

FC 2780

ABBAY INVESTMENT COMPANY LIMITED

(Incorporated in the Isle of Man)

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994

Registered no. - F.2780 (U.K.)
 - 537 (Isle of Man)

NW
7S+X3
604S47



Abbey Investment Company Limited

Report of the directors for the year ended 31 December 1994

The directors present their report and the audited financial statements for the year ended 31 December 1994.

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 £11,000,000. The profit and loss account surplus for the financial year of £796,000 will be transferred to reserves.

Directors

B D Bramley (Chairman)
P N Adams
N Davis
K S Dunt
R S Hartley (Resigned 16 May 1994)
A C Johnston (Appointed 16 May 1994)
R H Pilbeam
J Rembiszewski
D S Watterton


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 appropriate accounting policies and then apply them consistently, subject to any material departures being disclosed and explained;
- 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.

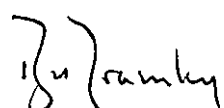
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Isle of Man Companies Acts 1931 to 1993. They are also responsible for 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

Director: 
R. H. PILBEAM

Dated:

29 MAR 1995

Director: 
B. D. BRAMLEY

Auditors' Report to the Shareholders of Abbey Investment Company Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 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 affairs of the Company as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Isle of Man Companies Acts 1931 to 1993

Price Waterhouse

29 March 1995

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

Abbey Investment Company Limited

**Profit and loss account
for the year ended 31 December 1994**

	<u>Notes</u>	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
Administration expenses	2	2	2
Operating charges	3	78	562
Operating loss - continuing operations		<u>80</u>	<u>564</u>
Income from shares in a group undertaking	4	15,509	18,442
Profit on ordinary activities before taxation		<u>15,429</u>	<u>17,878</u>
Tax on profit on ordinary activities	5	3,633	4,207
Profit on ordinary activities after taxation		<u>11,796</u>	<u>13,671</u>
Dividend proposed		11,000	13,000
Retained profit for the year		<u>796</u>	<u>671</u>
Statement of retained profits			
Retained profits at 1 January		16,970	16,299
Retained profit for the year		796	671
Retained profits at 31 December		<u>17,766</u>	<u>16,970</u>

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

The notes on pages 6 to 9 form part of these financial statements.

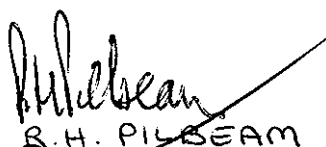
Abbey Investment Company Limited

Balance Sheet - 31 December 1994

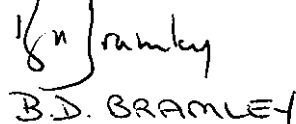
	<u>Notes</u>	<u>1994</u> <u>£000</u>	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>	<u>1993</u> <u>£000</u>
Fixed assets					
Investments	6		15,954		15,961
Current assets					
Debtors	7	14,312		15,509	
Creditors: amounts falling due within one year	8	<u>11,000</u>		<u>13,000</u>	
Net current assets			<u>3,312</u>		<u>2,509</u>
Total assets less current liabilities			<u>19,266</u>		<u>18,470</u>
Capital and reserves					
Called up share capital	9		1,500		1,500
Profit and loss account			17,766		16,970
Total shareholders' funds	10		<u>19,266</u>		<u>18,470</u>
Equity interests			<u>19,266</u>		<u>18,470</u>
Total shareholders' funds			<u>19,266</u>		<u>18,470</u>

The financial statements on pages 4 to 9 were approved by the Directors on 29 MAR 1995 and are signed on their behalf by:

Director:


R.H. PILBEAM

Director:


B.D. BRAMLEY

The notes on pages 6 to 9 form part of these financial statements.

Abbey Investment Company Limited

Notes to the financial statements for the year ended 31 December 1994

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year and preceding year, is set out below. A cash flow statement is not submitted, as the Company, being a wholly owned subsidiary undertaking of a parent undertaking established under UK law, includes cash flow information in the financial statements of the parent undertaking.

1.1 Basis of accounting

The financial statements are prepared in accordance with Accounting Standards applicable in the United Kingdom and under the historical cost convention.

1.2 Group financial statements

Group financial statements are not submitted as the Company is a wholly owned subsidiary of a company incorporated in Great Britain.

