

STAINES INVESTMENTS LIMITED
(COMPANY REGISTRATION NO 262254)
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1993

1993
1994

1
STAINES INVESTMENTS LIMITED

Directors' report for the year ended 31 December 1993

Board of directors

Chairman

D P Allvey

Directors

S P Chalfen

K Etherington

U G V Herter

Directors' interests

The interests of the persons, other than the directors of the ultimate holding company, who at 31 December 1993 were directors, in the share and loan capital and share option schemes of the ultimate holding company, the Company and their subsidiary undertakings, all of which are beneficial, are shown below.

	<u>B.A.T Industries p.l.c.*</u>			
	<u>Ordinary 25p shares</u>			
	<u>1 January 1993</u>			<u>31 December 1993</u>
S P Chalfen	438			1,038
K Etherington	39,534			40,698
	<u>Share Options</u>			
	<u>1 January 1993</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 December 1993</u>
S P Chalfen	67,038	-	-	67,038
K Etherington	38,448	-	-	38,448

* Holdings have been adjusted for the 1 for 1 capitalisation issue in May 1993.

Statement of directors' responsibilities

The following statement sets out the responsibilities of the directors in relation to the financial statements. The report of the auditors, shown on page 6, sets out their responsibilities in relation to the financial statements.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year. In preparing those financial statements, the directors are required to:

- select appropriate accounting policies and apply them consistently, subject to any material departures being disclosed and explained;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and

2
STAINES INVESTMENTS LIMITED

Directors' report for the year ended 31 December 1993

Statement of directors' responsibilities (continued)

- prepare the financial statements on the going concern basis, unless they consider that to be inappropriate.

The directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy 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 taking reasonable steps to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to the prevention and detection of fraud and other irregularities.

The directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.

The directors consider that they have met their responsibilities as set out in this statement.


Results for the year

	<u>£000's</u>
Net profit after taxation	301,008
Dividends paid	(2,482)
Dividends proposed	(298,000)
Retained profit	<u>526</u>

Principal activities

The principal activity of the Company during the year was that of an investment holding company.

On behalf of the board

 **D R WOODWARD**
ASSISTANT Secretary
14TH APRIL 1994

STAINES INVESTMENTS LIMITEDProfit and loss account for the year ended 31 December

	1993 £000's	1992 £000's
Income from shares in subsidiary undertaking	301,935	249,114
Interest received from fellow subsidiary undertaking	10	115
Operating charges (note 2)	(1)	(3)
Profit on ordinary activities before taxation	<u>301,944</u>	<u>249,226</u>
Taxation on ordinary activities (note 4)	(936)	(1,123)
Profit on ordinary activities after taxation	<u>301,008</u>	<u>248,103</u>
Dividends - paid	(2,482)	(2,482)
- proposed	<u>(298,000)</u>	<u>(245,000)</u>
Retained profit	<u>526</u>	<u>621</u>

All of the activities during the year were in respect of continuing operations.

A full statement of recognised gains and losses is not included as the only movement would be the profit for the year.

Notes are shown on pages 5 and 6.

STAINES INVESTMENTS LIMITEDBalance sheet 31 December

	1993 £000's	1992 £000's
<u>ASSETS</u>		
<u>Fixed assets</u>		
Investment in subsidiary undertaking (note 5)	85,373	85,373
<u>Current assets</u>		
Debtors - due within 1 year		
Owed by holding company	159	-
Owed by subsidiary undertaking	859	859
Owed by fellow subsidiary undertaking	171	161
Taxation recoverable	<u>58,610</u>	<u>58,610</u>
	59,799	59,630
Total assets	<u>145,172</u>	<u>145,003</u>
<u>LIABILITIES</u>		
<u>Capital and reserves</u>		
Share capital (note 6)	84,630	84,630
Share premium	744	744
Profit and loss account (note 7)	<u>59,797</u>	<u>59,271</u>
Interest of ordinary equity shareholders	145,171	144,645
<u>Creditors - due within one year</u>		
Owed to holding company	-	357
Other creditors	<u>1</u>	<u>1</u>
	1	358
Total funds employed	<u>145,172</u>	<u>145,003</u>

Notes are shown on pages 5 and 6.

On behalf of the board

D. P. ALLVEY



Director
1994

14 APR 1994

5
STAINES INVESTMENTS LIMITED

Notes to the accounts

1. Accounting policies

The accounts have been prepared on an historical cost basis in accordance with applicable accounting standards. As permitted by FRS1, no cash flow statement is submitted as the Company being a wholly-owned subsidiary undertaking of another EU company is not required to prepare one.

2. Operating charges

Includes a charge for auditors' fees of £1,089 (1992 £1,058).

3. Directors' remuneration

None of the directors received any remuneration during the year in respect of their services to the Company (1992 £nil).

4. Taxation on ordinary activities

	1993 £000's	1992 £000's
UK Corporation tax on taxable profits at 33.00% (1992 33.00%)	1	9
Tax on franked investment income	<u>935</u>	<u>1,114</u>
	<u>936</u>	<u>1,123</u>

The tax charge has been reduced by £2,000 (1992 £28,000) in respect of group loss relief surrendered to the Company for less than full consideration.

5. Investment in subsidiary undertaking

The Company owns the entire issued ordinary share capital of British-American Tobacco Company Limited, a company incorporated in Great Britain, and whose subsidiary undertakings are principally engaged in the manufacture of tobacco products.

No group accounts are submitted as the Company being a wholly-owned subsidiary undertaking, is exempt under Section 228 of the Companies Act 1985. The directors are of the opinion that the investment in the subsidiary undertaking has a value not less than the amount at which it is stated in the balance sheet.

6. Share capital

		<u>Authorised</u>		<u>Allotted, called up and fully paid</u>
	1993 £000's	1992 £000's	1993 £000's	1992 £000's
Ordinary shares of £1 each	<u>84,631</u>	<u>84,631</u>	<u>84,630</u>	<u>84,630</u>

7. Profit and loss account

	<u>£000's</u>
1 January 1993	59,271
Retentions	<u>526</u>
31 December 1993	<u>59,797</u>

STAINES INVESTMENTS LIMITEDNotes to the accounts8. Ultimate holding company

The Company's ultimate holding company is B.A.T Industries p.l.c., incorporated in Great Britain and registered in England and Wales. The only group of companies of which the Company is a member and for which group accounts are drawn up is that of B.A.T Industries p.l.c. whose consolidated financial statements can be obtained from The Secretary, Windsor House, 50 Victoria Street, London SW1H 0NL.

Report of the auditors to the members of Staines Investments Limited

We have audited the financial statements on pages 3 to 6.

Respective responsibilities of directors and auditors

As described on page 1 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 the Company's affairs at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

[Signature]
Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

[Signature] 1994