

WESTON INVESTMENT COMPANY LIMITED
(COMPANY REGISTRATION NO 179244)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995



WESTON INVESTMENT COMPANY LIMITED

Directors' report for the year ended 31 December 1995

Board of directors

U G V Herter	(Chairman)
D P Allvey	(Resigned 1 January 1996)
K S Dunt	(Appointed 1 January 1996)
S P Chalfen	(Resigned 1 January 1996)
K Etherington	(Resigned 1 January 1996)
D C Potter	(Resigned 1 January 1996)
D G Stevens	(Appointed 1 January 1996)

Directors' interests

The interests of the directors, other than those who are also directors of the ultimate holding company, 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>1 January 1995</u>			<u>31 December 1995</u>
S P Chalfen	2,127			5,708
K Etherington	54,158			52,024
D C Potter	17,089			15,727
<u>Share Options</u>				
	<u>1 January 1995</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 December 1995</u>
S P Chalfen	76,408	16,750	57,680	35,478
K Etherington	23,688	14,746	-	38,434
D C Potter	42,120	12,400	-	54,520

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. (1 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 7, sets out their responsibilities in relation to the financial statements.

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 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, subject to any material departures being disclosed and explained;

WESTON INVESTMENT COMPANY LIMITEDDirectors' report for the year ended 31 December 1995Statement 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.


Results for the year

The profit for the year of £30,278,000 has been transferred to reserves.

Principal activities

The Company holds an investment of 40% of the ordinary equity share capital of BATIG GmbH which together with its subsidiary undertakings operates in the German, Ukrainian, Polish and Czech tobacco industries.

On behalf of the board


P. L. CLARKE Secretary
24th April 1996

WESTON INVESTMENT COMPANY LIMITED

Profit and loss account for the year ended 31 December

	1995 <u>£000's</u>	1994 <u>£000's</u>
Income from shares in fellow subsidiary undertaking	30,280	28,057
Operating charges (note 3)	-	(1)
Profit on ordinary activities before taxation	<u>30,280</u>	<u>28,056</u>
Taxation on ordinary activities (note 5)	(2)	(1,403)
Profit on ordinary activities after taxation	<u>30,278</u>	<u>26,653</u>
Dividends proposed	-	(46,000)
Retained profit /(loss)	<u><u>30,278</u></u>	<u><u>(19,347)</u></u>

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

A full statement of recognised gains and losses is not included as the only movement would be the profit for the year.

Interest of ordinary equity shareholders

	1995 <u>£000's</u>	1994 <u>£000's</u>
Balance 1 January	69,261	88,608
Profit on ordinary activities after taxation	30,278	26,653
Dividends proposed	-	(46,000)
Balance 31 December	<u><u>99,539</u></u>	<u><u>69,261</u></u>


Notes are shown on pages 5 and 6.

WESTON INVESTMENT COMPANY LIMITEDBalance sheet 31 December

	1995 £000's	1994 £000's
<u>ASSETS</u>		
<u>Fixed assets</u>		
Investment in fellow subsidiary undertaking (note 6)	96,962	96,962
Other investments (note 7)	<u>-</u>	<u>11,379</u>
	96,962	108,341
<u>Current assets</u>		
Debtors - due within 1 year		
Owed by ultimate holding company	-	17,799
Owed by fellow subsidiary undertaking	30,243	501
Total assets	<u>127,205</u>	<u>126,641</u>
<u>LIABILITIES</u>		
<u>Capital and reserves</u>		
Share capital (note 8)	-	-
Profit and loss account	99,539	69,261
Interest of ordinary equity shareholders (note 9)	<u>99,539</u>	<u>69,261</u>
<u>Creditors - due within 1 year</u>		
Owed to holding company	-	43,700
Owed to ultimate holding company	27,665	2,300
Other creditors	1	1
Creditors - due beyond 1 year		
Borrowings (note 10)	-	11,379
Total funds employed	<u>127,205</u>	<u>126,641</u>

Notes are shown on pages 5 and 6.

On behalf of the board


 Director
 24th April 1996 K.S. DUNT

WESTON INVESTMENT COMPANY LIMITED

Notes to the accounts

1. Accounting policies

The accounts have been prepared on an historical cost basis in accordance with applicable accounting standards. As permitted by FRS1, no cash flow statement is submitted as the Company, being a wholly-owned subsidiary undertaking of another EU company, is not required to prepare one.

2. Foreign currencies

All assets and liabilities expressed in currencies other than sterling are translated at rates of exchange ruling at the end of the year and exchange differences are reflected in operating charges for the year.

3. Operating charges

Includes a charge for auditors' fees of £720 (1994 £700).

4. Directors' remuneration

None of the directors received any remuneration during the year in respect of their services to the Company (1994 £nil).

5. Taxation on ordinary activities

	1995 <u>£000's</u>	1994 <u>£000's</u>
UK corporation tax on profits of the period at 33.00% (1994 33.00%)	15,373	14,244
Double taxation relief	<u>(15,373)</u>	<u>(14,244)</u>
	-	-
Overseas taxation	2	1,403
	<u>2</u>	<u>1,403</u>

6. Investment in fellow subsidiary undertaking

The Company's interest comprises an investment of 40% of the ordinary equity share capital of BATIG GmbH. The entire equity ordinary share capital of BATIG, a company incorporated in Germany, is held by the Company and one other fellow subsidiary undertaking. No group accounts are submitted as the Company, being a wholly-owned subsidiary undertaking, is exempt under Section 228 of the Companies Act 1985.

The directors are of the opinion that the investment in the fellow subsidiary undertaking has a value not less than the amount at which it is stated in the balance sheet.

WESTON INVESTMENT COMPANY LIMITED

Notes to the accounts

7. Other investments

On 18 December 1995 the Company sold at book value, its investment of 4.63% of the ordinary stock of AgriDyne Technologies Inc. to the ultimate holding company for £11,379,000. AgriDyne Technologies Inc. is a company incorporated in the USA.

8. Share capital

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	100	100	20	20
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

9. Interest of ordinary equity shareholders

	<u>Profit and loss account £000's</u>
1 January 1995	69,261
Retentions	30,278
31 December 1995	<u>99,539</u>

10. Borrowings

On 18 December 1995 the Company repaid the interest free loan from the ultimate holding company.

11. 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.

WESTON INVESTMENT COMPANY LIMITED

Report of the auditors to the members of Weston Investment Company Limited

We have audited the financial statements on pages 3 to 6.

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.

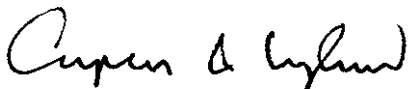
Basis of opinion

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 of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditors
London

24 April

1996