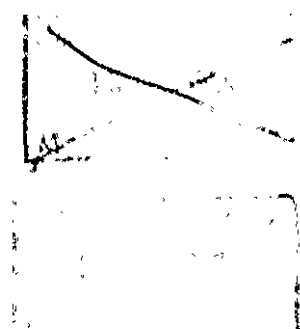


**EAST AFRICAN TOBACCO COMPANY (U.K.) LIMITED**

**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1992**

Registered no. 836261



**East African Tobacco Company (U.K.) Limited****Report of the directors  
for the year ended 31 December 1992**

The directors present their report and the audited financial statements for the year ended 31 December 1992.

**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 £1,868,170 will be transferred to reserves.

**Post Balance Sheet Event**

At the balance sheet date, the Company had a dividend debtor due from its Kenyan subsidiary amounting to Kshs 177,187,500. The exchange rate at the balance sheet date £1:Ksh 54.05 has subsequently weakened to £1:Ksh 71.75, following the floating of the Kenyan shilling in the local market. The effect of this devaluation on the debt is a reduction of £809,000.

**Directors**

B D Bramley (Chairman)

P N Adams

N G Brookes

N Davis

K S Dunn (Appointed 1 January 1992)

R S Hartley

R H Pilbeam

J Rembiszewski

D S Watterton

# East African Tobacco Company (U.K.) Limited

## Directors' interests in the shares of the company

The interests of those persons, who were directors at 31 December 1992, in the share capital and share option schemes of B.A.T. Industries p.l.c. and its subsidiaries are shown in the table below. Interests disclosed are those which existed on 1 January 1992 and 31 December 1992 together with interests acquired or exercised in the said share option schemes during that period.

### BAT Industries Plc

	<u>Ordinary 25p Shares</u>		<u>Share Options</u>			
	Opening	Closing	Opening	Acquired	Exercised	Closing
B D Bramley	72,136	77,634	115,293	8,490	Nil	123,783
P N Adams	Nil	392	18,010	1,420	Nil	19,430
N G Brookes	7,417	9,356	24,979	2,610	1,481	26,108
N Davis	795	2,353	18,182	2,410	1,481	19,111
K S Dunt	649	683	18,394	3,440	Nil	21,834
R S Hartley	19,385	21,632	12,679	1,080	1,481	12,278
R H Pilbeam	8,515	8,515	22,550	3,870	Nil	26,420
J Rembiszewski	Nil	Nil	18,010	2,760	Nil	20,770
D S Watterton	558	587	24,193	1,040	Nil	25,233

### W D & H O Wills Holdings Limited

	<u>Ordinary A\$1 Shares</u>	
	Opening	Closing
P N Adams	Nil	2,000

By order of the board

*[Signature]*  
*[Signature]*

Dated *30 March 1993*

**Report of the auditor to the members of  
East African Tobacco Company (U.K.) Limited**

We have audited the financial statements on pages 5 to 11  
in accordance with Auditing Standards

In our opinion the financial statements give a true and fair view of the state of the company's  
affairs at 31 December 1992 and of its profit for the year then ended and have been properly  
prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*  
Coopers & Lybrand  
Chartered Accountants and Registered Auditor

London

*3 March 1993*

**Profit and loss account  
for the year ended 31 December 1992**

	<u>Notes</u>	<u>1992</u> <u>£000's</u>	<u>1991</u> <u>£000's</u>
Administration charges	2	2,232	807
Income from shares in a group undertaking		4,242	3,055
Interest receivable		3,541	4,003
<b>Profit on ordinary activities before taxation</b>		<b>5,551</b>	<b>6,251</b>
Tax on profit on ordinary activities	3	683	645
<b>Profit on ordinary activities after taxation</b>		<b>4,868</b>	<b>5,606</b>
Dividend proposed		3,000	3,000
<b>Retained profit for the year</b>		<b>1,868</b>	<b>2,606</b>
<b>Statement of retained profits</b>			
Retained profits at 1 January		32,372	29,766
Retained profit for the year		1,868	2,606
<b>Retained profits at 31 December</b>		<b>34,240</b>	<b>32,372</b>

