

EAST AFRICAN TOBACCO COMPANY (U.K.) LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1993

Registered no. 836261



East African Tobacco Company (U.K.) Limited

Report of the directors for the year ended 31 December 1993

The directors present their report and the audited financial statements for the year ended 31 December 1993.

Principal activities

The company has an investment in a subsidiary company operating in the tobacco industry.

Review of business and future developments

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Dividends

The directors recommend the payment of a dividend of £3,000,000. The profit for the financial year of £467,820 will be transferred to reserves.

Directors

B D Bramley (Chairman)
P N Adams
N G Brookes (Resigned 5 April 1993)
N Davis
K S Dunn
R S Hartley
R H Pilbeam
J Rembiszewski
D S Waterton

Directors' interests in the shares of the company

The interests of the directors at 31 December 1993 in the share capital and share option schemes of B A T Industries plc and its subsidiaries are shown in the table below. Interests disclosed are those which existed on 1 January 1993, amended to reflect the 1 for 1 capitalisation done by B A T Industries plc in May 1993, and 31 December 1993, together with interests acquired or exercised in the said share option schemes during that period.

East African Tobacco Company (U.K.) Limited

Report of the directors for the year ended 31 December 1993

BAT Industries Plc

	Ordinary 25p Shares		Share Options			
	Opening	Closing	Opening	Acquired	Exercised	Closing
B D Bramley	155,268	163,525	247,566	Nil	Nil	247,566
P N Adams	784	2,045	38,860	2,880	Nil	41,740
N Davis	4,706	6,841	38,252	1,240	Nil	39,462
K S Dunt	1,366	2,019	43,668	2,340	Nil	46,008
R S Hartley	43,264	45,646	24,556	1,000	Nil	25,556
R H Pilbeam	17,030	18,680	52,840	1,720	Nil	54,560
J Rembiszewski	Nil	575	41,540	8,633	Nil	50,173
D S Watterton	1,174	1,817	50,466	920	Nil	51,386

W D & H O Wills Holdings Limited

	Ordinary A\$1 Shares	
	Opening	Closing
P N Adams	2,000	2,000

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

Directors responsibilities

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 and of the profit or loss of the company for that period. In preparing those 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

By order of the board

Dated,

 P N Adams

Auditors' Report to the Shareholders of East African Tobacco Company (U.K.) Limited

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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 as 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.

Price Waterhouse
Chartered Accountants
and Registered Auditors
Southwark Towers
32 London Bridge Street
London SE1 9SY.

West African Tobacco Company (U.K.) Limited

**Profit and loss account
for the year ended 31 December 1993**

	Notes	1993 £000	1992 £000
Administration expenses	2	1,749	2,232
Income from shares in a group undertaking		3,181	4,242
Interest receivable and similar income	3	2,441	3,541
Profit on ordinary activities before taxation		3,873	5,551
Tax on profit on ordinary activities	4	405	683
Profit on ordinary activities after taxation		3,468	4,868
Dividend proposed		3,000	3,000
Retained profit for the year		468	1,868

Statement of retained profits

Retained profits at 1 January	34,240	32,372
Retained profit for the year	468	1,868
Retained profits at 31 December	34,708	34,240

There are no recognised gains and losses other than the profit for the financial year

East African Tobacco Company (U.K.) Limited

Balance Sheet - 31 December 1993

	Notes	1993 £000	1993 £000	1992 £000	1992 £000
Fixed assets					
Investments	5		1,680		1,680
Current assets					
Debtors	6	45,241		45,817	
Creditors: amounts falling due within one year	7	<u>3,240</u>		<u>3,293</u>	
Net current assets			42,992		42,524
Total assets less current liabilities			<u>44,672</u>		<u>44,204</u>
Capital and reserves					
Called up share capital	8		2,000		2,000
Share premium account			6,000		6,000
Other reserves			1,964		1,964
Profit and loss account			34,708		34,240
	9		<u>44,672</u>		<u>44,204</u>

The financial statements on pages 5 to 10 were approved by the Directors on and are signed on their behalf by:

- 4 MAR 1994

Director



R H Pilbeam

Cash flow statement for the year ended 31 December 1993

The company does not have any cash in hand or bank accounts. All cash transactions are undertaken on the company's behalf by the parent undertaking. Therefore, there are no cash flows to report.

East African Tobacco Company (U.K.) Limited

Notes to the financial statements for the year ended 31 December 1993

1.1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

1.2 Basis of accounting

The financial statements are prepared in accordance with the historical cost basis of accounting.

1.3 Group financial statements

Group accounts are not submitted as the Company is included in the consolidated accounts of British-American Tobacco Company Limited, a company registered in England and Wales. The financial statements of both the Company and the consolidated financial statements of its parent are audited and drawn up in accordance with the Seventh Directive. The Company has no securities listed on any stock exchange in an EC member state.

Exemption from the obligation to submit group accounts is claimed under Section 228 of the Companies Act 1985.

