

REGISTERED NUMBER: 04006562 (England and Wales)

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007  
FOR  
VASATEK LIMITED**

SATURDAY



\*A9GQK3HT\*

A53

27/09/2008

154

COMPANIES HOUSE

**VASATEK LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2 to 3</b>
<b>Report of the Independent Auditors</b>	<b>4 to 5</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8 to 11</b>

---

**VASATEK LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2007**

---

**DIRECTORS:** Mr G M Long  
Mr J Catania

**SECRETARY:** Mr G M Long

**REGISTERED OFFICE:** Sword House  
Totteridge Road  
High Wycombe  
Buckinghamshire  
HP13 6DG

**REGISTERED NUMBER.** 04006562 (England and Wales)

**AUDITORS:** Seymour Taylor  
Chartered Accountants and Registered Auditors  
57 London Road  
High Wycombe  
Buckinghamshire  
HP11 1BS

# **VASATEK LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2007

### **PRINCIPAL ACTIVITY**

The principal activities of the company in the year under review have been to develop non-tobacco nicotine products and to develop the marketing plans for such products. The company's long term success requires a total commitment to working together proactively with both business partners and authorities, and it demands a willingness to embrace new ideas and learn continuously.

The directors anticipate that the company will be in a position to commence trading in the future.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report.

Mr G M Long

Mr J Catania

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITORS**

The auditors, Seymour Taylor, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.


**VASATEK LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

---

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.**

A handwritten signature in black ink, appearing to be 'G M Long', written over the text 'ON BEHALF OF THE BOARD.'

Mr G M Long - Director

17 September 2008

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF VASATEK LIMITED**

---

We have audited the financial statements of Vasatek Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. 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. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

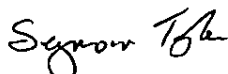
## REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF VASATEK LIMITED

---

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended.
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Seymour Taylor  
Chartered Accountants and Registered Auditors  
57 London Road  
High Wycombe  
Buckinghamshire  
HP11 1BS

17 September 2008

**VASATEK LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

---

	Notes	2007 £	2006 £
<b>TURNOVER</b>		-	-
Administrative expenses		<u>1,755</u>	<u>1,719</u>
<b>OPERATING LOSS</b>	2	(1,755)	(1,719)
Interest receivable and similar income		<u>103</u>	<u>17</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,652)	(1,702)
Tax on loss on ordinary activities	3	<u>31</u>	<u>5</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>(1 683)</u></u>	<u><u>(1 707)</u></u>

The notes on pages 8 to 11 form part of these financial statements

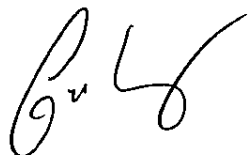


**VASATEK LIMITED****BALANCE SHEET  
31 DECEMBER 2007**

	Notes	2007 £	2006 £
<b>CURRENT ASSETS</b>			
Debtors	4	464	437
Cash at bank		1 529	445
		<u>1,993</u>	<u>882</u>
<b>CREDITORS</b>			
Amounts falling due within one year	5	307,660	304,866
<b>NET CURRENT LIABILITIES</b>		<u>(305,667)</u>	<u>(303,984)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(305,667)	(303,984)
<b>CREDITORS</b>			
Amounts falling due after more than one year	6	1,900 000	1 900 000
<b>NET LIABILITIES</b>		<u>(2,205,667)</u>	<u>(2 203 984)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	2	2
Profit and loss account	8	(2,205,669)	(2 203 986)
<b>SHAREHOLDERS' FUNDS</b>		<u>(2,205,667)</u>	<u>(2 203 984)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the Board of Directors on 17 September 2008 and were signed on its behalf by



Mr G M Long - Director

The notes on pages 8 to 11 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared on the going concern basis. The company is able to rely on the financial support of the parent company within the group and, for this reason, the directors consider the going concern basis to be appropriate.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

**Financial instruments**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

**2 OPERATING LOSS**

The operating loss is stated after charging

	2007 £	2006 £
Auditors' remuneration	<u>1,741</u>	<u>1,690</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

**3 TAXATION**

**Analysis of the tax charge**

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

	2007 £	2006 £
Current tax		
UK corporation tax	<u>31</u>	<u>5</u>
Tax on loss on ordinary activities	<u>31</u>	<u>5</u>

UK corporation tax has been charged at 30%

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**Factors that may affect future tax charges**

A deferred tax asset has not been recognised in respect of unrelieved tax losses and accelerated capital allowances. The amount that has not been recognised at 31 December 2007 when calculated at the large companies rate of corporation tax in the UK of 30% is £640,956 (2006-£640,430). The deferred tax asset would be recoverable to the extent that future taxable profits are generated enabling the tax losses to be relieved.

**4 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Other debtors	2	2
VAT	462	435
	<u>464</u>	<u>437</u>

**5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Trade creditors	1,986	2,892
Amounts owed to group undertakings	292,000	285,380
Corporation tax	31	42
Accruals and deferred income	13,643	16,552
	<u>307,660</u>	<u>304,866</u>

**6 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007	2006
	£	£
Amounts owed to group undertakings	<u>1,900,000</u>	<u>1,900,000</u>

**7 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value	2007	2006
		£1	£	£
2,000,000	Ordinary		<u>2,000,000</u>	<u>2,000,000</u>

Allotted issued and fully paid Number	Class	Nominal value	2007	2006
		£1	£	£
2	Ordinary		<u>2</u>	<u>2</u>

## VASATEK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2007

---

#### 8 RESERVES

	Profit and loss account £
At 1 January 2007	(2,203,986)
Deficit for the year	(1,683)
	<hr/>
At 31 December 2007	(2,205,669)
	<hr/>

#### 9 ULTIMATE PARENT COMPANY

The directors consider Swedish Match UK (Holdings) Limited, a company registered in England and Wales to be the company's immediate parent company. They also consider Swedish Match AB a company registered in Sweden to be the company's ultimate parent company.

Swedish Match AB is the parent company of the largest and Swedish Match UK (Holdings) Limited is the parent company of the smallest group of which Vasatek Limited is a member. The principal place of business for Swedish Match UK (Holdings) Limited is

Sword House  
Totteridge Road  
High Wycombe  
Buckinghamshire  
HP13 6DG

The principal place of business for Swedish Match AB is

SE-118  
85 Stockholm  
Sweden

Copies of the consolidated financial statements of Swedish Match AB can be obtained from the above address.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

---

**10 RELATED PARTY DISCLOSURES**

The company is a subsidiary with at least 90% of its voting rights controlled within the group and it is included in the published consolidated financial statements of its ultimate parent company. The company has therefore taken advantage of the exemption, provided within Financial Reporting Standard for Smaller Entities (effective January 2007) related party disclosures, from disclosure of intra-group transactions.

No transactions with other related parties were undertaken such as are required to be disclosed under Financial Reporting Standard for Smaller Entities (effective January 2007).

**Controlling party**

There is no single controlling party.