

Westminster Nominees Limited
Registered Number 194278

Directors' Report and Accounts

For the year ended 31 December 1998



Westminster Nominees Limited

Directors' Report

Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 1998 to the date of this report are as follows:

Philip Michael Cook Chairman
Paul Michael Bingham
David John Etchells
Michael Lee Hendershot
Donald Neil Fred Salter

Directors' interests

The interests of the Directors at 31 December 1998 in the share capital and share option schemes of B.A.T Industries p.l.c. and British American Tobacco p.l.c., are as shown below.

Tables 1 and 2 show the interests of the Directors in the share capital and share option schemes of B.A.T Industries p.l.c. during the period from 1 January 1998 (or their date of appointment, if later) to the restructuring of that company on 7 September 1998.

Table 1

B.A.T Industries p.l.c. Ordinary 25p shares

	1 January 1998	7 September 1998
P.M. Bingham	22,310	13,420
P.M. Cook	1,105	1,520
D.J. Etchells	3,169	3,652
M.L. Hendershot	1,212	602
D.N.F. Salter	2,274	4,681

Table 2

B.A.T Industries p.l.c. Share options

	1 January 1998	Granted	Exercised	7 September 1998
P.M. Bingham	32,139	4,430	-	36,569
P.M. Cook	3,669	3,970	-	7,639
D.J. Etchells	12,955	4,160	-	17,115
M.L. Hendershot	Nil	-	-	Nil
D.N.F. Salter	4,651	-	2,235	2,416

Westminster Nominees Limited

Directors' report (continued)

Directors' interests (continued)

In addition, on 7 September 1998, the B.A.T Industries Employee Share Ownership Trust held 5,120,249 shares in B.A.T Industries p.l.c. (1 January 1998: 7,246,691 shares). All employees, including the Directors of the Company, are deemed to have had a beneficial interest in these shares, which are held for the purpose of satisfying options granted between 1994 and 1998 under the B.A.T Industries Employee Share 'E' Option Scheme.

Further information on the conversion of shares and options over shares resulting from the restructuring of the Group is given in the Annual Report and Accounts of British American Tobacco p.l.c.

Tables 3 and 4 show the interests of the Directors in the shares and share options of British American Tobacco p.l.c. on 7 September 1998 following the restructuring of B.A.T Industries p.l.c., and on 31 December 1998.

Table 3

British American Tobacco p.l.c. Ordinary 25p shares

	7 September 1998	31 December 1998
P.M. Bingham	6,707	6,511
P.M. Cook	760	760
D.J. Etchells	1,825	860
M.L. Hendershot	666	700
D.N.F. Salter	2,340	416

Table 4

British American Tobacco p.l.c. Share options

	7 September 1998	Granted	Exercised	31 December 1998
P.M. Bingham	56,568	17,814	-	74,382
P.M. Cook	11,816	10,633	-	22,449
D.J. Etchells	26,475	16,740	-	43,215
M.L. Hendershot	Nil	17,247	-	17,247
D.N.F. Salter	3,737	463	-	4,200

Westminster Nominees Limited

Directors' report (continued)

Directors' interests (continued)

In addition, on 31 December 1998, the B.A.T Industries Employee Share Ownership Trust held 6,309,394 shares in British American Tobacco p.l.c. (7 September 1998: 2,560,124 shares). The British American Tobacco Group Employee Trust also held 4,391,432 shares in British American Tobacco p.l.c. (7 September 1998: Nil). All employees, including the Directors of the Company, are deemed to have had a beneficial interest in the shares which are held by these trusts for the purpose of satisfying options granted between 1994 and 1998 under the B.A.T Industries Employee Share "E" Option Scheme and from 1998 onwards under the British American Tobacco Share Option Scheme.

Details of the share option schemes are included in the Report and Accounts of British American Tobacco p.l.c.

Review of the year to 31 December 1998

During the financial year, and the preceding financial year, the Company did not trade and received no income and incurred no expenditure. Consequently, during those years, the Company made neither a profit or a loss.

Principal activities

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the year ended 31 December 1998.

Westminster Nominees Limited

Directors' Report (continued)

Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year that 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 suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the Board



Secretary

Dated

29 JUL 1999

Westminster Nominees Limited

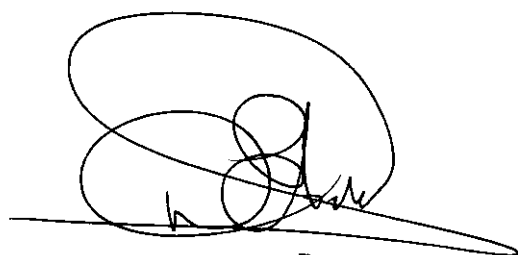
Balance sheet – 31 December 1998

	Note	1998 £'000	1997 £'000
Current assets			
Debtors			
- amounts falling due within one year		250	250
		250	250
<hr/>			
Capital and reserves			
Ordinary shares of £1 each			
Authorised, allotted, issued and fully paid		250	250
Profit and loss account		-	-
Total equity shareholders' funds		250	250

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the year ended 31 December 1998.

During the financial year, and the preceding financial year, the Company did not trade and received no income and incurred no expenditure. Consequently, during those years, the Company made neither a profit or a loss.

The financial statements on pages 6 and 7 were approved by the Directors and signed on behalf of the Board.



Director

Dated 29 JUL 1999

The notes on page 7 form part of these accounts.

Westminster Nominees Limited

Notes to the accounts – 31 December 1998

1 Accounting policies

A summary of the principal accounting policies is set out below.

(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.

2 Parent undertakings

The Company's ultimate parent undertaking is British American Tobacco p.l.c. being incorporated in the United Kingdom and registered in England and Wales. Its immediate parent undertaking is British American Tobacco (Investments) Limited. Group accounts are prepared only at the British American Tobacco p.l.c. level.

3 Copies of the report and accounts

Copies of the report and accounts of British American Tobacco p.l.c. may be obtained from:

The Company Secretary
Globe House
4 Temple Place
London
WC2R 2PG