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THE INTERNATIONAL TOBACCO
DOCUMENTATION CENTRE

ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2005

Registered Number: FC16520



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THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

INDEPENDENT AUDITORS' REPORT

To the members of The International Tobacco Documentation Centre

We have audited the financial statements set out on pages 3 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

This report is made solely to the members of the association. Our audit work has been undertaken so that we might state to the 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 International Tobacco Documentation Centre members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the notes to the accounts, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. We also report to you if, in our opinion, the association has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

INDEPENDENT AUDITORS' REPORT

Basis of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of The International Tobacco Documentation Centre at 31 December 2005 and of the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

Mercer & Hole
Chartered Accountants and Registered Auditors
Gloucester House
72 London Road
St Albans
Hertfordshire
AL1 1NS

6 June 2006

THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Revenues			
Contributions from members		728,833	694,069
Interest and miscellaneous income		937	1,669
Profit on sale of fixed assets		-	9,750
Rental income		<u>69,221</u>	<u>67,559</u>
		<u>798,991</u>	<u>773,047</u>
Expenses			
Salaries and allowances		410,355	388,681
Other administrative expenses	5	<u>393,997</u>	<u>426,894</u>
		<u>804,352</u>	<u>815,575</u>
Surplus Of Revenues Over Expenses			
(Deficit) of revenues over expenses, for the year		(5,361)	(42,528)
(Deficit) of revenues over expenses, at beginning of year		<u>(30,451)</u>	<u>12,077</u>
(Deficit) of revenues over expenses, at end of year		<u>(35,812)</u>	<u>(30,451)</u>

The accompanying notes are an integral part of this statement.

THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

BALANCE SHEET
31 DECEMBER 2005

	Notes	2005 £	2004 £
Tangible fixed assets	4	22,252	28,576
Current Assets			
Cash at bank and in hand		-	2,064
Prepaid expenses		13,458	14,969
Other receivables		<u>266,374</u>	<u>269,050</u>
		<u>279,832</u>	<u>286,083</u>
Current Liabilities			
Cash at bank and in hand		(9,639)	-
Accounts payable		(6,983)	(8,191)
Accrued expenses		(40,951)	(37,066)
Prepaid contributions		(239,850)	(279,902)
Prepaid rent		(16,890)	-
VAT Payable		<u>(23,583)</u>	<u>(19,951)</u>
		<u>(337,896)</u>	<u>(345,110)</u>
Net Current Liabilities		(58,064)	(59,027)
Net Assets		<u>(35,812)</u>	<u>(30,451)</u>
Accumulated revenue reserves		<u>(35,812)</u>	<u>(30,451)</u>

The accounts on pages 3 to 11 were approved by the Board on 6 June 2006.
and signed on its behalf by:

Chairman

Director



The accompanying notes are an integral part of this balance sheet.

THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
Operating Activities		
(Deficit) of revenues over expenses before taxation	(5,361)	(42,528)
Depreciation	14,906	18,401
Profit on disposal of fixed assets	<u>-</u>	<u>(9,750)</u>
	<u>9,545</u>	<u>(33,877)</u>
(Increase)/decrease in debtors:		
Prepaid expenses	1,511	284
Other receivables	<u>2,676</u>	<u>(36,265)</u>
	<u>4,187</u>	<u>(35,981)</u>
Increase/(decrease) in creditors:		
Accounts payable	(1,208)	(2,065)
Accrued expenses & provisions	3,885	(4,563)
Prepaid contribution	(40,052)	3,175
Prepaid rent	16,890	
Refundable contributions	-	(77,138)
VAT payable	<u>3,632</u>	<u>4,622</u>
	<u>(16,853)</u>	<u>(75,969)</u>
Cash (Outflow) from operating activities	(3,121)	(145,827)
Taxation		
UK tax paid	<u>-</u>	<u>-</u>
	<u>(3,121)</u>	<u>(145,827)</u>
Investing Activities		
Purchase of tangible fixed assets	(8,582)	(20,685)
Sale of tangible fixed assets	<u>-</u>	<u>9,750</u>
	<u>(8,582)</u>	<u>(10,935)</u>
Net (Decrease) In Cash	<u>(11,703)</u>	<u>(156,762)</u>
Cash at beginning of year	2,064	158,826
Net (decrease) in year	<u>(11,703)</u>	<u>(156,762)</u>
Cash at end of year	<u>(9,639)</u>	<u>2,064</u>

THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2005

1. Organisation

The International Tobacco Documentation Centre (the "Centre") is a non-profit making association constituted and having its head office in the Canton of Geneva, Switzerland, established within the terms of Articles 70 to 79 of the Swiss Civil Code. The Centre's secretariat is located in London, United Kingdom, where it has the status of a non-profit making organisation. It commenced operations on 1 January 1992.

