

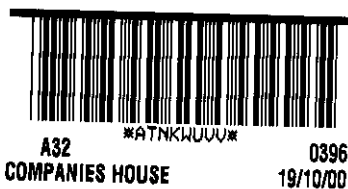
WILLIAM ASTLEY & COMPANY LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

31ST DECEMBER, 1999



AGN s h i p l e y s

chartered accountants

WILLIAM ASTLEY & COMPANY LIMITED**Directors**

R.P. Bentley
C.S. Bentley

Secretary and Registered Office

R.P. Bentley
16 Piccadilly Arcade,
London SW1Y 6NH.

DIRECTORS' REPORT

The directors submit their report, together with the accounts for the year ended 31st December, 1999.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was that of mail order of pipes and other smokers' requisites.

RESULTS AND DIVIDEND

	£
Loss on ordinary activities after taxation	(2,868)
Balance brought forward	<u>19,491</u>
Balance carried forward	<u>£(16,623)</u>

The directors do not recommend the payment of a dividend.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

During the year, the company made a loss

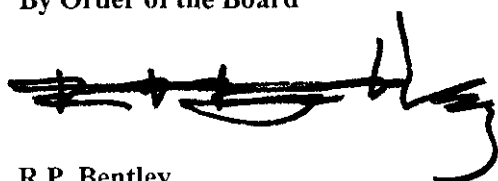
DIRECTORS AND THEIR INTERESTS

The directors who served during the year are as stated above. Their interests in the shares of the company were as follows:

Deferred shares of 5p each

	At 31st December, 1999	At 1st January, 1999
R.P. Bentley	20,800	20,800
C.S. Bentley	160	160

By Order of the Board



R.P. Bentley
Secretary

28. SEP. 2000

WILLIAM ASTLEY & COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1999

	Notes	1999 £	1998 £
TURNOVER - Continuing operations	1.2&2	66,464	107,452
COST OF SALES		<u>(20,312)</u>	<u>(33,542)</u>
GROSS PROFIT		46,152	73,910
ADMINISTRATIVE EXPENSES		<u>(50,629)</u>	<u>(65,618)</u>
OPERATING (LOSS)/PROFIT - Continuing operations	3	(4,477)	8,292
INTEREST PAYABLE	5	(198)	(1,137)
INTEREST RECEIVED	6	<u>1,807</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,868)	7,155
TAXATION	7	<u>-</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(2,868)	7,155
BALANCE BROUGHT FORWARD		<u>19,491</u>	<u>12,336</u>
BALANCE CARRIED FORWARD		<u>£16,623</u>	<u>£19,491</u>

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

WILLIAM ASTLEY & COMPANY LIMITED

BALANCE SHEET

AT 31ST DECEMBER, 1999

		1999	1998
FIXED ASSETS	Notes	£	£
Tangible assets	8	-	2,096
CURRENT ASSETS			
Stocks	9	23,467	34,139
Debtors	10	1,483	13,785
Bank		1,177	-
		26,127	47,924
CREDITORS: Amounts falling due within one year	11	(8,454)	(29,479)
NET CURRENT ASSETS		<u>17,673</u>	<u>18,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,673</u>	<u>20,541</u>
NET ASSETS		<u>£17,673</u>	<u>£20,541</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	12	1,050	1,050
Profit and loss account		16,623	19,491
EQUITY SHAREHOLDERS' FUNDS		<u>£17,673</u>	<u>£20,541</u>

The directors are of the opinion that the company is entitled to the exemption from audit conferred by subsection 1 of section 249A Companies Act 1985 for the year ended 31st December, 1999.

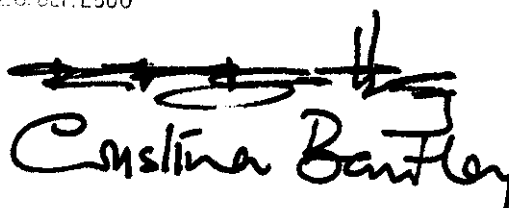
The directors confirm that no member or members have requested an audit pursuant to subsection 2 of section 249B Companies Act 1985.

The directors confirm that they are responsible for:-

- ensuring that the company keeps accounting records which comply with section 221 Companies Act 1985, and
- preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December, 1999 and of its results for the year then ended in accordance with the requirements of section 226 Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the Board on 28 SEP. 2000

R.P. Bentley)
) Directors
 C.S. Bentley)



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

WILLIAM ASTLEY & COMPANY LIMITED

OTHER PRIMARY STATEMENTS

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER, 1999**

The retained loss for the year was the only recognised gain or loss in the year.

