

British-American Tobacco Company Limited

REPORT AND ACCOUNTS

FOR THE YEAR OMPANIES HOUSE
31 DECEMBER 1989 RECEIVED

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British-American Tobacco Company Limited

BAT Co Lad

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Notice of meeting

Notice is hereby given that the eighty-seventh annual general meeting of British-American Tobacco Company Limited will be held at Westminster House, 7 Millbank, London SWIP 3IE, on Tuesday 29 May 1990 at 11.30 am for the transaction of the following business:

- 1 To receive and consider the accounts for the year ended 31 December 1989 and the reports of the directors and auditors thereon.
- 2 To elect directors.

- 3 To re-elect Coopers & Lybrand Deloitte as auditors.
- 4 To authorise the directors to fix the auditors' remuneration.

By order of the board

N B Cannar, Secretory 19 March 1990

Only the holders of ordinary shares are entitled to attend or be represented at the meeting. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. Such proxy need not be a member of the Company.

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Report of the Directors of BAT Co Ltd

Board of Directors Chairman Barry David Bramley

Deputy Chairman David George Heywood

Other Directors
Nicholas George Brookes
(appointed 20 February 1989)
Ronald Alexander Charles Grichton
Norman Davis
Richard Stuart Hartley
Peter John Curwen Hazel
Anthony Cameron Johnston
(resigned 1 April 1989)
David Kerr Thorpe
(resigned 3 January 1990)
Donald Stuart Watterton

In pursuance of the articles of association Messrs N Davis, D G Heywood and D S Watterton retire from the board at the annual general meeting and will be proposed for re-election.

Directors' Interests

According to the Company's register the interests at 31 December 1959, of the persons who at that date were directors, in the share and loan capital and share option schemes of B.A.T Industries p.l.e. and its subsidiaries, all of which are beneficial, are shown below. The holdings at 1 January 1989 or date of appointment are shown in brackets.

	B.A.T Industries p.l.c.					
	Ordina	ary	Sha	re		
modeletam automobility version	25p Sh	ares	Opti	ons		
B D Bramley	68,270	(34,291)	35,740	(55,937)		
N G Brookes	7,021	(436)	13,644	(23,051)		
R. A. G. Crichton	69,510	(22, 125)	2,450	(48,990)		
N Davis	21,354	(465)	1,481	(27,751)		
R S Hartley	594	(470)	20,524	(20,061)		
P J C Hazel	26,271	(31,141)	10,338	(9,875)		
D G Heywood	65,737	(22,388)	2,450	(46,527)		
D K Thorpe	22,139	(12,672)	19,703	(33,090)		
D S Watterton	320	(205)	17,668	(17,205)		

The holdings at 19 March 1990 are shown below where they differ from those at 31 December 1989.

B D Bramley	69,495	34,515
N G Brookes	7,103	13,644
R A C Crichton	72,849	, nil
R S Hartley	19,181	1,944
P J C Hazel	26,602	10,338
D G Heywood	47,804	1,225
D S Watterton	324	17,668

Details of the share option schemes are included in the Report and Accounts of B.A.T Industries p.l.c.

No director had any material interest in a contract of significance with the Company or with any subsidiary during the year.

Secretary and registered office N B Cannar, Westminster House, 7 Millbank, London SW1P 3JE

Registrar Lloyds Bank Plc, Registrar's Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA

Auditors
Coopers & Lybrand Deloitte,
128 Queen Victoria St, London EC4P 4JX

Deloitte Haskins & Sells are in the process of merging their practice with Coopers & Lybrand. Their present business name is Coopers & Lybrand Deloitte and they have signed their audit report in that name.

Principal Activities

The Group manufactures tobacco products, and has substantial investments in overseas companies engaged in tobacco, food, paper, printing and packaging, hotel and other industrial activities.

Some 240 cigarette brand names are in use throughout the world and in addition an extensive range of smoking tobacco, cigars and cigarettes is manufactured.

The companies of the Group, as well as being large buyers of tobacco from the traditional markets such as the USA, Canada, Brazil and the Near East, have also pioneered tobacco growing by independent farmers in other parts of the world. Many companies continue to give technical assistance to farmers growing tobacco crops.

Changes in the Group

Subsequent to a reorganisation by AMATIL Ltd, which at that time was B.A.T Industries p.l.c.'s principal associated company in Australia, the Group acquired, at the beginning of August 1989, a 67.32 per cent interest in the WD & HO Wills tobacco operations in Australia and Papua New Guines. Results from these new subsidiaries have been consolidated into the Group from the date of acquisition.

There has been an increase from 74.85 per cent to 92.26 per cent in the Group's interest in Société des Tabacs, Gigares et Cigarettes J Bastos de L'Afrique Centrale SA, the tobacco subsidiary in Gameroon, following a rights issue in which the minority shareholders have presently chosen not to participate.

Review of the Year

The Group has had an outstanding year with profits increasing by 29 per cent. Turnover also grew strongly with excellent volume growth in exports more than compensating for marginal declines in some mature domestic markets.

Exports by BAT (UK and Export) showed significant increases to China, South East Asia and the Middle East. This volume increase combined with favourable exchange rates, improved cost control and higher productivity, resulted in a substantial increase in profit. Trading profit clsewhere in Europe was ahead although total volumes and market share were marginally lower. Barclay made further progress in sales and market share.

In Latin America Chiletabacos increased profits significantly in an expanding market. Both Bigott in Venezuela and Nobleza-Piccardo in Argentina faced challenging market and economic conditions. Devaluations in these countries had a significant adverse effect on profits when translated to sterling. Despite similar conditions in Central America, price increases contributed to a slightly higher overall sterling profit.

Most companies in Asia increased profits significantly, 1989 was another record year for BAT Hong Kong with a further substantial increase in exports. Higher exports from Singapore boosted profits and there was a welcome improvement from Malaysian Tobacco. The initial progress of WD & HO Wills in Australia has been good with an increase in its domestic market share.

In Africa there were again overall increases in volume, turnover and trading profit, with important contributions from the companies in Kenya, Nigeria and Zaire and a significant improvement from the Cameroon company.

Associated Companies

Skandinavisk Holding AS

In Denmark Skandinavisk's tobacco trading profit was marginally ahead. The success of Prince in domestic and export markets continued.

ITC Ltd

ITG in India persormed well with increases in cigarette volumes, market share and trading profit.

Transfe's to Esserves

The profit for the year, after a net charge for extraordinary items of £12 million, was £230 million and the retained profit transferred to Group reserves, after taking into account dividends of £162 million, was £68 million.

Extraordinary Items

Extraordinary items principally comprised a provision in respect of the proposals to close and reorganise production and other ancillary facilities in Europe partly offset by surpluses arising from the sale of the Group's interest in Empresas La Moderna SA de GV in Mexico and an associated company's disposal of property in Singapore.

Report of the Directors of BAT Co Ltd continued

Employment of the Disabled in the United Kingdom The Group's policy on recruitment is based on the ability of a candidate to perform the job. Full and fair consideration is given to applications for employment from the disabled where they have the appropriate skills and abilities to perform the job.

If a disabled applicant proves a suitable candidate for employment, modification of facilities and the provision of special equipment and aids is considered favourably. If employees become disabled during the course of their employment with the Group and as a result are unable to perform their normal jobs, every effort is made to offer suitable alternative employment to them, to provide assi tance with re-training and to deal with their cases as compassionately as possible.

It is Group policy to encourage the training and further Invelopment of all employees where this is of benefit to the undivided and to the company concerned. This of course incomes the provision of training to meet the special needs of disabled employees.

Employee Involvement

The Company maintains its high level of commitment to voluntary systems of employee involvement. Activities reported on last year have continued during the period under review.

There is a regular communications programme which is based on face to face meetings within the immediate working group. It is supported by Company newspapers and magazines, use of appropriate audio/visual material, the issue of information sheets on specific subjects and consultation at each location through appropriate committees.

A total of 1,863 employees comprising 91.9 per cent of the present United Kingdom work-force are shareholders in B.A.T Industries p.l.c.

Employees

The geographical spread of the average number of persons employed by the Group is as follows.

	1989	1988
United Kingdom	2,052	2,096
Europe	2,322	2,458
Caribbean/Central America	2,289	2,275
South America	8,126	8,088
Australasia	3,320	295
Asia	14,636	15,703
Africa	11,219	11,269
	43,964	42,184
The industrial spread is:		
Tobacco	38,618	36,692
Other activities	5,346	5,582
	43,964	42,184
	marini pipinana	resignation of the same

Research and Development Activities

Research and development is undertaken to support the main operating components of the business—the growing and blending of tobacco leaf, and the design, production and marketing of cige tette products.

Research is also undertaken into various aspects of the current medical controversy on smoking, including continued significant funding of independent medical studies.

Holding Company

B.A.T Industries p.l.c., incorporated in the United Kingdom, owns the whole of the equity share capital of BAT Go Ltd and is its ultimate holding company.

Company Status

BAT Go Ltd is not a close company for the purpose of company taxation.

Report of the Auditors

To the members of British-American Tobacco Company Limited

We have audited the financial statements on pages 5 to 20 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1989 and of the profit and funds provided and applied of the group for the year then ended and comply with the Companies Act 1985.

