

LOUISVILLE SECURITIES LIMITED  
(Formerly B.A.T Tanzania (Investments) Limited)

(COMPANY REGISTRATION NO 3015916)

REPORT AND ACCOUNTS

FOR THE PERIOD 25 JANUARY 1995 TO 31 DECEMBER 1995



**LOUISVILLE SECURITIES LIMITED**  
(Formerly B.A.T Tanzania (Investments) Limited)

Directors' report for the period 25 January 1995 to 31 December 1995

Board of directors

J A Barker	(Appointed 6 February 1995, resigned 6 December 1995)
N G Brookes	(Appointed 6 February 1995, resigned 6 December 1995)
K S Dunt	(Appointed 1 January 1996)
N T Gourlay	(Appointed 25 January 1995 resigned 1 January 1996)
U G V Herter	(Appointed 1 January 1996)
A Johnson	(Appointed 6 February 1995, resigned 1 January 1996)
J R King	(Appointed 25 January 1995, resigned 6 December 1995)
D G Stevens	(Appointed 1 January 1996)
D Wilson	(Appointed 25 January 1995, resigned 1 January 1996)

Directors' interests

The interests of the directors, in the share and loan capital of the Group are:

<u>B.A.T Industries p.l.c.</u>				
<u>Ordinary 25p shares</u>				
	<u>25 January 1995</u>			<u>31 December 1995</u>
N T Gourlay	7,009			5,395
D Wilson	943			1,683
	<u>6 February 1995</u>			<u>31 December 1995</u>
A Johnson	2,463			3,101
<u>Share Options</u>				
	<u>25 January 1995</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 December 1995</u>
N T Gourlay	29,530	8,740	-	38,270
D Wilson	12,713	1,260	-	13,973
	<u>6 February 1995</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 December 1995</u>
A Johnson	23,040	6,810	-	29,850

On 31 December 1995 the directors, in common with all employees of B.A.T Industries p.l.c. and its UK subsidiaries, had a beneficial interest in 2,063,205 shares in B.A.T Industries p.l.c. (25 January 1995: 702,837 shares). These shares are held by the B.A.T Industries Employee Share Ownership Trust, established for the purpose of satisfying the exercise of options granted from 1994 onwards under the B.A.T Industries E Option Scheme.

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 5, sets out their responsibilities in relation to the financial statements.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period. 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;

LOUISVILLE SECURITIES LIMITED  
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Directors' report for the period 25 January 1995 to 31 December 1995

Statement of directors' responsibilities (continued)

- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 they 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.

Change of name

The Company was incorporated on 25 January 1995 as B.A.T Tanzania (Investments) Limited. On 18 December 1995 the Company changed its name to Louisville Securities Limited.

Results for the period

No trading took place and no income was received nor expenses paid during the period 25 January 1995 to 31 December 1995.

Principal activities

The Company did not carry on any trade on its own behalf during the year.

Post balance sheet event

On 1 January 1996 the Company purchased from a fellow subsidiary undertaking 915,001 ordinary shares of US\$1,000 each in BATUS (Holdings) Inc., a company incorporated in the USA, for a consideration of £427,392,000 and US\$915,000,000.

Auditors

Coopers & Lybrand have indicated their willingness to continue in office. Resolutions proposing their re-appointment as auditors of the Company and authorising the directors to fix their remuneration will be submitted to the annual general meeting.

On behalf of the board



P. L. CLARKE Secretary

24th April 1996

LOUISVILLE SECURITIES LIMITED  
(Formerly B.A.T Tanzania (Investments) Limited)

Balance sheet 31 December

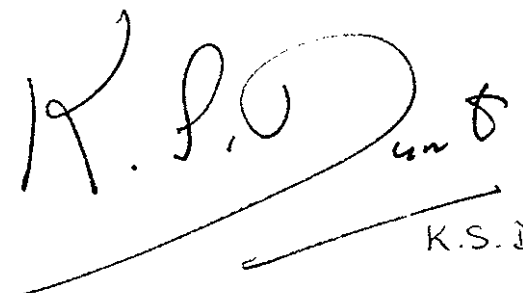
	1995 £'s
<u>ASSETS</u>	
Debtors - due within one year	
Due from ultimate holding company	1
Total assets	<div style="border-top: 1px solid black;">1</div>
<u>LIABILITIES</u>	
<u>Capital and reserves</u>	
Share capital (note 4)	1
Profit and loss account	-
Interest of ordinary equity shareholders	<div style="border-top: 1px solid black;">1</div>
Total funds employed	<div style="border-top: 1px solid black;">1</div>

Notes are shown on page 4.

On behalf of the board

24th April

Director  
1996

  
 K.S. Dunt

LOUISVILLE SECURITIES LIMITED  
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Notes to the accounts

1. Accounting policies

The accounts have been prepared on an historical cost basis in accordance with applicable accounting standards.

2. Profit and loss

There is neither profit nor loss for the period 25 January to 31 December 1995.

3. Directors' remuneration

None of the directors received any remuneration during the period in respect of their services to the Company.

4. Share capital

	<u>Authorised</u>	<u>Allotted, called up and fully paid</u>
	1995	1995
	<u>£'s</u>	<u>£'s</u>
Ordinary shares of £1 each	100	1
	===	===

5. Auditors' fees

There was no charge for auditors' fees for the period 25 January to 31 December 1995.

6. 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.

LOUISVILLE SECURITIES LIMITEDReport of the auditors to the members of Louisville Securities Limited

We have audited the financial statements on pages 3 and 4.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 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.

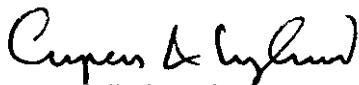
Basis of opinion

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 1995 and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
London

24 April 1996