2. Directors' Responsibilities

The directors are responsible for preparing accounts for each financial year which give a true and fair view of the state of affairs of the centre and of the surplus or deficit of the Centre for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- *make judgements and estimates that are reasonable and prudent;*
- state whether applicable accounting standards have been followed; subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the association will continue in business.

The directors are responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. Accounting Policies

These accounts have been prepared in accordance with generally accepted accounting principles. The principal accounting policies which have been applied consistently, are set out below:

a) Contributions from Members

Net contributions are shown after taking into account contributions from and repayments to members. The accounts are prepared on a going concern basis assuming the continuing support of members.

b) Tangible Fixed Assets

Tangible fixed assets are shown at original historical cost. Depreciation is provided on a straight-line basis. The annual depreciation rates have been *determined on the basis of the expected useful economic lives of these assets* and are as follows:

Furniture and equipment	25%
Motor vehicles	25%
Computers	33%

THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2005

- c) Foreign currency
Transactions are denominated in foreign currencies (currency other than pounds sterling) are recorded in pounds sterling at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gains or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the statement of revenue and expenses.
- d) Pension costs
It is the general policy of the Centre to provide for pension benefits on the advice of external actuaries. Pension contributions are based on a percentage of employees' salaries and are paid to an insurance company which administers individual money purchase schemes for employees.
- e) Taxation
Corporation tax payable is provided on taxable profits at the current rate. The company has trade protection association status for tax purposes with the UK Inland Revenue, and as such is liable to UK corporation tax on profits from non-mutual activities, principally interest income on deposits and rental income from letting.

THE INTERNATIONAL TOBACCO DOCUMENTATION CENTRE

NOTES TO THE FINANCIAL STATEMENTS
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4. Tangible Fixed Assets

Tangible fixed assets comprise:

	Motor Vehicles £	Office Equipment £	Computer Systems £	Total £
Cost				
At beginning of year	22,642	13,349	120,915	156,906
Additions		-	8,582	8,582
Disposals	<u> </u>	<u> </u>	<u>54,614</u>	<u>54,614</u>
At end of year	<u>22,642</u>	<u>13,349</u>	<u>74,883</u>	<u>110,874</u>
Depreciation				
At beginning of year	4,753	13,349	110,228	128,330
Charge for year	5,704	-	9,202	14,906
Disposals	<u> </u>	<u> </u>	<u>54,614</u>	<u>54,614</u>
At end of year	<u>10,457</u>	<u>13,349</u>	<u>64,816</u>	<u>88,622</u>
Net book value at end of year	<u>12,185</u>	<u> </u>	<u>10,067</u>	<u>22,252</u>
At beginning of year	<u>17,889</u>	<u> </u>	<u>10,687</u>	<u>28,576</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. Other administrative expenses

	2005	2004
	£	£
Car expenses	2,474	4,015
Professional fees	9,447	10,676
Travel and living expenses	1,657	789
Building costs	245,749	250,058
Office costs	37,842	36,164
Information acquisition	52,342	60,898
Systems support	9,877	14,727
Telecommunications	14,094	14,579
Carriage and distribution	1,155	1,014
Training	-	6,105
Bank charges	2,600	6,375
Depreciation	14,906	18,401
Translations	<u>1,854</u>	<u>3,093</u>
	<u>393,997</u>	<u>426,894</u>

No directors' remuneration is charged in these accounts (2004 – Nil).

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6. Commitments and guarantees

The Centre leases its premises, in the United Kingdom, under a lease agreement which runs for 25 years from 29 April 1988. The rent review carried out during 2003 did not result in any change in the annual rental from £166,250 which was set at the inception of the lease. The annual rental is subject to upward only reviews every 5 years during the life of the lease.

Annual commitments under non-cancellable operating leases are as follows:

	2005		2004	
	Land & Buildings	Othe	Land i Building	Othe
	£			
Expiry Date:				
- Within One Year	-	1,55		77
- Between Two and Five Years	-			
- After Five Years	<u>166,250</u>	<u> </u>	<u>166,25</u>	<u> </u>
	<u>166,250</u>	<u>1,55</u>	<u>166,25</u>	<u>77</u>

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7. Pension arrangements

The Centre has established individual money purchase arrangements available for its UK employees with Scottish Widows covering pension and life insurance benefits. Contributions are determined each year based upon board approved pay awards.

Total pension contributions paid during the year were £20,898 (2004: £20,248).