Coopers & Lybrand Deloitte, Chartered Accountants, London, 19 March 1990

Accounting Policies

1 Group accounts

- (a) Group accounts are prepared by consolidating the accounts made up to 31 December of BAT Co Ltd and its subsidiaries. The one significant exception is Nigerian Tobacco Co Ltd, whose accounts are made up to 30 September, and in the opinion of the directors it is presently impracticable to alter this date.
- (b) The results of subsidiaries acquired during the year are included from the date of acquisition of a controlling interest at which date, for the purposes of consolidation, the purchase consideration is allocated between the underlying net assets acquired, other than goodwill, on the basis of their fair value.
- (c) The results of subsidiaries which are sold outside the B.A.T Industries group are included up to the date of disposal. The profit or loss on sale is calculated by reference to the net asset value at the date of disposal.
- 2 Associated companies comprise investments in companies, which are not subsidiaries, where a significant influence can be exercised and the Group's interest in the equity capital is long term and exceeds 20%.

The Group's share of the profits of these companies is included in the profit and loss account and the investments are shown in the Group's balance sheet at the Group's share of the net tangible assets of the companies less provisions consistent with the concept of prudence. The Group's share of the profits and assets is based on the latest information published by the companies.

The Company's balance sheet includes its investment in associated companies at cost.

- 3 Other investments are stated at cost.
- 4 Stocks are valued on consistent bases, in the main at average cost including overheads (where appropriate), or net realisable value, whichever is the lower.
- 5 Intangible assets Trademarks, patents and goodwill, including that arising in connection with the acquisition of subsidiaries and associated companies, are climinated during the year of purchase against reserves and shown in reserve movements in note 21 on page 16.
- 6 Tangible fixed assets include assets held under finance leases which are capitalised at their fair value with a corresponding amount treated as a liability.
- 7 Depreciation on tangible fixed assets is calculated to amortise their cost over their useful lives by equal annual instalments, having regard to their location and the industry in which they are employed. No depreciation is provided on freehold land except where its cost cannot be separately identified in which case the aggregate cost of the land and buildings is depreciated at the rate applicable to the buildings.

The rates of depreciation used are generally within the following ranges

morning sunges	
Freehold buildings	2.5% - 1%
Leasehold buildings - long leases	2.5% - 4%
- short leases	over the period
	of the rease
Plant and machinery	7% - 10%
Other equipment and fittings	10% - 20%
Motor vehicles	20% - 25%

- 8 Turnover comprises net sales to external custemers and includes value added, rates and excise taxes.
- 9 Research and development revenue expenditure is charged against profits as incurred.
- 10 Pension costs are charged against profits on a systematic basis with surpluses and deficite arising allocated over the expected remaining service lives of current employees.
- 11 Taxation provided is that chargeable on the profits of the period together with defecred taxation calculated as indicated below:
- (a) To the extent that Advance Corporation Tax (ACT) on dividends paid and proposed cannot be offset against Corporation Tax or deferred taxation provided, it is written off. Amounts so written off are carried forward for tax purposes and may be offset against taxation of subsequent periods.
- (b) No account is taken of tax which may be payable on the realisation of investments or in the event of the distribution of profits retained by subsidiaries, associated companies or other investments.
- (c) Deferred taxation is provided for on timing differences using the liability method except where it can be demonstrated with reasonable probability that the tax deferral will continue for the foresceable future. Timing differences arise on items of income and expenditure which are recognised for tax purposes in different periods from those in which they are recognised in the profit and loss account.
- 12 Foreign currencies All assets, liabilities, turnover and profits expressed in currencies other than sterling are translated to sterling at rates of exchange ruling at the end of the financial year. Exchange differences on remittances are taken to trading profit.
- 13 Differences on exchange are dealt with as follows:
 (a) Those arising on the retranslation to sterling (using rates of exchange ruling at the end of the year) of overseas net assets at the beginning of the year, after taking into account related foreign currency borrowings, are taken direct to reserves as shown in note 21 on page 16.
- (b) Other exchange differences are reflected in trading profit.

Group Profit and Loss Account

For the year ended 31 December		emillion 2
	1989	1978
Turnover including duty and excise taxes (note 1)	3,001	2,565
Operating income (note 1) Operating charges (note 2)	1,537 1,237	1,244 1,013
Trading profit	300	231
Net interest (note 5)	55	52
	355	283
Share of associated companies' profit before taxation (page 19)	38	32
Profit on ordinary activities before taxation	393	315
Taxation on ordinary activities (note 6)	119	113
Profit on ordinary activities after taxation	274	202
Attributable to minority shareholders	32	28
Attributable to BAT Co Ltd shareholders	242	174
Extraordinary items (note 7)	(12)	20
Profit for the year (note 8)	230	194
Dividends in respect of current year profits (note 9)	162	145
Retained profit (note 21)	68	49
Retained profit		
by BAT Go Ltd and subsidiaries Associated companies	46 72	39 10
	68	49
Earnings per share (note 10)	43.7p	 35∗0r

Notes are shown on pages 5, 7 and 10 to 18.

Group Turnover and Profit Analyses

				£m	illions
		1989	%	1,988	To
Furnover including duty and excise taxes		3,061		2,565	
Geographical analysis					
Juled Kingdom		225	7	195	7
duripe		611	20	513	20
Jari\bean/Central America South America		128	4 1	121	, i
Australasia	•	403 375	14 13	648 65	25
Asia		884	29	697	27
Africa	* _ (_	375	13	324	1:
		*******			······································
	,`	3,001	100	2,565	100
The above analysis is based on the area of mar	ulacture,	,	,		
			23,4		
Industrial analysis Pobacco		0.044		0.40#	<i>2</i> . •
Other activities		2,914 87	97 3	2,495 70	97
Stude activates					******
		3,001	190	2,565	100
	in the second				
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Trading profit	TOTAL STATE STATE AND A SERVICE OF	300	ಪ'ರ್ಚು ವಿ#ಬ್≪ಪಿಸಿಸಿ	231	wars c. e
Geographical analysis	TOTAL STATE STATE STATE STATE	300	ச ்சுர் அ ளவுக்⊗வ	231	sans . F .
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Geographical analysis United Kingdom Europe	Tourn a work to be a warm of the second of t	44 28	9	32 21	9
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Geographical analysis United Kingdom Europe Garibbean/Gentral America South America	govern a secretaria y anara a secularia e	44 28 27 48	9 9 16	32 21 26 59	1 2
Geographical analysis Inited Kingdom Europe Caribbean/Central America South America Australasia	TOTAL STATE STATE STATE AND STATE AN	44 28 27 48 13	9 9 16 4	32 21 26 59	1 2:
Geographical analysis Jnited Kingdom Europe Garibbean/Gentral America South America Australasia Asia	Tourne a contrat of a section of	44 28 27 48 13 87	9 9 16 4 29	32 21 26 59 9	1 2: 2:
Geographical analysis United Kingdom Europe Garibbean/Gentral America South America Australasia Asia	Town a secretary of another sections.	44 28 27 48 13 87 53	9 16 4 29 18	32 21 26 59 9 55 36	1 2: 2:
Geographical analysis United Kingdom Europe Garibbean/Gentral America South America Australasia Asia		44 28 27 48 13 87	9 9 16 4 29	32 21 26 59 9	1 2: 2:
Geographical analysis Jnited Kingdom Europe Garibbean/Gentral America South America Australasia Asia Africa Royalty income less related expenditure is inclu	eded in the	44 28 27 48 13 87 53	9 16 4 29 18	32 21 26 59 9 55 36	2: 2: 2:
Geographical analysis United Kingdom Europe Caribbean/Gentral America South America Australasia Asia Africa Royalty income less related expenditure is included geographical area in which the licensor is located	eded in the	44 28 27 48 13 87 53	9 16 4 29 18	32 21 26 59 9 55 36	2: 2: 2:
Geographical analysis Jnited Kingdom Europe Caribbean/Gentral America South America Australasia Asia Africa Coyalty income less related expenditure is included graphical area in which the licensor is located analysis	eded in the	44 28 27 48 13 87 53 300	9 16 4 29 18	32 21 26 59 9 55 36	1 2: 2:
Geographical analysis United Kingdom Europe Caribbean/Gentral America South America Australasia Asia Africa Royalty income less related expenditure is included by the second of the sec	eded in the	44 28 27 48 13 87 53	9 16 4 29 18	32 21 26 59 9 55 36	2: 10
Prading profit Geographical analysis United Kingdom Europe Garibbean/Gentral America South America Australasia Asia Africa Royalty income less related expenditure is inclused a second content of the licensor is located and licensor is l	eded in the	44 28 27 48 13 87 53 300	9 9 16 4 29 18 100	32 21 26 59 7 55 36 231	1/2 2: 2: 16/
Geographical analysis Jnited Kingdom Europe Caribbean/Gentral America South America Australasia Asia Africa Coyalty income less related expenditure is included a sea in which the licensor is located for the second analysis Industrial analysis	eded in the	44 28 27 48 13 87 53 300	9 9 16 4 29 18 100	32 21 26 59 9 55 36 231	2: 2: 10: 10: 9

