

**B.A.T Uzbekistan (Investments) Limited**  
**Registered Number 2906405**

**Directors' Report and Accounts**

**For the year ended 31 December 2002**



# **B.A.T Uzbekistan (Investments) Limited**

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# **B.A.T Uzbekistan (Investments) Limited**

## **Directors' report**

The Directors present their report together with the audited accounts for the year ended 31 December 2002.

### **Principal activities**

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

### **Review of the year to 31 December 2002**

The loss for the year attributable to B.A.T Uzbekistan (Investments) Limited shareholders after deduction of all charges and the provision of tax amounted to £90,000 (2001: £2,762,000 profit).

### **Dividends**

The Directors do not recommend the payment of a dividend for the year (2001: £3,200,000). The loss for the financial year after dividends of £90,000 (2001: £438,000) will be offset against reserves.

### **Board of Directors**

The names of the persons who served as Directors of the Company during the period 1 January 2002 to the date of this report are as follows:

	<b>Appointed</b>	<b>Resigned</b>
Paul Nicholas Adams		
Robert James Casey	8 February 2002	
Georg Caesar Domizlaff	8 February 2002	
Charles Richard Green		8 February 2002
Kenneth John Hardman	8 February 2002	
John Nolan Jewell		8 February 2002
David Cameron Potter	8 February 2002	
Michael Charles Terrell Prideaux		8 February 2002
Tessa Rae Raeburn		8 February 2002
Paul Ashley Rayner	8 February 2002	
Jimmi Rembiszewski		8 February 2002
David Andrew Swann	8 February 2002	
Neil Robert Withington		

### **Directors' interests**

The interests of those persons who were Directors at 31 December 2002 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 with the exception of Messrs P.N. Adams and P.A. Rayner which are disclosed in the Report and Accounts of British American Tobacco p.l.c. The interests of Messrs N.R. Withington and G.C. Domizlaff are disclosed in the Report and Accounts of British-American Tobacco (Holdings) Limited.

# **B.A.T Uzbekistan (Investments) Limited**

## **Directors' report**

### **Directors' interests (continued)**

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

	<b>1 January 2002*</b>	<b>31 December 2002</b>
R.J. Casey	10,667	10,667
K.J. Hardman	11,955	17,187
D.C. Potter	28,163	74,020
D.A. Swann	1,021	1,981

\*Or date of appointment if later.

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**

	<b>1 January 2002*</b>	<b>31 December 2002</b>
R.J. Casey	32,006	39,560
K.J. Hardman	29,863	36,244
D.C. Potter	41,657	49,859
D.A. Swann	2,657	8,513

\*Or date of appointment if later.

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 options and awards**

	<b>1 January 2002*</b>	<b>Granted</b>	<b>Exercised</b>	<b>31 December 2002</b>
R.J. Casey	115,824	23,607	20,377	119,054
K.J. Hardman	152,260	20,587	25,229	147,618
D.C. Potter	235,747	28,853	147,176	117,424
D.A. Swann	23,179	18,301	-	41,480

\*Or date of appointment if later.

In addition to those interests disclosed above, on 31 December 2002, the British American Tobacco Group Employee Trust and the B.A.T Industries Employee Share Ownership Plan held a total of 37,696,678 ordinary shares in British American Tobacco p.l.c. (1 January 2002: 32,171,834 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.

# **B.A.T Uzbekistan (Investments) Limited**

## **Directors' report**

### **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.

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 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.

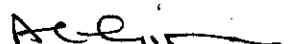
The Directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections the auditors consider to be appropriate for the purpose of enabling them to give their audit report.

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

### **Auditors**

Following the conversion of the Company's auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 12 June 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

On behalf of the Board



Assistant Secretary

24 October 2003

## **Report of the independent auditors to the members of B.A.T Uzbekistan (Investments) 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.

### **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 affairs of the Company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

1 Embankment Place

London

WC2N 6RH

24<sup>th</sup>

October 2003

## B.A.T Uzbekistan (Investments) Limited

### Profit and loss account for the year ended 31 December 2002

	<i>Note</i>	2002 £'000	2001 £'000
Operating charges	2	(167)	(1,386)
<b>Operating loss</b>		<b>(167)</b>	<b>(1,386)</b>
Income from shares in subsidiary undertakings		73	4,194
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(94)</b>	<b>2,808</b>
Taxation on ordinary activities	3	4	(46)
<b>(Loss)/profit for the financial year</b>		<b>(90)</b>	<b>2,762</b>
Dividends - interim proposed on equity shares		-	(3,200)
<b>Decrease in reserves</b>		<b>(90)</b>	<b>(438)</b>

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.

