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WESTON INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1974

Board of Directors

B.G. Pearson (Appointed Director and Chairman 2 April 1974)

B.E. Hearnshaw (Retired 30 April 1974)

F.S. Illsley (Retired as Chairman 2 April 1974)

C.A.W. Ive

J. Palmer

D.E.J. Timpson

In pursuance of the Articles of Association, Messrs. C.A.W. Ive and J. Palmer retire from the Board at the Annual General Meeting and will be proposed for re-election. Mr. B.G. Pearson, who has been appointed to the Board since the last Annual General Meeting, also retires and will be proposed for re-election.

Activities

Investment in Fellow Subsidiaries operating mainly in the tobacco industry, including a German company which has also a substantial investment in a department store group.

Results of the Year

Net profit after taxation	£ 3,326,886
Interim Dividend paid 24 December 1974	600,000
Retained profit transferred to Reserves	£ 2,726,886

The Directors' Interests in the Share and Loan Capital of the Company, the Holding Company and its Subsidiaries required to be shown:-

Nil for all Directors.

Dated 18th March 1975

On behalf of the Board

(Sgd.) F.S. ILLSLEY) Directors.

(") C.A.W. IVE

accompanying such balance sheet.

WESTON INVESTMENT COMPANY LIMITED

BALANCE SHEET - 30 SEPTEMBER 1974

Secretary

	£	£	1974 £	£	1973 £
CAPITAL, RESERVES AND LIABILITIES					
Share Capital and Reserves					
Ordinary Shares of £1 each					
Authorised		100		100	
Issued and fully paid			20		20
Reserves			3,087,127		360,241
Total Interest of Shareholders			3,087,147		360,261
Current Liabilities					
Creditors		30		35	
U.K. Corporation Tax					
Payable 1 January 1975	47			-	
1 January 1976	456,543	456,590		45	
Dividend Payable		600,000	1,056,620	700,000	700,080
			4,143,767		1,060,341
ASSETS					
Fellow Subsidiaries					
Shareholdings at cost (Note 1)		36		36	
Interest-free Loan		2,584,814		-	
		2,584,850		36	
Less: Amounts owing to Fellow Subsidiaries		8	2,584,842	57	(21)
Amount owing by Holding Company			1,558,925		1,015,929
Current Asset					
Overseas Taxation Recoverable			-		44,433
			4,143,767		1,060,341

NOTES

	1974 £	1973 £
(1) Fellow Subsidiaries (Unquoted)(Equity)		
Including: GERMANY - Interversa G.m.b.H. - 20% Shareholding		
(No accounts were received during 1973)		
Share of aggregate profits less losses (1973 - losses less profits) before taxation	5,369,414	(2,923)
Share of aggregate profits less losses (1973 - losses less profits) after taxation	3,848,040	(3,116)
Accumulated share of profits less losses (1973 - losses less profits) since acquisition	1,581,934	(4,598)
(As shown by latest accounts received in Financial year)		

(2) Overseas currency items have been converted to sterling as follows:-
  (a) Shareholdings at the rates of exchange ruling when acquired.
  (b) Loan to Fellow Subsidiary at the rate of exchange ruling at 30 September 1974.

(3) The Company's ultimate holding company is British-American Tobacco Company Limited, incorporated in the United Kingdom.

On behalf of the Board

(Sgd.) P.S. ILLSLEY }
} Directors.
(") C.A.W. IVE }

REPORT OF THE AUDITORS TO THE MEMBERS OF WESTON INVESTMENT COMPANY LIMITED

In our opinion the above balance sheet and annexed profit and loss account give a true and fair view of the state of the Company's affairs at 30 September 1974 and of its profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.

[illegible]STON INVESTMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1974

	£	£	1974 £	£	1973 £
INVESTMENT INCOME					
Dividends from a Fellow Subsidiary (Unquoted)			4,234,425		1,367,171
INTEREST ON DEPOSIT WITH HOLDING COMPANY			2,100		1,200
PROFIT ON EXCHANGE			33,965		-
			4,270,490		1,368,371
EXPENSES					
Management Expenses		1,468		1,042	
Auditors' Fees		30	1,498	28	1,070
(None of the 6 Directors received any remuneration from the Company during the year)					
PROFIT BEFORE TAXATION			4,268,992		1,367,301
TAXATION					
U.K. Corporation Tax on profits of the year at 52% (1973 at 45%)		3,408,383		813,859	
Less Double Taxation Relief		2,951,840		783,048	
		456,543		30,811	
Overseas Taxation		635,164		341,793	
		1,091,707		372,604	
Less: Adjustments in respect of previous year:-					
U.K.	12,884			-	
Overseas	136,717	149,601	942,106	-	372,604
PROFIT AFTER TAXATION			3,326,886		994,697
DIVIDEND - Interim payable			600,000		700,000
RETAINED PROFIT OF THE YEAR transferred to Reserves			2,726,886		294,697

Note:
The U.K. tax charge for 1973 included £30,766 payable to the Holding Company in respect of the surrender of Advance Corporation Tax.