Balance Sheets

31 December			λ m	illions
.	Gre 1989	oup 1988	Comp 1989	any 1988
Assets				
Fixed assets Tangible fixed assets (note 13) Investments in Croup companies (note 15)	504	394	17 375	15 95
Investments in associated companies (note 16)	82	68	10	10
Other investments and long term loans (note 17)	39	<u>75</u>	33	35
	625	527	435	155
Current assets				
Stocks (note 18)	537	451	1	1
Debtors (note 19) Current investments (note 20)	263 392	225 316	111 144	77 290
Short term deposits	126	121	7	3
Cash at bank and in hand	44	43	4	3
	1,362	1,156	267	374
Total assets	1,987	1,683	702	529
Liahilities			٧	
Capital and reserves	135	135	175	125
Share capital Other reserves	287	261	135 27	135 29
Profit and loss account	463	455	92	90
Associated companies	5 <i>5</i>	41		
Interest of BAT Co Ltd shareholders (note 21)	940	892	254	253
Interest of minority shareholders in subsidiaries	144	99		202
	1,084	991	234	253
Provisions for liabilities and charges (note 22)	118	61	30	17
Creditors (note 25)				
Borrowings	151	110	116	34
Other creditors	634	521	302	225
	785	631	418	259
Total funds employed	1,987	1,683	702	529
On behalf of the board B D Bramley, D S Watterton Directors 19 March 1996	SPANA			

L. J. Wallerfan

Notes are shown on pages 5, 7 and 10 to 18.

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Group Funds Statement

Funds provided and applied for the year ended 31 December

L millions

	Total movements 1989 1988		Signi acquis	icant	tal moveme Othe acquis and dis 1989	ri Riens
Funds provided Profit attributable to BAT Co Ltd shareholders before extraordinary items	242		2.500	1903		1509
Dividends in respect of current year profits	(162)	174 (145)				
Extraordinary items Reserve movements	80 (12) (20)	29 20 (23)	300	(283)	14 (4)	11 (8)
Net increase in BAT Co Ltd shareholders' interest for the year Increase/(decrease) in	48	26	300	(283)	10	. 3
Interest of minority shareholders Provisions for unfunded pensions Deferred taxation	45 (3)	14 8	45		(3)	7
Borrowings due beyond one year	4	<u>(9)</u>	8	Arramania amang	14	2
	102	40	353	(283)	<u> </u>	12
Funds applied Tangible fixed assets Expenditure Disposals and exchange differences Depreciation of the year	193 (25) (48)	79 (1) (40)	111		(8)	7
Net tangible fixed assets Other fixed assets	120 (22) 98	38 4 4 42	111		(8) (36) (44)	7 (2) 5
Working capital Stocks Debtors Current investments, deposits and cash	86 38 82	52 34 (4)	73 33 231	(283)	(3) (2) 46	5 21 (13)
Less: Borrowings - due within one year Other provisions and creditors	206 37 165	82 29 55	337 8 87	(283)	41 (1) (23)	13 3 3
Increase/(decrease) in working capital	4	(2)	242	(283)	65	7
Increase in net assets	102	40	353	(283)	21	12

The directors consider it inappropriate to prepare this statement on a cash flow basis because of the restrictions in many parts of the world on the transfer of assets, including cash, between individual companies in the Group.

Net asset values are shown in respect of the acquisition of a majority shareholding in the WD & HO Wills tobacco operations in Australia and Papua New Guinea from the ultimate holding company. With the exception of a change in accounting policy in respect of deferred taxation, which required an additional provision of £4 million, there were no significant differences between the fair values attributed to the net assets and those recorded in the books of the acquired operations. The net premium on acquisition, £17 million, has been credited directly to reserves as shown in note \$1 on page 16.

Turnover and operating income 1989 1938	Notes to the Financial Statements		L millions
Turnover including duty and excise taxes 3,001 2,565 1,365 1,519 1,365 1,482 1,200 1,482 1,200 1,482 1,200 1,482 1,200 1,555 44 1,537 1,244 1,247 1,24	1 Thereas and an acting in a	1989	1988
1,482 1,200 1,482 1,200 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,537 1,244 1,237 1,244 1,237 1,244 1,237 1,244 1,237 1,24	Turnover including duty and excise taxes	3,001	2,565
2 Operating income 55	Duty and excise taxes	1,519	
2 Operating charges Raw materials and consumables 609 468 Change in stock of finished goods and work in progress (2) (21)	Children Samuel Com Comme	1,482	
2 Operating charges Raw materials and consumables Change in stock of finished goods and work in progress Change in stock of finished goods and work in progress Change in stock of finished goods and work in progress Change in stock of finished goods and work in progress 228 207 Depreciation 48 40 Other operating charges 354 319 1,237 1,013 Staff costs comprise: Wages and saiaries Social security costs 24 29 Cother pension costs 21 19 Share participation scheme 1 1 1 1 228 207 Other pension costs 21 19 Share participation scheme 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Comer operating income	**************************************	
Raw materials and consumables (Change in stock of finished goods and work in progress 609 468 Change in stock of finished goods and work in progress 228 207 Depreciation 48 40 Other operating charges 354 319 Staff costs comprise: **** **** Wages and salaries 182 158 Sorial security costs 24 29 Other pension costs 21 19 Share participation scheme 1 1 Uther pension costs comprise: **** **** Funded plans - defined contribution 2 1 - defined benefit 10 11 Unfunded plans - defined benefit 9 7 Information in respect of the number of persons employed by the Group is given on page 4. **** Depreciation includes: **** **** Depreciation in respect of assets held under finance leases 2 2 Other operating charges include: **** **** Rent of machinery and equipment (operating leases) 8 5 <		1,537	1,244
Raw materials and consumables (Change in stock of finished goods and work in progress 609 468 Change in stock of finished goods and work in progress 228 207 Depreciation 48 40 Other operating charges 354 319 Staff costs comprise: **** **** Wages and salaries 182 158 Sorial security costs 24 29 Other pension costs 21 19 Share participation scheme 1 1 Uther pension costs comprise: **** 228 207 Other pension costs comprise: **** **** 20 1 Funded plans - defined contribution - defined benefit 10 11 1 <td>The state of the s</td> <td>de vocas april</td> <td>Till and the state of the state</td>	The state of the s	de vocas april	Till and the state of the state
Change in stock of finished goods and work in progress (2) (21) Staff costs 228 207 Depreciation 48 40 Other operating charges 354 319 Locker operating charges 1,237 1,013 Staff costs comprise: **** **** Wages and salaries 182 158 Social security costs 24 29 Other pension costs 21 19 Share participation scheme 1 1 Chier pension costs comprise: *** 22 1 Funded plans - defined benefit 10 11 1 Unfunded plans - defined benefit 9 7 21 19 Information in respect of the number of persons employed by the Group is given on page 4. *** *** *** 2 2 2 Other operating charges include: *** *** *** ** ** ** ** ** ** ** ** ** ** ** ** **	2 Operating charges Raw materials and consumables	609	468
Staff costs 228 207 Depreciation 48 40 Other operating charges 354 319 I,237 I,013 Staff costs comprise:			
Other operating charges 354 319 1,237 1,013 Staff costs comprise: Wages and salaries 182 158 Social security costs 24 29 Other pension costs 21 19 Share participation scheme 11 1 Cher pension costs comprise: 2 207 Punded plans - defined contribution 2 1 - defined benefit 10 11 Unfunded plans - defined benefit 9 7 2 1 19 Information in respect of the number of persons employed by the Group is given on page 4. 2 2 Depreciation includes: 2 2 2 Other operating charges include: 2 2 2 Rent of machinery and equipment (operating leases) 1 1 1 Research and development expenses 1 1 1 Research and development expenses 1 1 1 Research and development expenses 1 1	Staff costs	228	207
Staff costs comprise: Wages and saiaries 182 158 Social security costs 24 29 Other pension costs 21 19 Share participation scheme 1 1 1 Share participation scheme 2 1 Other pension costs comprise: Funded plans - defined contribution 2 1			
Staff costs comprise: Wages and saiaries 182 158 Social security costs 24 29 Other pension costs 21 19 Share participation scheme 1 1 Call	Other operating charges		319
Sacial security costs		1,237	1,013
Sacial security costs	Stall costs comprise:		
Other pension costs Share participation scheme Cother pension costs comprise: Funded plans - defined contribution	Wages and salaries		158
Share participation scheme 1 1 228 207 Other pension costs comprise: Funded plans - defined contribution 2 1 1 - defined benefit 10 11 Unfunded plans - defined benefit 9 7 7 Information in respect of the number of persons employed by the Group is given on page 4. Depreciation includes: Depreciation in respect of assets held under finance leases 2 2 2 Other operating charges include: Rent of machinery and equipment (operating leases) 1 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 1 10 Finance charges in respect of finance leases 1 1 10 Finance charges in respect of finance leases 1 1 10 Finance charges in respect of finance leases 1 1 10 Finance charges in respect of finance leases 1 1 10 10 10 10 10 10 10 10 10 10 10 10			
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Rent of land and buildings (operating leases) Research and development expenses Finance charges in respect of finance leases Auditors' fees (BAT Co Ltd £182,000 1988 £155,000) Directors' remuneration As managers. Emoluments (including pension contributions) 8 5 10 11 10 1-10 1-20 1-10 1-10			
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Auditors' fees (BAT Co Ltd £182,000 1988 £155,000) 1.20 1.10 3 Directors' remuneration As managers. Emoluments (including pension contributions) 1.06 0.94	Finance charges in respect of finance leases	1	10
3 Directors' remuneration As managers. Emoluments (including pension contributions) 1.06 0.94		1.20	1 - 10
Emoluments (including pension contributions) 1.06 0.94		وي چه هرکشت کا ۱۳۵۰ کا کست کا ۱۳۵۰ کا کست کا ۱۳۵۰ کا ۱	gen in an aneren con the contract of the contr
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- coolong A.A.A. A.A.A.			
	: Cholone	V*V#	0.04