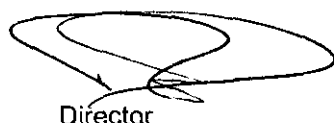
There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

# B.A.T Uzbekistan (Investments) Limited

## Balance sheet – 31 December 2002

	Note	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Investments in subsidiary undertakings	4	173,868	164,918
<b>Current assets</b>			
Debtors - amounts falling due within one year	5	-	2,340
Cash at bank and in hand		1	1
		1	2,341
<b>Creditors - amounts falling due within one year</b>	6	(173,360)	(166,660)
<b>Net current liabilities</b>		(173,359)	(164,319)
<b>Total assets less current liabilities</b>		509	599
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account	8	509	599
<b>Total equity shareholders' funds</b>	9	509	599

The financial statements on pages 7 to 12 were approved by the Directors on 24 October 2003 and signed on behalf of the Board.



Director

Notes are shown on pages 9 to 12.



# **B.A.T Uzbekistan (Investments) Limited**

## **Notes to the accounts – 31 December 2002**

### **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 accounted for on a receivable basis and provision is made 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, in adopting 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.

### **2 Operating charges**

	<b>2002</b> <b>£'000</b>	<b>2001</b> <b>£'000</b>
Foreign exchange loss	<b>145</b>	1,369
Other operating charges	<b>22</b>	17
	<b>167</b>	1,386

Auditors' fees are borne by a fellow Group undertaking (2001: £nil).

There were no employees and no staff costs during the year (2001: £nil).

None of the Directors received any remuneration in respect of their services to the Company during the year (2001: £nil).

# B.A.T Uzbekistan (Investments) Limited

## Notes to the accounts – 31 December 2002

### 3 Taxation on ordinary activities

#### (a) Summary of tax on ordinary activities

	2002 £'000	2001 £'000
UK Corporation Tax comprising	-	-
- current tax at <b>30.00%</b> (2001: 30.00%)	99	46
- double taxation relief	(99)	(46)
Overseas tax comprising	(4)	46
- current tax on income	(4)	46
Total current taxation <i>note 3(b)</i>	(4)	46

#### (b) Factors affecting the tax charge

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

	2002 £'000	2001 £'000
(Loss)/profit on ordinary activities before tax	(94)	2,808
Corporation Tax at <b>30.00%</b> (2001: 30.00%) on (loss)/profit on ordinary activities	(28)	842
<b>Factors affecting the tax rate:</b>		
Group loss relief claimed at less than full consideration	(490)	(796)
Timing differences	617	-
Overseas withholding taxes	(4)	46
Double taxation relief on UK profits	(99)	(46)
Total current taxation charge <i>note 3(a)</i>	(4)	46

### 4 Investments in subsidiary undertakings

#### (1) Shares in subsidiaries

#### % equity shares held

##### Unlisted – overseas

Uzbat A.O.	96.65
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#### (2) Shareholdings at cost less provisions

	£'000
1 January 2002	164,918
Additions	8,950
31 December 2002	173,868

- (3) The Directors are of the opinion that the individual investments in the subsidiary undertakings have a value not less than the amount at which they are shown in the balance sheet.

**B.A.T Uzbekistan (Investments) Limited****Notes to the accounts – 31 December 2002****5 Debtors: amounts falling due within one year**

	2002 £'000	2001 £'000
Amounts due from group undertakings	-	2,340

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

	2002 £'000	2001 £'000
Amounts due to group undertakings	173,360	166,660

**7 Called up share capital**

Ordinary shares of £1 each	2002	2001
Authorised - value	£1000	£1,000
- number	1,000	1,000
Allotted, called up and fully paid		
- value	£2	£2
- number	2	2

**8 Reserves**

	Profit and loss account £'000
1 January 2002	599
Loss for the financial year	(90)
Dividends – interim proposed	-
31 December 2002	509

**9 Reconciliation of movements in shareholders' funds**

	2002 £'000	2001 £'000
(Loss)/profit attributable to shareholders for the year	(90)	2,762
Dividend – interim proposed	-	(3,200)
Net transfer from shareholders' funds	(90)	(438)
Opening shareholders' funds	599	1,037
Closing shareholders' funds	509	599

# **B.A.T Uzbekistan (Investments) Limited**

## **Notes to the accounts – 31 December 2002**

### **10 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.

### **11 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.

### **12 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