

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003
FOR
ALBANY TOBACCO COMPANY LIMITED



ALBANY TOBACCO COMPANY LIMITED

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For The Year Ended 31st March 2003

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ALBANY TOBACCO COMPANY LIMITED

COMPANY INFORMATION
For The Year Ended 31st March 2003

DIRECTORS: K Courtney
A Howarth

SECRETARY: T Burton

REGISTERED OFFICE: Clive House
Clive Street
Bolton
Lancashire
BL1 1ET

REGISTERED NUMBER: 3195261 (England and Wales)

ACCOUNTANTS: Unity Chartered Accountants
Clive House
Clive Street
Bolton
BL1 1ET

SOLICITORS: Chaffe Street
Brook House
77 Fountain Street
Manchester
M2 2EE

ALBANY TOBACCO COMPANY LIMITED

REPORT OF THE DIRECTORS
For The Year Ended 31st March 2003

The directors present their report with the financial statements of the company for the year ended 31st March 2003.

DIRECTORS

The directors during the year under review were:

K Courtney
A Howarth

- resigned 31.3.03

The beneficial interests of the directors holding office on 31st March 2003 in the issued share capital of the company were as follows:

	31.3.03	1.4.02
Ordinary shares 1 shares		
K Courtney	1	1
A Howarth	-	-

POTENTIAL IMPACT OF THE EURO

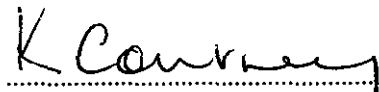
The directors have considered the impact of the Euro on the business, however as the business has ceased to trade at the balance sheet date no plans have been made to address any issues that may arise as a result of the introduction of the Euro.

SUPPLIER PAYMENT TERMS

The company's policy in respect of supplier payment terms is that suppliers are paid in line with normal trading terms. Creditors days for the period were 5 days as the Trade Creditors at the balance sheet were low due to the cessation of trade.

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:


.....
K Courtney - Director

Date: 30/1/04

ALBANY TOBACCO COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
For The Year Ended 31st March 2003

	Notes	Year Ended 31.3.03		Period 1.11.01 to 31.3.02	
		£	£	£	£
TURNOVER			-		18,627,719
Cost of sales			-		<u>17,668,025</u>
GROSS PROFIT			-		959,694
Distribution costs		-		69,071	
Administrative expenses		-		<u>1,142,014</u>	
			-		<u>1,211,085</u>
OPERATING LOSS	3		-		(251,391)
Interest receivable and similar income			-		<u>12,896</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			-		(238,495)
Tax on loss on ordinary activities	4		-		<u>677</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION			-		(239,172)
Retained profit brought forward			<u>1,950</u>		<u>241,122</u>
RETAINED PROFIT CARRIED FORWARD			<u><u>£1,950</u></u>		<u><u>£1,950</u></u>

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the previous period.

ALBANY TOBACCO COMPANY LIMITED

BALANCE SHEET
31st March 2003

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		-		9,193
CURRENT ASSETS:					
Debtors	6	1,125		1,022,762	
Cash at bank		<u>826</u>		<u>1,708,916</u>	
		1,951		2,731,678	
CREDITORS: Amounts falling due within one year	7	<u>-</u>		<u>2,738,920</u>	
NET CURRENT ASSETS/(LIABILITIES):			<u>1,951</u>		<u>(7,242)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£1,951</u></u>		<u><u>£1,951</u></u>
CAPITAL AND RESERVES:					
Called up share capital	9		1		1
Profit and loss account			<u>1,950</u>		<u>1,950</u>
SHAREHOLDERS' FUNDS:	11		<u><u>£1,951</u></u>		<u><u>£1,951</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st March 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

ON BEHALF OF THE BOARD:



K Courtney - Director

Approved by the Board on 30/1/04

The notes form part of these financial statements

ALBANY TOBACCO COMPANY LIMITED

CASH FLOW STATEMENT
For The Year Ended 31st March 2003

		Year Ended 31.3.03	Period 1.11.01 to 31.3.02
	Notes	£	£
Net cash outflow from operating activities	1	(525,768)	(44,614)
Returns on investments and servicing of finance	2	-	12,896
Taxation		-	(677)
Capital expenditure	2	<u>9,193</u>	<u>21,000</u>
		(516,575)	(11,395)
Financing	2	<u>461,081</u>	<u>(126,969)</u>
Decrease in cash in the period		<u>£(55,494)</u>	<u>£(138,364)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(55,494)</u>	<u>(138,364)</u>
Change in net funds resulting from cash flows		<u>(55,494)</u>	<u>(138,364)</u>
Movement in net funds in the period		(55,494)	(138,364)
Net funds at 1st April		<u>56,320</u>	<u>194,684</u>
Net funds at 31st March		<u>£826</u>	<u>£56,320</u>

The notes form part of these financial statements

ALBANY TOBACCO COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31st March 2003

