and other smokers' requisites.

Directors

The following directors have held office since 1 July 2001:

R P Bentley

C S Bentley

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Defe	Deferred of 5p each		
	30 June 2002	1 July 2001		
R P Bentley	20,800	20,800		
C S Bentley	160	160		

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

R P Bentley **Director** 30 April 2003

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF WILLIAM ASTLEY & COMPANY LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 June 2002, set out on pages 3 to 7 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

King, Morter, Proud & Co

30 April 2003

Chartered Accountants

Kings Arms Vaults, Watton Brecon Powys LD3 7EF

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

	Notes	Year ended 30 June 2002 £	18 Months ended 30 June 2001 £
Turnover		2,587	6,929
Cost of sales		(527)	(2,399)
Gross profit		2,060	4,530
Administrative expenses		(4,816)	(12,378)
Operating loss	2	(2,756)	(7,848)
Interest payable and similar charges		-	(198)
Loss on ordinary activities before taxation		(2,756)	(8,046)
Tax on loss on ordinary activities	3		
Loss on ordinary activities after taxation	9	(2,756)	(8,046)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BALANCE SHEET AS AT 30 JUNE 2002

		200	02	200	1
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		370		862
Current assets					
Stocks		22,062		22,722	
Debtors	5	67		52	
Cash at bank and in hand		430		8	
		22,559	,	22,782	•
Creditors: amounts falling due within					
one year	6	(16,058)		(14,017)	
Net current assets			6,501		8,765
Total assets less current liabilities			6,871		9,627
			===		
Capital and reserves					
Called up share capital	8		1,050		1,050
Profit and loss account	9		5,821		8,577
Shareholders' funds - equity interests	10		6,871		9,627

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 this Act relating to accounts, so far as applicable to the company.

These financial statements 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 30 April 2003

R P Bentley

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The directors have decided not to trade whilst the are seeking a buyer for the company. The accounts have been prepared under the going concern basis, which may not be appropriate. However, the directors consider that there is no material difference between the amounts as prepared and those if prepared on a break-up basis.

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

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 are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment

over three years straight line basis

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2	Operating loss	2002	2001	
		£	£	
	Operating loss is stated after charging:			
	Depreciation of tangible assets	492	615	
	Directors' emoluments	2,238	4,745	

3 Taxation

No UK corporation tax liability is expected to arise from these accounts.