的复数人,他们是一个人,他们们们是一个人,他们们们的一个人,他们们们们们们,他们们们们们们的一个人,他们们们们们们们的一个一个人,他们们们们们们们们们们们们们们

4 Emoluments of directors and higher paid employees

The emoluments (excluding pension contributions) of directors of BAT Co Ltd., and of employees of BAT Co Ltd in excess of £30,000, all of whose services were principally within the UK, are set out in the following table

	Dire	ctors	Empl	oyees		Dire	ctors	Empl	Ovees
Emoluments	1989	1988	1989	1988	Emoluments	1989	1988	1989	1988
£					Ţ				
150,001 - 155,000	1	tr ₂	***	**	70,001 - 75,000	1	*	3	
145,001 - 150,000	1	72	-	_	65,001 - 70,000	-	199	2	2
120,001 - 125,000	-	2	***	***	60,001 - 65,000	•••	Pres.	4	anc
110,001 115,000	1	-	_	-	55,001 - 60,000	_	1	3	2
100,001 - 105,000	3	4	***	pen	50,001 - 55,000	***	1	10	10
95,001 ~ 100,000	i	~	_	=	45,001 - 50,000	-	546	7	3
90,001 - 95,000	1	1	***	**	40,901 - 45,000			8	14
85,001 - 90,000	_	1		<u> </u>	35,091 ~ 40,000	1	-	1.2	9
80,001 - 85,000	-	2	1	-	30,061 - 35,000	_	'pro-	17	22
75,001 - 80,000	-	1	4	-	25,001 - 30,000		1		

The Chairman, having received emoluments in his capacity as a director of the ultimate holding company, is excluded from this table.

The emoluments of the highest paid director were £150,526 for the year to 31 December 1989 (1988 £122,524).

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	1989	1988
5 Net interest Interest received	45	CE
Less interest paid	76 21	65 13
Net interest		
	55	52
Interest received comprises income from: Fellow subsidiaries		
Trade investments	50 1	31
Current investments	2	1
(unlisted)		(= < OD
Short term deposits	53 23	32 33
		-
You are the	76	65
Interest paid: Short term - bank loans and overdrafts	17	10
- other loans	1/	10
of which or william (1000 to william) and have a world to the	n end i	ez respek
of which £3 million (1988 £2 million) on loans repayable by instalments Long term bank loans	18	11
- other loans	1	,
Fellow subsidiaries	2	1
	21	13
Fig. 1. April 10 10 10 10 10 10 10 10 10 10 10 10 10		147
6 Taxation on ordinary activities	THE FOREST CONTRACTOR FOREST	£ , _ , £ , , # + , #
UK Corporation Tax on profits of the period at 35.00% (1988 35.00%)	54	68
Less double taxation relief	47	51
UK taxation	7	7
Overseas taxation	93	91
Current taxation	100	98
Deferred taxation	3	1
Taxation charge BAT Co Ltd and subsidiaries	103	99
Share of associated companies' taxation	16	14
Total taxation	119	113
TO STORE STORESTICAL		113

The charge for UK taxation has been reduced by £22 million (1988 £23 million) in respect of ACT and £9 million (1988 nil) in respect of group loss relief, both as a result of surrender by the ultimate holding company.

7 Extraordinary items	1989	1902
Intraordinary income		
Sales of and reduction of holding in .		
Subsidiary and assistated companies		1.2
Other investments	17	
Disposal of surplus fixed assets		14
Extraordinary charges	17	21,
Sales of holdings in subsidiary companies		
Provision for rationalisation in Europe	4	3
the transfer in transpi	38	
	42	3
Extraordinary (loss)/profit before taxation	(25)	53
Faxation on extraordinary items	1	٠,
Extracrelmary (loss)/profit after taxation	(26)	23
Attributable to minority shareholders	(4)	3
Extraordinary items - BAT Co Ltd and subsidiaries		54
- share of associated companies' extraordinary income	(22)	20
and a assemed combanes extraordinary theories	10	
	(12)	20

8 Profit for the year

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As permitted by section 228(7) of the Companies Act 1985, the profit and loss account of the Company has not been separately presented in these financial statements. The profit for the year dealt with in the accounts of the Company was £163 million (1988 £137 million).

		-
9 Dividends of BAT Co Ltd	1989	1988
5% Preference stock (3:5% net) 6% Preference stock (4:2% net)	0·16 0·25	0 · 16
Ordinary shares Interims paid in respect of current year profits	162-00	145 00
	162-41	145-41
10 Earnings per share Earnings per ordinary share are based on equity earnings of £242 million (1988 £174 million) and the 497 million issued ordinary shares of 25p each.	48 · 7p	- 35∙0n

11 Restrictions on transfer of assets

There are restrictions in many parts of the world on the transfer of assets, including cash, between individual companies in the Group.

10	Oneral		1
LZ.	Oncra	ino.	IFRICK

o partiting remote		d and dings	Qt	her
Amount committee of a committee of a	1989	1988	1989	1988
Annual commitments under non-cancellable operating leases comprises				
Leases which expire				
Within 1 year	3	1	1	
Beyond 1 year and within 5 years	3	1	1	1
Beyond 5 years	2	$\tilde{2}$	•	

	8	4	2	1
			-	-

The majority of leases of land and buildings are subject to rent reviews.

3 Tangible fixed assets					
	Freehold	Leasehold	Plant,	Assets in	
	land &	land &	machinery	course of	
Group	buildings	buildings	& equipment	Construction	Total
Sost.					
January 1989	116	34	466	23	639
Differences on exchange	(5)	3	1		
Subsidiaries acquired	62	3	78	(2)	(3) 142
Expenditure	3	4	47	2 28	82
Reallocations	2	1	19	(22)	04
Disposals	(3)	(3)	(27)	(**)	(33)
Subsidiaries disposed of	(7)	(3)	(7)		(14)
ansimiles disposed of		*******			
31 December 1989	168	39	577		813
Depreciation:					
l January 1989	27	9	219		255
Differences on exchange		.1	1		2
Subsidiaries acquired	2		29		31
Charged to Profit and Loss Account	3	2	43		48
Adjustments on disposals	(1)		(20)		(21)
Subsidiaries disposed of	(1)		(5)		(6)
31 December 1989	30	12	267		309
Net values at 31 December 1989	100		810	20	504
Net values at 31 December 1988	138 89	27 25	310 247	29 23	504 384
Company					
Cost:					
l January 1989	4	1	23	1	29
Expenditure			6		6
Reallocations			1	(1)	
Disposals			(2)	` ,	(2)
	······································	************			
31 Décember 1989	4	1			33
Depreciation:					
January 1989	1		13		14
Charged to Profit and Loss Account			4		4
Adjustments on disposals			(2)		(2)
31 December 1989	1		15		16
71 December 1985					
Net values at 31 December 1989	3	1	13		17
Net values at 31 December 1988	3		10	1	15
			Group		pany
r F.111-311 4112		1989	1988	1989	1988
Leasehold land and buildings compris	c;	4 4	,		
Net value of long leasehold		17		4	
		1() 9	1]
Net value of short leasehold			•		-
			*	<u> </u>	1
		22	•	1	1
			7 <u>25</u> 3 23	1 2	1 2

14 Future capital expenditure			- ` 	
	Gro 1989	up 19(3)		npany 1963
Authorized by the directors of BAI Co I td or its subsubaries but not provided for in these accounts is estimated at of which constacts have been placed for	49 32	27	1969 1	\$ **\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
15 Investments in Group companies (see page 20)				
Clast	Sharehol	dings	Con Loans	npany Total
1 January 1989 Acquisitions and advances Transfers		55 287	48	103 293
Disposals and repayments		2 (1)	(2) (6)	(7)
31 December 1989		343	46	389
Provision in respect of a permanent diminution in value 4 January 1989 Charged in the Profit and Loss Account		8 6		8
31 December 1989		14		14
Net calues at 31 December 1989 Net calues at 31 December 1988		329 47	46 48	375 95
16 Investments in associated companies (see page 19)				
1 January 1989 Differences on exchange Retentions Goodwill on acquisitions by associated companies Transfer of funds in advance of distribution 31 December 1989	G Sharehol (at net tangible asset	roup dings value) 68 7 24 (4) (13)	Shurche	opany ldings it cost) 10
Shareholdings. Listed abroad tMarket value Group £65 million 1988 £31 million Company £12 million 1998 £10 million)	G (at net tangible asset 1989	roup	Ça	ipany it cost) 1988
Unlisted	<u>51</u> 82	51 68	9 10	<u>9</u> 10

17 Other investments and long term	loans					
U	Group	_		Company	_	
	Other investments	Long term loans	Holding company	Other investments	term loans	Holding company
1 January 1989	41	9	25	1	9	25
Differences on exchange		1			1	
Acquisitions and advances		4			4	
Reclassification		(7)			(7)	
Disposals and repayments	(34)				.	
31 December 1989	7	7	25	1	7	25
Other handsmann numerica	1989	1988		1989	1988	
Other investments comprise:		34				
Listed abroad equity Unlisted – equity	7	6		r	1	
Unlisted - other	7	1			,	
Omaca – Mci		1				

Included in unlisted is an equity investment in Haseldonckx Logistics NV, a company incorporated and registered in Belgium, its principal country of operation. The Group's interest in the ordinary share capital is 20.69%. The existence of a majority shareholder, Wiggins Teape Ltd, a fellow subsidiary, who hold the remaining 79.31%, precludes its treatment as an associated company. The latest available audited information is for the year to 31 December 1989 and shows capital and reserves of £25 million and a profit of £2 million.