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year Ended 31.3.03 £	Period 1.11.01 to 31.3.02 £
Operating loss	-	(251,391)
Depreciation charges	-	4,611
Profit on sale of fixed assets	-	(6,018)
Decrease in stocks	-	10,204
Decrease in debtors	560,556	5,511,686
Decrease in creditors	<u>(1,086,324)</u>	<u>(5,313,706)</u>
Net cash outflow from operating activities	<u>(525,768)</u>	<u>(44,614)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31.3.03 £	Period 1.11.01 to 31.3.02 £
Returns on investments and servicing of finance		
Interest received	-	12,896
Net cash inflow for returns on investments and servicing of finance	<u>-</u>	<u>12,896</u>
Capital expenditure		
Sale of tangible fixed assets	<u>9,193</u>	<u>21,000</u>
Net cash inflow for capital expenditure	<u>9,193</u>	<u>21,000</u>
Financing		
Amount withdrawn by directors	<u>461,081</u>	<u>(126,969)</u>
Net cash inflow/(outflow) from financing	<u>461,081</u>	<u>(126,969)</u>

ALBANY TOBACCO COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31st March 2003

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.02 £	Cash flow £	At 31.3.03 £
Net cash:			
Cash at bank	1,708,916	(1,708,090)	826
Bank overdraft	<u>(1,652,596)</u>	<u>1,652,596</u>	<u>-</u>
	<u>56,320</u>	<u>(55,494)</u>	<u>826</u>
 Total	 <u>56,320</u>	 <u>(55,494)</u>	 <u>826</u>

Analysed in Balance Sheet

Cash at bank	1,708,916	826
Bank overdraft	<u>(1,652,596)</u>	<u>-</u>
	<u>56,320</u>	<u>826</u>

The notes form part of these financial statements

ALBANY TOBACCO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31st March 2003

1. ACCOUNTING POLICIES

Accounting convention

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

The company was dormant throughout the year ended 31st March 2003. However, reference to information relating to the period ended 31st March 2002 has been made where appropriate.

Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's activities, entirely within the United Kingdom, and stated net of Value Added Tax.

Tangible fixed assets

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

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Agency set up costs are written off over the life of the agreement.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Employee Benefit Trust

The company provides an employment benefit trust. Contributions to this trust are charged to the profit and loss account as they become payable.

2. STAFF COSTS

	Year Ended 31.3.03 £	Period 1.11.01 to 31.3.02 £
Wages and salaries	-	884,297
Social security costs	-	31,285
Other pension costs	-	34,622
	<u>-</u>	<u>950,204</u>

The average monthly number of employees during the year was as follows:

	Year Ended 31.3.03	Period 1.11.01 to 31.3.02
Directors	2	2
Administration and Sales	<u>-</u>	<u>2</u>
	<u>2</u>	<u>4</u>

ALBANY TOBACCO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31st March 2003

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	Year Ended 31.3.03 £	Period 1.11.01 to 31.3.02 £
Depreciation - owned assets	-	4,611
Profit on disposal of fixed assets	-	(6,018)
Auditors' remuneration	-	<u>5,500</u>
Directors' emoluments	-	848,648
Directors' pension contributions to money purchase schemes	-	<u>25,225</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 31.3.03 £	Period 1.11.01 to 31.3.02 £
Current tax: Under/(Over) provision in previous years	-	<u>677</u>
Tax on loss on ordinary activities	-	<u>677</u>

UK corporation tax was charged at 20% in 2002.

ALBANY TOBACCO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31st March 2003

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Agency set up costs	Totals
	£	£	£	£
COST:				
At 1st April 2002	22,933	19,845	6,798	49,576
Disposals	<u>(22,933)</u>	<u>(19,845)</u>	-	<u>(42,778)</u>
At 31st March 2003	-	-	<u>6,798</u>	<u>6,798</u>
DEPRECIATION:				
At 1st April 2002	16,085	17,500	6,798	40,383
Eliminated on disposals	<u>(16,085)</u>	<u>(17,500)</u>	-	<u>(33,585)</u>
At 31st March 2003	-	-	<u>6,798</u>	<u>6,798</u>
NET BOOK VALUE:				
At 31st March 2003	-	-	-	-
At 31st March 2002	<u>6,848</u>	<u>2,345</u>	-	<u>9,193</u>

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	-	538,236
Other debtors	-	20,500
Prepayments & accrued income	-	1,821
Directors' current accounts	<u>1,125</u>	<u>462,205</u>
	<u>1,125</u>	<u>1,022,762</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts (see note 8)	-	1,652,596
Trade creditors	-	674,691
Social security & other taxes	-	181,503
Accrued expenses	<u>-</u>	<u>230,130</u>
	<u>-</u>	<u>2,738,920</u>

ALBANY TOBACCO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st March 2003

8. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>1,652,596</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2003 £	2002 £
100	Ordinary shares	1	<u>100</u>	<u>100</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003 £	2002 £
1	Ordinary shares	1	<u>1</u>	<u>1</u>

10. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31st March 2003:

	£
K Courtney	
Balance outstanding at start of year	450,779
Balance outstanding at end of year	13,708
Maximum balance outstanding during year	<u>450,779</u>

A Howarth	
Balance outstanding at start of year	11,426
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>11,426</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Loss for the financial year	<u>-</u>	<u>(239,172)</u>
Net addition/(reduction) to shareholders' funds	-	(239,172)
Opening shareholders' funds	<u>1,951</u>	<u>241,123</u>
Closing shareholders' funds	<u>1,951</u>	<u>1,951</u>
 Equity interests	 <u>1,951</u>	 <u>1,951</u>

12. CONTROLLING PARTIES

The controlling party is Mr Keith Courtney, who holds 100% of the issued share capital of the company.