1.3 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.

1.4 Investments valuation

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

1.5 Listed investments

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

1.6 Taxation

No account is taken of taxation which may be payable on the realisation of investments, or in the event of the distribution of profits retained by the subsidiary undertakings.

1.7 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.

1.8 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.

Abbey Investment Company Limited

Notes to the financial statements for the year ended 31 December 1994

2 Administration expenses

None of the directors received any remuneration in respect of their services to the company during the period (1993 - Nil).

There were no employees, and no staff costs during the period (1993 - Nil).

Audit fees are paid by the parent undertaking.

3 Operating charges

Charges include losses on exchange amounting to £71 thousand (1993 - loss £562 thousand).

4 Income from listed investments

	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
--	----------------------------	----------------------------

Dividends received from Empresas CCT SA	15,509	18,442
---	--------	--------

5 Taxation

	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
--	----------------------------	----------------------------

United Kingdom corporation tax at 33.00% (1993 : 33.00%)	6,119	6,817
--	-------	-------

Less: Double taxation relief	6,119	6,817
------------------------------	-------	-------

Overseas taxation	3,633	4,207
	<u>3,633</u>	<u>4,207</u>

6 Tangible fixed assets

Investments	% Nominal Value Held Directly	% Nominal Value Held by Subsidiaries	% Attributable to Abbey Investment Company Ltd Ordinary Shares of no par value
-------------	-------------------------------------	---	--

6.1 Investments in subsidiaries

Listed overseas - Chile

Empresas CCT S.A., the Company through which interests in Chile are held, tobacco. (Incorporated in Chile) 1994 Stock Exchange Valuation £200,273 thousand (1993 £248,348 thousand).	63	-	63
---	----	---	----

Abbey Investment Company Limited

Notes to the financial statements
for the year ended 31 December 1994

6.2 Investment in fellow subsidiary

Unlisted overseas - Spain

B.A.T Espana S.A., tobacco

(Incorporated in Spain)

Ordinary shares of Pesetas 1,000 each

0.1 - 0.1

B.A.T Espana is considered to be a fellow subsidiary on the basis that control, as defined in Financial Reporting Standard 2, is exercised over its operations via Abbey Investment Company's parent undertaking.

	<u>1994</u>	<u>1993</u>
	<u>£000</u>	<u>£000</u>
6.3 Shareholding at cost:		
Empresas CCT S.A.	15,949	15,949
B.A.T Espana S.A.	12	12
	<u>15,961</u>	<u>15,961</u>
Provision in respect of a permanent diminution in value:		
BAT Espana S.A.	7	-
	<u>15,954</u>	<u>15,961</u>
Net value:		

6.4 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.

7 Debtors	<u>1994</u>	<u>1993</u>
	<u>£000</u>	<u>£000</u>
Amounts falling due within one year		
Amounts owed by parent undertaking	10,582	10,426
Dividend receivable from subsidiary undertaking	3,730	5,083
	<u>14,312</u>	<u>15,509</u>

8 Creditors: amounts falling due within one year	<u>1994</u>	<u>1993</u>
	<u>£000</u>	<u>£000</u>
Dividend proposed	11,000	13,000

9 Share capital	Ordinary Shares of £1 each	
	<u>1994</u>	<u>1993</u>
Authorised - value	<u>£1,500,000</u>	<u>£1,500,000</u>
number	<u>1,500,000</u>	<u>1,500,000</u>
Allotted, called up and fully paid		
value	<u>£1,500,000</u>	<u>£1,500,000</u>
number	<u>1,500,000</u>	<u>1,500,000</u>

Abbey Investment Company Limited

Notes to the financial statements for the year ended 31 December 1994

10 Reconciliation of movements in shareholders' funds	<u>1994</u> <u>£000</u>	<u>1993</u> <u>£000</u>
Opening shareholders' funds	18,470	17,799
Profit attributable to shareholders for the year	11,796	13,671
Dividend proposed	(11,000)	(13,000)
	<hr/>	<hr/>
Closing shareholders' funds	<u>19,266</u>	<u>18,470</u>

11 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. These are respectively the smallest and largest groups for which group accounts are prepared and of which this Company is a member.

12 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