	Gre	oup	Com	oanv
	1989	1988	1989	1988
18 Stocks				
Raw materials and components	370	318	1	1
Consumable stores	36	35		
Finished goods Goods purchased for resale	98 33	80 18		
•	537	451	1	i
19 Debtors	SC Committee in the Care	_ J	3	
Trade debtors	160	137		ı
Other debtors	68	66	11	7
Prepayments and accrued income	20	20	1	
Receivable from fellow subsidiaries Receivable from subsidiaries	15	2	99	68
	263	225	111	77

During the year a subsidiary company entered into an agreement to sell trade debtors. Had this arrangement not existed at 31 December 1989, it is estimated that debtors would have been £30 million higher.

Other escres 261 (13) 17 22 287	Profit and loss account 455 (27) 46 (11) 163	Ass com	1; we	2 42 28 14 29
261 (13) 17 22	1989 2 1 3 6 386 392 Profit and loss account 455 (27) 46 (11)	1989 1 1 6 308 316 Ass.	1: 1- 1- 0 cinted 1 panies 41 7 22 (4)	2 2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	2 1 3 6 386 392 Profit and loss account 455 (27) 46 (11)	1 6 8 308 316 Ass.	0ciated spanies 41 7 22 (4)	2 2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	2 3 3 6 3 8 6 3 9 2 Profit and loss account 455 (27) 46 (11)	308 308 316 Assecom	0ciated spanies 41 7 22 (4)	2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	2 3 3 6 3 8 6 3 9 2 Profit and loss account 455 (27) 46 (11)	308 308 316 Assecom	0ciated spanies 41 7 22 (4)	2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	2 3 3 6 3 8 6 3 9 2 Profit and loss account 455 (27) 46 (11)	308 308 316 Assecom	0ciated spanies 41 7 22 (4)	2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	3 6 386 392 Profit and loss account 455 (27) 46 (11)	308 316 Ass	0ciated spanies 41 7 22 (4)	2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	3 6 386 392 Profit and loss account 455 (27) 46 (11)	308 316 Ass	0ciated spanies 41 7 22 (4)	2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	92 Profit and loss account 455 (27) 46 (11)	8 308 316 Ass	0ciated spanies 41 7 22 (4)	2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	Profit and loss account 455 (27) 46 (11)	8 308 316 Ass	0ciated spanies 41 7 22 (4)	2 42 28 44 29 Total 892 (33) 68
261 (13) 17 22	386 392 Profit and loss account 455 (27) 46 (11)	308 316 Ass.	ociated spanies 41 7 22 (4)	Total 892 (33) 68
261 (13) 17 22	392 Profit and loss account 455 (27) 46 (11)	Ass.	ociated spanies 41 7 22 (4)	Total 892 (33) 68
261 (13) 17 22	Profit and loss account 455 (27) 46 (11)	Ass	ociated spanies 41 7 22 (4)	Total 892 (33) 68
261 (13) 17 22	Profit and loss account 455 (27) 46 (11)	Ass	ociated spanies 41 7 22 (4)	Total 892 (33) 68
261 (13) 17 22	Profit and loss account 455 (27) 46 (11)	Ass com	ociated panies 41 7 22 (4)	Total 892 (33) 68
261 (13) 17 22	455 (27) 46	Ass com	41 7 22 (4)	892 (33) 68
261 (13) 17 22	455 (27) 46	Ass com	41 7 22 (4)	892 (33) 68
261 (13) 17 22	455 (27) 46	Ass com	41 7 22 (4)	892 (33) 68
261 (13) 17 22	455 (27) 46 (11)	com	41 7 22 (4)	892 (33) 68
(13) 17 22	(27) 46 (11)		41 7 22 (4)	892 (33) 68
(13) 17 22	(27) 46 (11)		7 22 (4)	(33) 68
17 22	(11)		7 22 (4)	(33) 68
22	(11)		22 (4)	68
22	-		(4)	
	-	•	<u>(iií)</u>	13
287	463	•		
***************************************	****			
			55	940
0.0				-
28	90			253
713	Į.			1
(1)	1			•
27	92			-
	*****			254
	Authorisec	l, issue	1989	1988
				124
				5 6
				6
		-	135	105
÷	g or ten.	2 20.45	المالم المالا	vit acc
Unt	atad rs -	,	Con	npany
Dane;				*
pensi			Other	Total
	U	1	8	17
	2			
	ت		5	8
	/1\		6	Ğ
	<u></u>	·		(1)
-	10	1		30
	pens		Unfunded Deferred taxation 8	pensions taxation Other 8 1 8

23 Pensions

The Group operates 87 retirement benefit plans covering in excess of 34,000 employees, approximately 83 per cent of its work-force around the world. The majority of these employees belong to defined benefit type schemes, most of which are funded externally. In some countries, however, as shown in note 22 on page 16, separate provisions are made, covered by assets retained within the companies concerned. The remaining employees belong to defined contribution schemes.

Defined benefit scheme costs are determined following valuations by qualified actuaries, one of whom is an employee of the ultimate holding company, who generally use the aggregate or projected unit credit method. The total market value of assets in externally funded defined benefit schemes, at the date of their most recent actuarial valuations, was £453 million which was not less than accrued liabilities. Their actuarial asset value was £447 million which was not less than the value of projected accrued liabilities based on ultimate rather than current pay. Certain schemes showed deficits on a current funding level basis but these are considered not to be material in the context of the whole Group.

As shown in note 2 on page 10 the total pension cost to the Group, including additions to provisions in respect of unfunded pensions, was £21 million (1988 £19 million). In the main the total cost equates to the regular annual cost. The second of th

24 Contingent liabilities

There are contingent liabilities in respect of litigation, overseas taxes, guarantees and social benefits in various

BAT Co Ltd has guaranteed borrowings by subsidiaries and fellow subsidiaries of £4 million (1988 £32 million). In addition, jointly with a fellow subsidiary, BAT Co Ltd has guaranteed 1488 million (1988 £188 million) of borrowings by B.A.T Industries p.l.c.

		rithin	one :	beyond wenn
1988	one y 1989	1988	1989	1988
59	96	58	1	1
180	186	180		
9	3	3	4	6
20	49	17	2	3
37	39	37	12	
14	16	11	_	3
54	54	52	9	2
19	15	19		
103 26	113 33	103 25	2	1
521	604	505	30	16
110	127	90	24	20
631	731	595	54	36
prise:			2	3
			2	3
			4	
11	9	8		2
11	2	ĭ		
94	106	94		
116	180	116		
3	5	3		
MET MAN AND PARTY.	ve >≈ **.s	IT SEC PATER	<u> </u>	د ماو≃ دی.
225	302	222		,
34	116	34		
259	418	256		-
	34	34 116	34 116 34	34 116 34

26 Borrowings	Rant to	oans and		oup stal		pany Mal
		drafts	_	wings		wings
	1989	1988	1989	1988	1989	1988
Miscellaneous long term			8	3		
Miscellaneous - short term			10	6		
Bank loans and overdrafts			92	87		
Loans from holding company			14		14	• •
Loans from fellow subsidiaries			27	14	21	11
Loans from subsidiaries				*	81	23
			151	110	116	34
Secured borrowings			22	20	* =	
Repayable as follows:						
Due beyond 5 years						
(all repayable by instalments)		1	6	4		
Due between 2 and 5 years	7	8	13	11		
Due between 1 and 2 years	3	3	5	5		
	10	12	24	20		
Due within I year	82	<u>75</u>	127	90	116	34
Total	92	87	151	110	116	34
Total amount due on long term loans		_				
which are repayable by instalments	sino-raminos Mo	5	14			
27 Deferred taxation						
				oup		pany
	_		1989	1988	1989	1988
Had provision been made for deferred taxati timing differences, the liability would have b		િસી				
Excess of capital allowances over depreciation	n		51	41	4	4
Deduct ACI			7	14	2	2
			44	27	2	2
Stock relief in respect of overseas stocks			8	4		
Losses available for set off against future tax	able profits		(7)	(5)		
Other timing differences			(16)	(1)	(1)	(1)
			29	25	1	1

There is a provision for deferred taxation of £15 million (1988 £7 million) in note 22 as it is considered that a fiability may arise in the foreseeable future as a result of the reversal of timing differences in respect of accelerated depreciation. This provision is after an ACT deduction of £6 million (1988 £14 million) comprising £4 million (1988 £10 million) irrevocably surrendered and £2 million (1988 £4 million) provisionally surrendered by the ultimate holding company

As indicated in note 11(b) on page 5 the above figures do not take into account tax which may be payable on the realisation of investments or in the event of the distribution of profits retained by subsidiaries, associated companies or other investments.

