

Rothmans UK Holdings Limited
Registered Number 2841443

Directors' Report and Accounts

For the year ended 31 December 2004



Rothmans UK Holdings Limited

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Rothmans UK Holdings Limited

Directors' report

The Directors present their report together with the audited accounts for the year ended 31 December 2004.

Principal activities

The Company acted as a holding company for one company in the British American Tobacco Group, which was struck off on 3 May 2005.

Review of the year to 31 December 2004

The Company made a loss in the year of £10,000 (2003: £4,427,000 loss). The loss arises from the impairment of the Company's investment in its subsidiary, Rothmans International Exports (Europe) Limited, which was dissolved subsequent to the year end (see note 5).

Dividends

The Directors do not recommend the payment of a dividend for the year (2003: £nil). The loss for the financial year of £10,000 will be offset against reserves (2003: £4,427,000).

Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 2004 to the date of this report are as follows:

Adrian Jeremy Simon Black
Ian Black
Andrew Graham Cripps
Charl Erasmus Steyn

Directors' interests

The interests of those persons who were Directors at 31 December 2004 in the share capital and share option and award schemes of British American Tobacco p.l.c., and its subsidiaries, according to the register maintained under Section 325 of the Companies Act 1985, are shown below.

British American Tobacco p.l.c. Ordinary 25p shares

	1 January 2004	31 December 2004
A J S Black	6,430	4,661
I Black	6,269	5,070
A G Cripps	27,093	19,695
C E Steyn	6,701	5,977

Rothmans UK Holdings Limited

Directors' report

Directors' interests

In addition to the shares shown above, during the year the Directors held the following interests in the ordinary shares of British American Tobacco p.l.c. which are held in trust pursuant to the British American Tobacco Deferred Share Bonus Scheme:

British American Tobacco p.l.c. Ordinary 25p shares

	1 January 2004	31 December 2004
A J S Black	13,775	14,021
I Black	23,744	25,274
A G Cripps	20,509	20,091
C E Steyn	14,805	14,365

Details of the Deferred Share Bonus Scheme are included in the Report and Accounts of British American Tobacco p.l.c.

British American Tobacco p.l.c. Share Option and Award Schemes

	1 January 2004	Granted	Lapsed	Exercised	31 December 2004
A J S Black	78,537	12,523	2,976	45,544	44,540
I Black	86,286	22,820	4,465	-	104,671
A G Cripps	67,704	18,694	4,703	16,290	65,405
C E Steyn	63,908	12,463	3,423	28,281	44,667

In addition to those interests disclosed above, on 31 December 2004, the British American Tobacco Group Employee Trust and the B.A.T Industries Employee Share Ownership Plan held a total of 26,728,406 ordinary shares in British American Tobacco p.l.c. (1 January 2004: 31,945,642 ordinary shares). All employees, including the Directors of the Company, are deemed to have a beneficial interest in the shares that are held by the trusts for the purpose of satisfying options granted between 1994 and 1998 under the B.A.T Industries Employee Share "E" Option Scheme and from 1998 onwards for options granted under the British American Tobacco Share Option Scheme or awards of ordinary shares made under the British American Tobacco Long Term Incentive Plan and the British American Tobacco Deferred Share Bonus Scheme.

Details of the trusts and the share option and award schemes are included in the Report and Accounts of British American Tobacco p.l.c.

Statement of Directors' responsibilities

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

Rothmans UK Holdings Limited

Directors' report

Statement of Directors' responsibilities (continued)

Company law requires the Directors to prepare financial statements for each financial year that 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures being disclosed and explained; and
- 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 the auditors consider to be appropriate for the purpose of enabling them to give their audit report.

The Directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this statement.

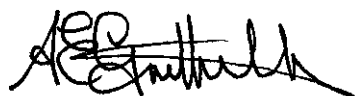
General meeting

Elective resolutions have been passed in accordance with Section 379A of the Companies Act 1985 (as amended) to dispense with the laying of accounts before the Company in General Meeting (pursuant to Section 252 of the Act) and to dispense with the holding of the Annual General Meeting (pursuant to Section 366A of the Act).

Auditors

An elective resolution has been passed, in accordance with Section 379A of the Companies Act 1985 (as amended), to dispense with the appointment of auditors annually (pursuant to Section 386 of the Act). Accordingly, PricewaterhouseCoopers LLP will continue as auditors.

On behalf of the Board



For and on behalf of
Risecretaries Limited
Secretary

4 October 2005

Report of the independent auditors to the members of Rothmans UK Holdings Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

4 October 2005

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

Rothmans UK Holdings Limited

Profit and loss account for the year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Operating charges	2	-	(22)
Operating loss		-	(22)
Amounts written off investment	5	(10)	-
Interest payable and other similar charges	3	-	(4,405)
Loss on ordinary activities before taxation		(10)	(4,427)
Taxation on ordinary activities	4	-	-
Decrease in reserves		(10)	(4,427)

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

There are no recognised gains and losses other than the loss for the year.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

Notes are shown on pages 9 to 12.