## Balance Sheet - 31 December 1992

	<u>Notes</u>	<u>1992</u> <u>£000's</u>	<u>1992</u> <u>£000's</u>	<u>1991</u> <u>£000's</u>	<u>1991</u> <u>£000's</u>
<b>Fixed assets</b>					
Investments	4		1,680		1,680
<b>Current assets</b>					
Debtors	5	45,817		43,669	
Creditors: amounts falling due within one year	6	3,293		3,013	
<b>Net current assets</b>			42,524		40,656
<b>Total assets less current liabilities</b>			44,204		42,336
<b>Capital and reserves</b>					
Called up share capital	7		2,000		2,000
Share premium account			6,000		6,000
Other reserves			1,964		1,964
Profit and loss account			34,240		32,372
			44,204		42,336

The financial statements on pages 5 to 11 were approved by the Directors on 16th March 1993 and are signed on their behalf by

Director

16th March 1993

## Cash flow statement for the year ended 31 December 1992

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 1992**

#### **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.

**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.



**East African Tobacco Company (U.K.) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 1992**

**2 Administration charges**

None of the directors received any remuneration in respect of their services to the company during the period (1991 - Nil).

There were no staff costs during the period (1991 - Nil).

Expenses include losses on exchange amounting to £417 thousand (1991 Loss £777 thousand), cost of repatriating overseas dividends £1,783 thousand, and auditors fees of £1,900 (1991 - £1,940).

**3 Taxation**

	<u>1992</u> <u>£000's</u>	<u>1991</u> <u>£000's</u>
United Kingdom corporation tax at 33.00% (1991:33.25%)	2,370	1,439
Less: Double taxation relief	2,079	1,101
	-----	-----
Overseas taxation	291 392	338 341
	-----	-----
	683	679
Adjustment in respect of prior years: Overseas Tax	-	(34)
	-----	-----
	683	645
	-----	-----

In 1992 the tax charge was reduced by £877 thousand in respect of advance corporation tax.

In 1991 the tax charge was reduced by £328 thousand in respect of group loss relief

**4 Tangible Fixed Assets**  
**Investments**

% Nominal Value Held Directly	% Nominal Value Held by Subsidiaries	% Nominal Value Attributable to EAT Co Ltd Ordinary Shares of 10 Shillings each
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**4.1 Investments in subsidiaries**

**4.1.1 Listed overseas - Kenya**

Valuation in £000's

B A T Kenya Limited

60

-

60

1992 Stock Exchange Valuation £40,796  
(1991 £34,026)

**4.1.2 Unlisted overseas - Kenya**

**Ordinary Shares of 20 Shillings each**

East African Tobacco Company (Kenya) Limited  
Kenya Tobacco Company Limited  
African Cigarette Company (Overseas) Limited  
B A T Kenya Developments Limited  
Kenya Poultry Development Company Limited  
Poulitex (Mombasa) Limited  
Mombasa Daima Housing Development Limited

100	60
100	60
100	60
60	36
60	36
60	36
100	60

**East African Tobacco Company (U.K.) Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 1992**

**4.1.3 Shareholding at cost**

	<u>1992</u> <u>£000's</u>	<u>1991</u> <u>£000's</u>
B.A.T. Kenya	1,680	1,680

4.1.4 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.

**5 Debtors**

	<u>1992</u> <u>£000's</u>	<u>1991</u> <u>£000's</u>
<b>Amounts falling due within one year</b>		
Amounts owed by parent undertaking	42,539	36,418
Dividend receivable from subsidiary undertaking	3,278	7,248
Other debtors	-	3
	<u>45,817</u>	<u>43,669</u>

**6 Creditors: amounts falling due within one year**

	<u>1992</u> <u>£000's</u>	<u>1991</u> <u>£000's</u>
UK taxation	291	10
Dividends payable to parent undertaking	2,970	2,970
Dividends payable to minority shareholder	30	30
Accruals and deferred income	2	3
	<u>3,293</u>	<u>3,013</u>

**7 Share capital**

	<b>Ordinary Shares of £1 each</b>	
	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
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>

**British-American Tobacco Company (U.K.) Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 1992**

**8 Holding company**

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

**9 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