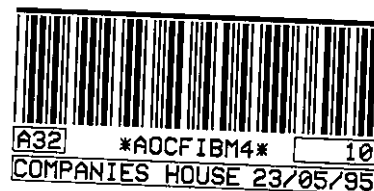


WESTON INVESTMENT COMPANY LIMITED
(COMPANY REGISTRATION NO 179244)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1994



WESTON INVESTMENT COMPANY LIMITED

Directors' report for the year ended 31 December 1994

Board of directors

D P Allvey (Chairman)
 S P Chalfen
 K Etherington
 U G V Herter
 D C Potter

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 1994</u>			<u>31 December 1994</u>
S P Chalfen	1,038			2,127
K Etherington	40,698			54,158
D C Potter	19,130			17,089
<u>Share Options</u>				
	<u>1 January 1994</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 December 1994</u>
S P Chalfen	67,038	9,370	-	76,408
K Etherington	38,448	8,220	22,980	23,688
D C Potter	35,260	6,860	-	42,120

On 31 December 1994 the directors, in common with all employees of B.A.T Industries p.l.c. and its UK subsidiaries, had a beneficial interest in 702,837 shares of B.A.T Industries p.l.c. During 1994, these shares were acquired by the B.A.T Industries Employee Share Ownership Trust, established for the purpose of satisfying options granted from 1994 onwards under the Group's 'E' share 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and

WESTON INVESTMENT COMPANY LIMITED

Directors' report for the year ended 31 December 1994

Statement of directors' responsibilities (continued)

- 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

	<u>£000's</u>
Net profit after taxation	26,653
Dividends proposed	<u>(46,000)</u>
Transferred from reserves	<u>(19,347)</u>

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 and Polish tobacco industries.

On behalf of the board


 ASSISTANT
 Secretary
 3rd MAY 1995
 D. R. WOODWARD

WESTON INVESTMENT COMPANY LIMITED

Profit and loss account for the year ended 31 December

	1994 <u>£000's</u>	1993 <u>£000's</u>
Income from shares in fellow subsidiary undertaking	28,057	31,681
Operating charges (note 3)	(1)	(1)
Profit on ordinary activities before taxation	<u>28,056</u>	<u>31,680</u>
Taxation on ordinary activities (note 5)	(1,403)	(1,584)
Profit on ordinary activities after taxation	<u>26,653</u>	<u>30,096</u>
Dividends proposed	(46,000)	-
Retained (loss) / profit	<u><u>(19,347)</u></u>	<u><u>30,096</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

	1994 <u>£000's</u>	1993 <u>£000's</u>
Balance 1 January	88,608	58,512
Profit on ordinary activities after taxation	26,653	30,096
Dividends proposed	(46,000)	-
Balance 31 December	<u><u>69,261</u></u>	<u><u>88,608</u></u>

Notes are shown on pages 5 and 6.

WESTON INVESTMENT COMPANY LIMITEDBalance sheet 31 December

	1994 £000's	1993 £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>11,379</u> 108,341	<u>11,379</u> 108,341
<u>Current assets</u>		
Debtors - due within 1 year		
Owed by ultimate holding company	17,799	-
Owed by fellow subsidiary undertaking	501	51,475
Total assets	<u>126,641</u>	<u>159,816</u>
<u>LIABILITIES</u>		
<u>Capital and reserves</u>		
Share capital (note 8)	-	-
Profit and loss account	69,261	88,608
Interest of ordinary equity shareholders (note 9)	<u>69,261</u>	<u>88,608</u>
<u>Creditors - due within 1 year</u>		
Owed to holding company	43,700	-
Owed to ultimate holding company	2,300	59,828
Other creditors	1	1
Creditors - due beyond 1 year		
Borrowings (note 10)	11,379	11,379
Total funds employed	<u>126,641</u>	<u>159,816</u>

Notes are shown on pages 5 and 6.

On behalf of the board


D.C. POTTER.

Director

3rd MAY 1995

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 £700 (1993 £676).

4. Directors' remuneration

None of the directors received any remuneration during the year in respect of their services to the Company (1993 £nil).

5. Taxation on ordinary activities

	1994 £000's	1993 £000's
UK corporation tax on profits of the period at 33.00% (1993 33.00%)	14,244	16,084
Double taxation relief	(14,244)	(16,084)
	-	-
Overseas taxation	1,403	1,584
	<u>1,403</u>	<u>1,584</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

The Company's interest comprises an investment of 4.63% of the ordinary stock of AgriDyne Technologies Inc. a company incorporated in the USA.

8. Share capital

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	100	100	20	20

9. Interest of ordinary equity shareholders

	<u>Profit and loss account £000's</u>
1 January 1994	88,608
Retentions	(19,347)
31 December 1994	<u>69,261</u>

10. Borrowings

	<u>1994 £000's</u>	<u>1993 £000's</u>
Interest free loan from ultimate holding company	11,379	11,379

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 LIMITEDReport 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.

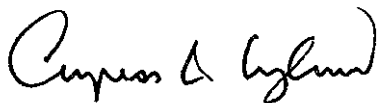
Basis of opinion

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 1994 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

12 May 1995