Rothmans UK Holdings Limited

Balance sheet – 31 December 2004

	Note	2004 £'000	2003 £'000
Fixed assets			
Investments in subsidiary undertakings	5	-	10
Current assets			
Debtors - amounts falling due within one year	6	131,183	131,183
Creditors - amounts falling due within one year	7	(59,227)	(59,227)
Net current assets		71,956	71,956
Total assets less current liabilities		71,956	71,966
Capital and reserves			
Called up share capital	8	66,360	66,360
Share premium account	9	8,820	8,820
Profit and loss account	9	(3,224)	(3,214)
Total equity shareholders' funds	10	71,956	71,966

The financial statements on pages 7 to 12 were approved by the Directors on 4 October 2005 and signed on behalf of the Board.



C.E. Steyn
Director

Notes are shown on pages 9 to 12.

Rothmans UK Holdings Limited

Notes to the accounts – 31 December 2004

1 Accounting policies

A summary of the principal accounting policies is set out below.

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards.

(2) Cash flow statement

The Company is a wholly-owned subsidiary of British American Tobacco p.l.c. The cash flows of the Company are included in the consolidated cash flow statement of British American Tobacco p.l.c. which is publicly available. Consequently the Company is exempt under the terms of Financial Reporting Standard 1 (Revised) from publishing a cash flow statement.

(3) Foreign currencies

Transactions arising in currencies other than sterling are translated at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in currencies other than sterling are translated at rates of exchange ruling at the end of the financial year. All exchange differences are taken to the profit and loss account in the year.

(4) Accounting for income

Income is included in the profit and loss account when all contractual or other applicable conditions for recognition have been met. Provisions are made for bad and doubtful debts, including where delays are anticipated in the receipt of monies from overseas.

(5) Taxation

Taxation provided is that chargeable on the profits of the period, together with deferred taxation. Deferred taxation is provided in full on timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations. However, as allowed by FRS19, the Group has chosen not to discount deferred tax assets and liabilities.

(6) Fixed asset investments

Fixed asset investments are stated at cost less any impairment in value.

Rothmans UK Holdings Limited

Notes to the accounts – 31 December 2004

2 Operating charges

	2004 £'000	2003 £'000
Other operating charges	-	22

Auditors' fees have been borne by a fellow Group undertaking (2003: £nil).

None of the Directors received any remuneration in respect of their services as a Director of the Company during the year as their services as directors to this company are considered to be incidental to their other services within the BAT group. (2003: £nil).

The Company had no employees during the year (2003: £nil).

3 Interest payable and other similar charges

	2004 £'000	2003 £'000
External interest payable	-	653
Interest payable to group undertakings	-	3,752
	-	4,405

4 Taxation on ordinary activities

(a) Summary of tax on ordinary activities

	2004 £'000	2003 £'000
UK Corporation Tax		
- current tax at 30.00% (2003: 30.00%)	-	-

(b) Factors affecting the tax charge

The current taxation credit differs from the standard 30.00 per cent rate of Corporation Tax in the UK. The major causes of this difference are listed below:

	2004 £'000	2003 £'000
Loss on ordinary activities before taxation	(10)	(4,427)
Corporation Tax at 30.00% (2003: 30.00%) on loss on ordinary activities	(3)	(1,328)
Factors affecting the tax rate:		
Permanent differences	3	-
Group loss relief surrendered at nil consideration	-	1,328
Total current taxation credit <i>note 4(a)</i>	-	-

Rothmans UK Holdings Limited

Notes to the accounts – 31 December 2004

5 Investments in subsidiary undertakings

(1) Shares in subsidiaries

The Company's sole investment in subsidiaries comprises a 100% interest in the Ordinary shares of Rothmans International Exports (Europe) Limited, a company incorporated in England and Wales. On 3 May 2005, Rothmans International Exports (Europe) Limited was dissolved.

(2) Shareholdings at cost less provisions

	£'000
1 January 2004	10
Impairment charge	(10)
31 December 2004	-

6 Debtors: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts due from group undertakings	131,183	131,183
	131,183	131,183

7 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts due to group undertakings	59,227	59,227
	59,227	59,227

8 Called up share capital

Ordinary shares of 10p each	2004	2003
Authorised - value	£80,000,000	£80,000,000
- number	800,000,000	800,000,000
Allotted, called up and fully paid		
- value	£66,360,047	£66,360,047
- number	663,600,465	663,600,465

Rothmans UK Holdings Limited

Notes to the accounts – 31 December 2004

9 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
1 January and	8,820	(3,214)	5,606
Loss for the year	-	(10)	(10)
31 December 2004	8,820	(3,224)	5,596

10 Reconciliation of movements in shareholders' funds

	2004 £'000	2003 £'000
Loss for the year	(10)	(4,427)
Opening shareholders' funds	71,966	76,393
Closing shareholders' funds	71,956	71,966

11 Related parties

As a wholly-owned subsidiary, the Company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. Group.

12 Parent undertakings

The Company's ultimate parent undertaking is British American Tobacco p.l.c. being incorporated in the United Kingdom and registered in England and Wales. Its immediate parent undertaking is British American Tobacco (Investments) Limited. Group accounts are prepared only at the British American Tobacco p.l.c. level.

13 Copies of the Report and Accounts

Copies of the Report and Accounts of British American Tobacco p.l.c. may be obtained from:

The Company Secretary
Globe House
4 Temple Place
London
WC2R 2PG