1.4 Translation of assets and liabilities

Assets and liabilities are translated at rates of exchange ruling at the end of the financial year. Transactions expressed in currencies other than sterling are translated into sterling at actual rates. Exchange differences on remittances are reflected in trading profit.

1.5 Investments valuation

Investments are shown at cost less provisions consistent with the concept of prudence.

1.6 Listed investments

The Stock Exchange value of listed investments at the year end is computed at middle market prices.

1.7 Taxation

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 the subsidiary undertakings.

1.8 Deferred taxation

Deferred taxation is provided for on timing differences using the liability method to the extent that it is probable that the liability will crystallise. 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.

East African Tobacco Company (U.K.) Limited

Notes to the financial statements for the year ended 31 December 1993

1.9 Advance corporation tax

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.

1.10 Accounting for income

Income is accounted for on a receivable basis. Where delays are anticipated in the receipt of monies from overseas companies provision is made in accordance with the concept of prudence.

2 Administration expenses

None of the directors received any remuneration in respect of their services to the company during the period (1992 - Nil).

There were no employees, and no staff costs during the period (1992 - nil).

Expense: include losses on exchange amounting to £ 716 thousand (1992 Loss £417 thousand) and auditors fees of £1,625 (1992 - £1,900).

3 Interest receivable

	1993	1992
	£000	£000
Interest received from a group undertaking	2,441	3,541

4 Taxation

	1993	1992
	£000	£000
United Kingdom corporation tax at 33.00% (1992:33.00%)	923	2,373
Less: Double taxation relief	675	2,079
	248	291
Overseas taxation	147	392
	395	683
Adjustment in respect of prior years:		
U.K. Taxation	10	-
	405	683

In 1993 the tax charge was reduced by £557 thousand in respect of advance corporation tax, (1992 - £877 thousand).

East African Tobacco Company (U.K.) Limited

Notes to the financial statements for the year ended 31 December 1993

Tangible Fixed Assets Investments	% Nominal Value Held Directly	% Nominal Value Held by Subsidiaries	% Nominal Value Attributable to EAT Co Ltd Ordinary Shares of 10 Kenyan Shillings each
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5.1 Investments in subsidiaries

5.1.1 Listed overseas - Kenya

B.A.T. Kenya Limited, tobacco (Incorporated in Kenya) 1993 Stock Exchange Valuation £59,152 thousand (1992 £40,796 thousand)	60	-	60
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5.1.2 Unlisted overseas - Kenya

	Ordinary Shares of 20 Kenyan Shillings each	
East African Tobacco Company (Kenya) Limited	100	60
Kenya Tobacco Company Limited	100	60
African Cigarette Company (Overseas) Limited	100	60
B.A.T. Kenya Developments Limited	60	36
Kenya Poultry Development Company Limited	60	36
Poultex (Mombasa) Limited	60	36
Imara Daima Housing Development Limited	100	60

5.1.3 Shareholding at cost	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
B.A.T. Kenya Limited	1,680	1,680

5.1.3 The directors are of the opinion that the investments have an aggregate value of not less than the amount at which they are stated in the balance sheet.

6 Debtors	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Amounts falling due within one year		
Amounts owed by parent undertaking	43,379	42,539
Dividend receivable from subsidiary undertaking	2,862	3,278
Other debtors	-	-
	<u>46,241</u>	<u>45,817</u>

7 Creditors: amounts falling due within one year	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
UK taxation	248	291
Dividends payable to parent undertaking	2,970	2,970
Dividends payable to minority shareholder	30	30
Accruals and deferred income	1	2
	<u>3,249</u>	<u>3,293</u>

East African Tobacco Company (U.K.) Limited

Notes to the financial statements for the year ended 31 December 1993

8 Share capital	Ordinary Shares of £1 each	
	1993	1992
	£	£
Authorised - value	<u>2,000,000</u>	<u>2,000,000</u>
number	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, called up and fully paid		
value	<u>2,000,000</u>	<u>2,000,000</u>
number	<u>2,000,000</u>	<u>2,000,000</u>

9 Reconciliation of movements in shareholders' funds	1993	1992
	£000	£000
Opening shareholders' funds	44,204	42,336
Profit attributable to shareholders for the year	3,468	4,868
Dividend proposed	(3,000)	(3,000)
	<u>44,672</u>	<u>44,204</u>

10 Parent undertaking

The Company's parent undertaking is British-American Tobacco Company Limited and its ultimate parent undertaking is B.A.T Industries p.l.c., both being incorporated in the United Kingdom and registered in England and Wales.

11 Copies of the report and accounts

Copies of the report and accounts of B.A.T Industries p.l.c. may be obtained from:

The Company Secretary
Windsor House
50, Victoria Street
London SW1H 0NL

Copies of the report and accounts of British-American Tobacco Company Limited may be obtained from:

The Company Secretary
Millbank
Knowle Green
Staines
TW18 1DY