Associated Companies

Principal	Investments
-----------	-------------

2 millions

Denmark		Latest available information	Total issued (apital	BAT Co Ltd's & beneficial increst	
Skandinavisk Holding AS tohaceo, wholesaling, furniture manufacturing, office supplies	#'A' Ordinary #'B' Ordinary #'C' Ordinary	30/6/89	27 3 13	33 33 33 33	
Ghana Pioneer Tobacco Co Ltd tobacco	# Ordinary	31/12/89	0-02	45	
India ITC Ltd tobacco, hotels, board, packaging and printing	+ Ordinary	30/9/89	12	31	
Spain Tabacanaria SA tobacco	# Ordinary	30/11/89	14	41	
Trinidad & Tobago The West Indian Tobacco Go Ltd tobacco	# + Ordinary	31/12/89	5	46	

#Held by BAT Co Ltd + Listed abroad

BAT Co Ltd's percentage beneficial interest is stated as at 31 December 1989.

Profit and Loss Account				
	Year to 31 I	December 1989	Year to 31	December 1988
	Total	Group's share	Total	Group's share
Turnover	2,337	777	1,856	627
Trading profit Interest paid less received	113 (2)		94 (2)	
Profit before taxation Taxation	111 47	38 16	92 41	32 14
Profit after taxation	64	22	51	18
Extraordinary items		11		
Net profit after extraordinary items Dividends (see below)		33 9		18 8
Retained profit		24		10
Dividends comprise income from:				
Listed investments Unlisted investments		3 6 9		3
,		*********		

Principal Subsidiaries

The prix sipal subsidiaries in the BAT Co Ltd Group, which are mainly engaged in the tobacco industry unless independent of otherwise, are listed below. The geographical analysis is based on the main area of operation. The country of incorporation is the same as the main country of operation except where identified.