**HISTORICAL COST PROFIT AND LOSS
FOR THE YEAR ENDED 31ST DECEMBER, 1999**

All assets are stated in the financial statements at historical cost. Therefore, no adjustments are required to the reported loss which is stated on an unmodified historical cost basis.

**MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 1999**

	1999 £	1998 £
(Loss)/profit for the financial year	(2,868)	7,155
Opening shareholders' funds	<u>20,541</u>	<u>13,386</u>
Closing shareholders' funds	<u>£17,673</u>	<u>£20,541</u>

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

WILLIAM ASTLEY & COMPANY LIMITED

NOTES TO THE ACCOUNTS

31ST DECEMBER, 1999

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The accounts have been prepared under the historical cost convention.

1.2 Turnover

Turnover represents the net value of sales, exclusive of Value Added Tax.

1.3 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation.

1.4 Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value over the estimated useful life as follows:-

Furniture, fixtures and fittings	- 25% per annum straight line basis
Leasehold improvements	- over the term of the lease

No depreciation is charged in the year of disposal.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.6 Deferred Taxation

No provision for deferred taxation has been made as, in the opinion of the directors, such provision is unlikely to be required in the foreseeable future.

1.7 Cash Flow Statement

The company is a small company as defined by sections 246 and 247 of the Companies Act 1985. It has therefore taken advantage of the exemption conferred by Financial Reporting Standard Number 1 not to prepare a cash flow statement.

2. TURNOVER

The turnover and profit before taxation is attributable wholly to the company's principal activity. The geographical analysis of turnover is as follows:-

	1999 £	1998 £
United Kingdom	19,009	79,651
Overseas	47,455	27,801
	<u>£66,464</u>	<u>£107,452</u>

WILLIAM ASTLEY & COMPANY LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

31ST DECEMBER, 1999

3. OPERATING PROFIT	1999	1998
	£	£
This is stated after charging:		
Depreciation of owned assets	-	653
Loss on disposal of fixed assets	2,096	-
	<u>2,096</u>	<u>-</u>
4. STAFF COSTS	£	£
Staff costs (including executive directors)		
Wages and salaries	13,982	14,791
Social security costs	1,181	1,813
Pension costs	2,300	2,300
	<u>£17,463</u>	<u>£18,904</u>
The above includes the following amounts in respect of directors:		
Other emoluments	<u>£13,982</u>	<u>£14,791</u>
The average number of employees during the year was:	Number	Number
Management	<u>2</u>	<u>2</u>
The above numbers include one director, who received no emoluments.		
5. INTEREST PAYABLE		
On bank loan and overdraft wholly repayable within five years	<u>£ -</u>	<u>£1,137</u>
6. INTEREST RECEIVABLE		
Interest on rent deposit	<u>£1,807</u>	<u>£ -</u>
7. TAXATION		
No taxation arises on the profits for the year due to the availability of tax losses.		

WILLIAM ASTLEY & COMPANY LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

31ST DECEMBER, 1999

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Furniture fixtures and Fittings £	Total £
Cost			
At 1st January, 1999	3,135	22,743	25,878
Disposals	<u>(3,135)</u>	<u>(22,743)</u>	<u>(25,878)</u>
At 31st December, 1999	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1st January, 1999	1,413	22,369	23,782
Disposals	<u>(1,413)</u>	<u>(22,369)</u>	<u>(23,872)</u>
At 31st December, 1999	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31st December, 1999	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
At 31st December, 1998	<u>£1,722</u>	<u>£374</u>	<u>£2,096</u>

9. STOCKS

	1999	1998
Goods held for re-sale	<u>£23,467</u>	<u>£34,139</u>

10. DEBTORS

	£	£
Other debtors	-	6,535
Prepayments	<u>1,483</u>	<u>7,250</u>
	<u>£1,483</u>	<u>£13,785</u>

WILLIAM ASTLEY & COMPANY LIMITED

NOTES TO THE ACCOUNTS - CONTINUED

31ST DECEMBER, 1999

11. CREDITORS: Amounts falling due within one year	1999 £	1998 £
Bank loan and overdraft	-	11,168
Trade creditors	291	406
Other taxes and social security	43	2,218
Other creditors	5,500	7,500
Accruals	2,620	8,187
	<u>£8,454</u>	<u>£29,479</u>

12. SHARE CAPITAL

Authorised

21,000 Deferred shares of 5p each	£1,050	£1,050
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Allotted, called up and fully paid

21,000 Deferred shares of 5p each	£1,050	£1,050
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13. FINANCIAL COMMITMENTS

The company gave notice to terminate its lease of the building it rents in December 1998. The lease was subsequently terminated on 26th June, 1999.

The minimum annual rentals under the foregoing lease are as follows:

Operating lease which expires:	1998 £	1997 £
Within one year	<u>£ -</u>	<u>£22,250</u>