Day United Kingdom	identified.	Ģ	shares		Vo	shares
United Kingdom Ardath Tobacco Co Ltd		by	utable		by	utable
Ardahd Tobacco Co Lad	United Kingdom	BAT	to BAT	Australasia (continued)	BAT	O BAT
BAT (UK and Export) Ltd		100	100	Fiii		
Europe Belgium BAT Benchux SA Velasques Sigarenfabricken NV Velasques Sigarenfabricken BV Finland Suomen Tupakka Oy Malta MITC Tobacco Company Ltd Northerlands BAT Nederland BV Henri Wintermans' Sigarenfabricken BV BAT (Suisse) SA Caribbean/Central America BAT (Suisse) SA Caribbean/Central America BAT Selection Northerlands Barbados Bartish-American Tobacco Co Republic Tobacco Co R				Fiji Tobacco Co (1972) Ltd	50	83
Belgium BAT Benelux SA White HOW Wills (PNG) Ltd Solomen Islands The Jersey Tobacco Distributors Ltd The Jersey Tobacco Distributors Ltd Cyprus BAT (Cyprus) Ltd BAT (Cyprus) Ltd BAT (Cyprus) Ltd Solomen Islands Trough Tobacco Contained Islands Asia Bangladesh Tobacco Co Ltd Asia Bangladesh Tobacco Co Ltd Bangladesh Tobacco Co Ltd Frish American Tobacco Co (Hong Kong) Ltd India BAT Nederland BV Lenri Wintermans' Sigarenfabricken BV BAT (Suisse) SA Aria Barladesh Tobacco Co (Hong Kong) Ltd India BAT Indonesia The Jersey Tobacco Co Bartish-American Tobacco Co (Elrop Kong) Ltd India Barladesh Tobacco Co (Hong Kong) Ltd India Barl Indonesia The Jersey Tobacco Co Bartish-American T	149					40
BAT Benelux SA Velastynes Sigarenfabricken NV - 100 Channel Islands The Jersey Tobacco Distributors Ltd - 207 Cyprus BAT (Suprus) Ltd Finland Suomen Tupakka Oy Malta MTC Tobacco Company Ltd MTC Toba				WD & HO Wills (New Zealand) Ltd		86
Velsaques Sigarenfabrieken NV - 100 Solomon Islands Tobacco Co Ltd 50 8 The Jersey Tobacco Distributors Ltd - 100 Cyprus BAT (Cyprus) Ltd - 289 Bangladesh Tobacco Co Ltd - 68 Bangladesh Tobacco Co Co Ltd - 70 Chief Rong Ltd - 100 Costa Rica Rea Staviora Tobacco Co Berhad - 58 Barlish-American Tobacco Co Berhad - 58 British-American Tobacco Co Berhad - 58 British-American Tobacco Co Ltd - 68 British-American Tobacco Co Ltd - 68 British-American Tobacco Co Ltd - 70 Gosta Rica Republic Tobacco Co Berhad - 70 Guatemala Tobacco Co Ltd - 70 Guatemala Tobacco Co Ltd - 70 Barlistan Tobacco Co Ltd - 70 Guatemala Tobacco Co Ltd - 70 Barlistan Tobacco Co Ltd - 70 British-American Tobacco Co Ltd - 70 British-British British-British British-British British-American Tobacco Co Ltd - 70 British-British B		28	100		() e=	67
Channel Islands The Jersey Tobacco Distributors Ltd	Velasques Sigarenfabrieken NV			Solomon Islands		~,
Asia BAT (Cyprus) Ltd - 89 Bangladesh Tobacco Co Ltd - 68 Bangladesh Tobacco Co 100 1	Channel Islands			Solomon Islands Tobacco Co Ltd	50	83
BÅT (Cyprus) Ltd Suemen Tupakka Oy Malta Malta Malta Malta Malta Milta Tribacco Company Ltd Milta Milt		****	100	Auto		
Finland Suomen Tupakka Oy Malta MTC Tobacco Company Ltd MCT Tobacco Company Lt		416	: 89			
Suomen Tupakka Oy Malta Malta Malta Matta			10. 130 Mg		524	63
MTC Tobacco Company Ltd 100 100 (Hong Kong) Ltd 100 10 100 Notherlands BAT Nederland BV 100 India 77 Tibeni Tissues Ltd paper		100	100	Hong Kong		
Netherlands BAT Nederland BV Henri Wintermans' Sigarenfabricken BV - 100 Henri Wintermans' Sigarenfabricken BV - 100 BAT (Suitse) SA 77 BAT (Suitse) SA 80 BT (Salvador Co Ltd 63 BT (Salvador Co Ltd 70 BAT (Suitse) SA 80 BT (Salvador Co Ltd 70 BAT (100	100	British-American Tobacco Co	. 65	١.٠٨
BAT Nederland BV - 100 Tribeni Tissues Ltd paper - 5 Henri Wintermans' Sigarenfabricken BV - 100 Indonesia 70 7 BAT (Suisse) SA 77 99 Malaysia Garibbean/Central America Barbados		100	100	(Hong Kong) Ltd	100	100
Henri Wintermans' Sigarenfabrieken BV - 100 Indonesia 70 7 7 BAT (Suisse) SA 77 99 Malaysia Malaysian Tobacco Co Berhad - 5 Pakistan Tobaco Co Berhad - 5 Pakistan Tobaco Co Berhados 1 100 100 British-American Tobacco Co Barbados 1 100 100 British-American Tobacco Co Co (Barbados) Ltd 100 100 British-American Tobacco Co (Singapore) Ltd 80 80 80 Sri Lanka 100 100 British-American Tobacco Co (Singapore) Ltd 100 100 British-American Tobacco Co (Singapore) Ltd 100 100 British-American Tobacco Co Co (Singapore) Ltd 100 100 British-American Tobacco Co Ltd 70 80 Sri Lanka 100 100 British-American Tobacco Co Ltd 70 80 Sri Lanka 100 100 South american Tobacco Co Ltd 70 80 Société des Tabacs, Cigares et Cigarettes Liberia 100 Indiana I			100		344 -	51
BAT (Suisse) SA Caribbean/Central America Barbados British-American Tobacco Co (Barbados) Ltd Costa Rica Republic Tobacco Co (Barbados) Ltd Costa Rica Costa Rica Republic Tobacco Co (Singapore) Ltd Sri Lanka Ceylon Tobacco Co Ltd 77 80 Guatemala Tabacalera Nacional SA Cameroon Société des Tabaes, Cigares et Gigarettes Cuyana Demerara Tobacco Co Ltd Tobacco Co Costa Rica Renya Benerara Tobacco Co Ltd Tobacco Co Costa Rica Renya Benerara Tobacco Co Ltd Tobacco Co Costa Rica Renya Benerara Tobacco Co Ltd Tobaccalera Nacional SA Cameroon Société des Tabaes, Cigares et Gigarettes Liberia Tabacalera Hondureña SA Nicaragua Tabacalera Nicaraguense SA Renya Tabacalera Istmeña SA Nicaragua Tabacalera Istmeña SA Surinam Tobacco Company of Suriname NV 100 100 British-American Tobacco Corporation Malawi British-American Tobacco (Mauritius) p.l.c. (Incorporated in the UK) Nigeria Tobacco Conformy Invige which the Group's interests in Chile are held Consorcio Agro-Industrial de Malloa SA foods Consorcio Agro-Industrial de Malloa SA foods Consorcio Agro-Industrial de Malloa SA foods Consorcio Agro-Industrial	Henri Wintermans' Sigarenfabrieken	BV -		Indonesia		
Caribbean/Central America Barbados British-American Tobacco Co Berhados British-American Tobacco Co British-American Tobacco Co Berhados British-American Tobacco Co Berhados British-American Tobacco Co Berhados British-American Tobacco Co Berhados British-American Tobacco Co British-American Tobacco Co Berhados British-American Tobacco Co Barrican Conductor Barrican Sa Barrican Tobacco Co Barrican Tobacco Co Ltd Barrican Tobacco Co Corporation Barrican Tobacco Co Ltd Barri	Switzerland				70	70
Garibbean/Central America Barbados British-American Tobacco Co (Barbados) Lat Costa Rica Republic Tobacco Co El Salvador Cligarrería Morazán SA de GV Gutamala Tabacalera Nacional SA Guyana Demerara Tobacco Co Lid Tobaccalera Hondureña SA Tabacalera Hondureña SA Pakistan Tobacco Co Lid Tobaccalera Istoeña SA South America Tobacco Company of Suriname NV South America Argentina Tobacco Company of Suriname NV South America Argentina Tobacco Corponato Nobleza-Pictardo SAICyF Chile Chile Labacos SA Consorcio Agro-Industrial Chile at held Chile SA foods Evertrisp Snack Productos de Chile SA foods CA Cigarrera Bigott Sucs Pakistan Tobacco Co Ltd Singapore British-American Tobacco Co (Singapore) Ltd Singapore British-American Tobacco Co Ltd 77 80 Sarinam Ceylon Tobacco Co Ltd 77 80 Cameroon Société des Tabacs, Cigares et Cigarettes Cameroon Société des Tabacs, Cigares et Cigarettes Labria Te Monrovia Tobacco Corporation 95 9 4 8 80 80 80 80 80 80 80 80 80 80 80 80 8	BAT (Suisse) SA	77	99			EA
Barbados British-American Tobacco Co (Barbados) Lid	Caribbean/Central America				***	24
British-American Tobacco Go (Barbados) Ltd (Bosta Rica Republic Tobacco Go Republic Tobacco Republic Tobacc					63	63
Costa Riea Republic Tobacco Go Republic Tobacco Republic			*	Singapore		
Republic Tobacco Co El Salvador Cligarrería Morazán SA de GV 75 75 Guatemala Tabacalera Nacional SA 73 73 Guatemala Tabacalera Nacional SA 74 75 Guyana Demerara Tobacco Co Ltd 70 70 Honduras Tabacalera Hondureña SA 80 80 80 80 Tabacalera Hondureña SA 80 80 80 80 Tabacalera Nicaraguense SA 60 60 60 The Monrovia Tobacco Corporation 95 Panama Tabacalera Istrueña SA 100 100 Tabacalera Istrueña SA 100 100 Surinam Tobacco Gompany of Suriname NV 100 100 Surinam Tobacco Gompany of Suriname NV 100 100 Tobacco Gompany of Suriname NV 100 100 South America Argentina Argentina Nobleza-Piccardo SAICyF 70 70 Tobacco Corporation 95 Sierra Leone Aureol Tobacco Co Ltd 86 Empresas CCT SA the company through which the Group's interests in Chile are held 2 70 Chiletabacos SA 70 Consorcio Agro-Industrial de Malloa SA foods 70 Evercrisp Snack Productos de Chile SA foods 70 Evercrisp Snack Productos de Chile SA foods 80 Carlon Tobacco Co Ltd 85 Evercrisp Snack Productos de Chile SA foods 80 Carlon Tobacco Co Ltd 85 Evercrisp Snack Productos 40 Carlon Sa foods 70 Cambia 80 Carlon Tobacco Co Ltd 86 South Africa 100 Uganda 8AT Uganda 1984 Ltd 70 Cambia 8AT Zaire SARL 100 100 Evercrisp Snack Productos 80 Carlon Sa foods 70 Cambia 8AT Zaire SARL 100 100 Carlon Sa foods 80 Carlon Tobacco Co		100	100		24	44
El Salvador Cigarrería Morazán SA de GV 75 Tabacalera Nacional SA 73 Cameroon Société des Tabacs, Cigares et Gigarettes Demerara Tobacco Co Ltd 70 Tobacalera Hondureña SA 80 Honduras Tabacalera Hondureña SA 80 Tabacalera Nicaraguense SA 60 Tabacalera Nicaraguense SA 60 Tabacalera Nicaraguense SA 60 Tabacalera Istrneña SA 100 Tabacalera Istrneña SA 100 Tabacalera Istrneña SA 100 Tobacco Company of Suriname NV 100 Tobacco Condition 100 Tobacco Co Ltd 70 Tobacco Co Ltd 59 Tigrian Tobacco Co Ltd 50 Tobacco Co Co Ltd 50 Tobacco Co		94	90		80	80
Gigarrería Morazán SA de GV 75 75 Africa Guatemala Tabacalera Nacional SA 73 73 Cameroon Société des Tabacs, Cigares et Cigarettes J Bastos de L'Afrique Centrale SA 92 9 Honduras Tabacalera Hondureña SA 80 80 80 BAT Kenya Ltd - 5 Tabacalera Nicaraguense SA 60 60 The Monrovia Tobacco Corporation 95 9 Panama Tabacalera Istrueña SA 100 100 BAT (Malawi) Ltd 75 7 Tabacalera Istrueña SA 100 100 British-American Tobacco (Mauritius) p.l.c. (incorporated in the UK) 75 7 South America Argentina Nobleza-Pict ardo SAICyF 70 70 Sierra Leone Chile Empresas CCT SA the company through which the Group's interests in Chile are held 70 Willards Foods (Pty) Ltd foods 70 Tobacco Co Colid 86 South Africa 100 Uganda 1984 Ltd 70 Tobacco Co Colid 86 Colide SA foods 70 Uganda 1984 Ltd 70 Tobacco Co		OV	00		77	84
Tabacalera Nacional SA Guyana Demerara Tobacco Co Ltd Portland SA Tabacalera Hondures Tabacalera Hondureña SA Tabacalera Hondureña SA Nicaragua Tabacalera Nicaraguense SA Panama Tabacalera Nicaraguense SA Panama Tabacalera Istrueña SA Tabacalera Nicaraguense SA Tabacalera Nicaraguense SA Tabacalera Nicaraguense SA Tabacalera Nicaraguense SA Tabacalera Hondureña SA Tabacalera Lid Tabacalera Hondureña SA Tabacalera Lid Tabaca Tabaca (Mauritius) p.l.c. (Incorporated in the UK) Nigeria Nigeria Tobacco Co Ltd Tobacco Co Ltd Tabacalera SA Tabaca Leone Nigeria Tobacco Co Ltd Tabacalera Sa Tabaca Leone Nigeria Tobacco Co Ltd Tabaca South Africa Utico Floldings Ltd Tabaca Foods (Pty) Ltd Joods Tabaca Leone Tabaca Productos Tabaca Leone Tabaca Productos Tabaca Productos Tabaca Productos Tabaca Leone Tabaca Productos Tabaca Tabaca Ltd Tabaca Productos Tabaca	Cigarrería Morazán SA de CV	75	75	· ·	*	ν.
Guyana Demerara Tobacco Co Ltd Demerara Tobacco Corporation Defended Liberia Tobacco Corporation Defended Li			* ***	<u></u>		
Demerara Tobacco Co Ltd Demerara Tobacco Co Ltd Honduras Tabacalera Hondureña SA Tabacalera Hondureña SA Tabacalera Nicarague Tabacalera Nicaraguense SA Tabacalera Istmeña SA Tabacalera Nicaraguense SA Tabacalera Tobacco Co Ltd Sa		73	73		tes	
Honduras Tabacalera Hondureña SA Tabacalera Nicaragua Tabacalera Nicaraguense SA Tabacalera Istrueña SA Tabacalera Malawi The Monrovia Tobacco Corporation The Monrovia Tobacco Corporation Tabacalera Istrueña SA Tabacaco Co Ltd Tabacco Co Co Ltd Tabacco Co Taba		70	70	J Bastos de L'Afrique Centrale SA		92
Nicaragua Tabacalera Nicaraguense SA Panama Tabacalera Istrueña SA Surinam Tobacco Company of Suriname NV 100 100 South America Argentina Nobleza-Pict ardo SAICyF Chile Empresas CCT SA the company through which the Group's interests in Chile are held Choletabacos SA Consorcio Agro-Industrial de Malloa SA foods Evercrisp Snack Productos de Chile Sa Foods Venezuela CA Cigarrera Bigott Sues Liberia The Monrovia Tobacco Corporation 95 Malawi BAT (Malawi) Ltd 75 77 Mauritius British-American Tobacco (Mauritius) p.l.c. (incorporated in the UK) Nigeria Nigerian Tobacco Co Ltd 96 Setera Leone Aureol Tobacco Co Ltd 96 South Africa Utico Holdings Ltd 97 Willards Foods Villards Food		, 0	717	Kenya		
Tabacalera Nicaraguense SA Panama Tabacalera Istrueña SA Panama Tabacalera Istrueña SA Surinam Tobacco Company of Suriname NV 100 100 South America Argentina Argentina Nobleza-Piccardo SAICyF Chile Empresas CCT SA the company through which the Group's interests in Chile are held Consorcio Agro-Industrial de Malloa SA foods Evercrisp Snack Productos de Chile SA foods Venezuela CA Gigarrera Bigott Sues Australasia Australas		80	80	BAT Kenya Ltd	74	59
Panama Tabacalera Istrueña SA Surinam Tobacco Company of Suriname NV 100 100 South America Argentina Nobleza-Piccardo SAICyF Chile Empresas CCT SA the company through which the Group's interests in Chile are held Consorcio Agro-Industrial de Malloa SA foods Consorcio Sanck Productos de Chile SA foods Venezuela CA Cigarrera Bigott Sues Australasia Australasia Australasia Australasia Australasia Alami BAT (Malawi) Ltd Australia BAT (Malawi) Ltd BAT (Ma	Nicaragua	rA	co		95	95
Tabacalera Istrueña SA Surinam Tobacco Company of Suriname NV 100 100 South America Argentina Nobleza-Piccardo SAICyF Chile Empresas CCT SA the company through which the Group's interests in Chile are held Consorcio Agro-Industrial de Malloa SA foods Consorcio SA foods Venezuela CA Cigarrera Bigott Sues Australasia Australasia Australasia Australia Tobacco Contat Nigeria Nigeri		OU	00		• •	
Surinam Tobacco Company of Suriname NV 100 100 South America Argentina Nobleza-Pictardo SAICyF Nobleza-Pictardo SAICyF Chile Empresas CCT SA the company through which the Group's interests in Chile are held Consorcio Agro-Industrial de Malloa SA foods Venezuela CA Gigarrera Bigott Sues Australasia Australasia Australia Argentina Nigerian Nigerian Tobacco Go Ltd 59 Sierra Leone Aureol Tobacco Co Ltd 86 South Africa Utico Holdings Ltd 63 Willards Foods (Pty) Ltd foods Uganda BAT Uganda 1984 Ltd 70 Zaire BAT Zaire SARL 100 BAT Zambia Ltd 100 Export Leaf Tobacco Co Of Africa (Pvt) Ltd 85 Export Leaf Tobacco Co Of Africa (Pvt) Ltd 100 WD & HO Wills Holdings Ltd - 67 Tobacco Processors Zimbabwe (Pvt) Ltd -		100	100		75	75
South America Argentina Nobleza-Pictardo SAICyF Noblez	Surinam				1 ~	
South America Argentina Nobleza-Piccardo SAICyF Noblez	Tobacco Company of Suriname NV	100	100		AT-C	001
Argentina Nobleza-Piccardo SAICyF Nobleza-Piccardo Saicy Sierra Leone Aureol Tobacco Co Ltd Nobleza-Piccardo Saicy South Africa Nobleza-Piccardo South Africa Nutricardo South Africa Nobleza-Piccardo South Africa Nutricardo Holdings Ltd Nobleza-Piccardo Saicy South Africa Nutricardo Holdings Ltd Nobleza-Piccardo South Africa Nutricardo Holdings Ltd Nobleza-Piccardo Co Ltd Nobleza-Piccardo South Africa Nutricardo Holdings Ltd Nobleza-Piccardo Co Ltd Nobleza-Piccardo Co Itd Nobleza-Pi	South America					100
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Empresas CCT SA the company through which the Group's interests in Chile are held Chiletabacos SA Consorcio Agro-Industrial de Malloa SA foods Evererisp Snack Productos de Chile SA foods CA Cigarrera Bigott Sues Description Australasia Australia Empresas CCT SA the company through which the Group's interests Utico Holdings Ltd Willards Foods (Pty) Ltd foods Description Everorisp Snack (Pty) Ltd foods Description Everorisp Snack Productos Description Everorisp Snack L 100 10 Everorisp Snack Productos Description Everorisp Snack L 100 10 Everorisp Snack L 100 10 Everorisp Snack Productos Description Everorisp Snack L 100 10 Everorisp Snack L 100 10 Everorisp Snack Productos Description Everorisp Snack L 100 10 Everorisp Snack Productos Description Everorisp Snack L 100 10 Everorisp Snack Productos Description Everorisp Snack L 100 10 Everorisp Snack Productos Description Everorisp Snack L 100 10 Everorisp	Nobleza-Piccardo SAICyF	70	70		0.0	ac
through which the Group's interests in Chile are held Chiletabacos SA Consorcio Agro-Industrial de Malloa SA foods Evererisp Snack Productos de Chile SA foods CA Cigarrera Bigott Sues Location Australasia Australia WD & HO Wills Holdings Ltd Location Utico Holdings Ltd Willards Foods (Pty) Ltd foods CA Willards Foods (Pty) Ltd foods CA Gigarda 1984 Ltd CA Giga					90	86
in Chile are held 2 70 Willards Foods (Pty) Ltd foods — 60 Chile tabacos SA — 70 Uganda BAT Uganda 1984 Ltd 70 70 70 Ge Malloa SA foods — 70 Zaire BAT Zaire SARL 100 100 CA Cigarrera Bigott Sues 100 100 Zimbabwe BAT Zimbabwe Ltd 85 Export Leaf Tobacco Co of Africa (Pvt) Ltd 100 100 WD & HO Wills Holdings Ltd — 67 Tobacco Processors Zimbabwe (Pvt) Ltd — 70 Tobacco Pro		;			63	63
Chiletabacos SA - 70 Uganda BAT Uganda 1984 Ltd 70 7 de Malloa SA foods - 70 Zaire Evercrisp Snack Productos de Chile SA foods - 70 Zambia Venezuela CA Cigarrera Bigott Sues 100 100 Zimbabwe BAT Zimbabwe BAT Zimbabwe Ltd 85 8 Australasia Australia WD & HO Wills Holdings Ltd - 67 Tobacco Processors Zimbabwe (Pvt) Ltd - 70			70	Willards Foods (Pty) Ltd foods		63
de Malloa SA foods Evercrisp Snack Productos de Chile SA foods Venezuela CA Cigarrera Bigott Sues Australasia Australia WD & HO Wills Holdings Ltd - 70 Zaire BAT Zaire SARL 100 10 Zambia BAT Zambia Ltd 100 10 Zimbabwe BAT Zimbabwe Export Leaf Tobacco Co of Africa (Pvt) Ltd 100 100 100 100 100 100 100 100 100 10		~			***	
Evercrisp Snack Productos de Chile SA foods Venezuela CA Cigarrera Bigott Sucs Australasia Australia WD & HO Wills Holdings Ltd Australia Snack Productos BAT Zaire SARL 100 10 Zambia BAT Zambia Ltd 100 10 Zimbabwe BAT Zimbabwe Export Leaf Tobacco Co of Africa (Pvt) Ltd 100 10 100 100 100 100 100 100 100 100					70	70
de Chile SA foods Venezuela CA Cigarrera Bigott Sues 100 100 Zimbabwe BAT Zimbabwe BAT Zimbabwe Ltd		-	70		100	100
Venezuela CA Cigarrera Bigott Sues 100 100 2 imbabwe BAT Zimbabwe BAT Zimbabwe Ltd BAT Zimbabwe BAT Zimbabwe Ltd BAT Zimbabwe BAT Zim			70	Zambia		100
CA Cigarrera Bigott Sucs 100 100 Zimbabwe BAT Zimbabwe Ltd 85 Export Leaf Tobacco Co of Africa (Pvt) Ltd 100 10 WD & HO Wills Holdings Ltd 100 10 Tobacco Processors Zimbabwe (Pvt) Ltd 7		_		BAT Zambia Ltd	100	100
Australasia Australia Australia WD & HO Wills Holdings Ltd Export Leaf Tobacco Co of Africa (Pvt) Ltd Tobacco Processors Zimbabwe (Pvt) Ltd Tobacco Processors Zimbabwe (Pvt) Ltd		100	100		ne	n=
Australia of Africa (Pvt) Ltd 100 10 WD & HO Wills Holdings Ltd - 67 Tobacco Processors Zimbabwe (Pvt) Ltd - 7	· -				89	85
WD & HO Wills Holdings Ltd - 67 Tobacco Processors Zimbabwe (Pvt) Ltd -					100	100
The state of the s			67	Tobacco Processors Zimbabwe (Pvt) I		70
WD & HO Wills (Australia) Ltd - 67 *accounts made up to 30 September (note 1(a) page 5)		* =	67			page 51