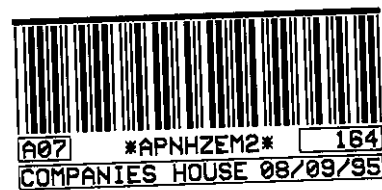


COMPANY NUMBER: 1493404

**THE LONDON TOBACCO COMPANY LIMITED**  
**ACCOUNTS FOR THE YEAR ENDED**  
**31ST MARCH 1995**



**THE LONDON TOBACCO COMPANY LIMITED**

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# **THE LONDON TOBACCO COMPANY LIMITED**

## **DIRECTORS' REPORT**

The Directors submit their report and the audited accounts for the year ended 31st March 1995.

### **Activities and Business Review**

The Company's principal activity during the year continued to be the manufacture and sale of cigarettes.

The Directors do not foresee that there will be any major change in the nature or scale of activity during the current financial year.

### **Comparative Figures**

The accounts have been prepared for the twelve month period from 1st April 1994 to 31st March 1995. The comparatives are for the fifteen month period from 1st January 1993 to 31st March 1994.

### **Dividends**

The Directors do not recommend the payment of a dividend (1994: Nil).

### **Fixed Assets**

The movements during the year are summarised in note 7 to the accounts.

### **Directors**

The Directors of the Company during the year ended 31st March 1995 were:

E N Wingfield  
S James  
A Phipkin

### **Directors' Interests**

The interests of the Directors of the Company and their immediate family interests in the shares of the Company, its parent company or its fellow subsidiaries as shown in the Register of Directors' Shareholdings kept pursuant to Section 325 of the Companies Act 1985, are shown in note 14 to the accounts.

### **Close Company Status**

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply.

### **Auditors**

The auditors, Coopers and Lybrand, are willing to continue in office and a resolution regarding their reappointment will be submitted to the Annual General Meeting.



On Behalf of the Board  
J A Radburn  
Secretary

Registered No: 1493404

Registered Office: Oxford Road  
Aylesbury  
Bucks  
HP20 8SZ

**THE LONDON TOBACCO COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST MARCH 1995**

	Notes	<b>Twelve Months to 31/3/95</b>	<b>Fifteen Months to 31/3/94</b>
		<b>£000</b>	<b>£000</b>
Turnover	1	<b>6,219</b>	10,244
Cost of sales		<b>(4,980)</b>	(8,803)
<b>Gross profit</b>		<b>1,239</b>	1,441
Distribution costs		<b>(349)</b>	(534)
Administrative expenses		<b>(366)</b>	(675)
<b>Operating profit</b>	2	<b>524</b>	232
Interest payable and similar charges	3	<b>(107)</b>	(203)
<b>Profit for the financial year attributable to the shareholders</b>	6	<b>417</b>	29
Profit and loss account brought forward		<b>(12,377)</b>	(12,406)
<b>Profit and loss account carried forward</b>		<b>(11,960)</b>	(12,377)

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The results above all relate to continuing activities.

The Company has no recognised gains and losses other than those included in the profit above and therefore no separate statement of recognised gains and losses has been presented.

There are no movements in shareholders' funds other than those in respect of retained profits.

The notes on pages 6 to 10 form an integral part of these accounts.

The Report of the Auditors is set out on page 12.

**THE LONDON TOBACCO COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 1995**

	Note	1995 £000	1994 £000
<b>Fixed assets</b>			
Tangible assets	7	288	327
<b>Current assets</b>			
Stocks	8	2,673	1,635
Debtors	9	1,301	1,033
		<hr/>	<hr/>
		3,974	2,668
Creditors: amounts falling due within one year:	10	3,222	2,372
		<hr/>	<hr/>
<b>Net current assets</b>		752	296
		<hr/>	<hr/>
<b>Net assets</b>		1,040	623
		<hr/>	<hr/>
<b>Capital Employed</b>			
Called up share capital	11	13,000	13,000
Profit and loss account		(11,960)	(12,377)
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		1,040	623
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 12th July 1995 and signed on its behalf by:

*A. P. C.*

Director

The notes on pages 6 to 10 form an integral part of these accounts. The Report of the Auditors is set out on page 12.

# THE LONDON TOBACCO COMPANY LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995

### 1. Accounting Policies

#### a. Basis of Accounting

The accounts have been prepared on historical cost accounting principles and in accordance with applicable Accounting Standards in the United Kingdom. Information relating to significant accounting policies is set out in the following paragraphs.

#### b. Comparative Figures

The accounts have been prepared for the twelve month period from 1st April 1994 to 31st March 1995. The comparatives are for the fifteen month period from 1st January 1993 to 31st March 1994.

#### c. Fixed Assets

The costs of fixed assets are depreciated over the expected economic life of the assets. The depreciation rate for plant and machinery is 10%.

#### d. Stocks

Stocks and work-in-progress are valued at the lower of cost and net realisable value. Cost comprises material cost plus direct labour, an appropriate proportion of overheads and, where applicable, duties and taxes.

#### e. Advertising, Promotion and Trade Marks

Advertising, promotion and trade mark expenditure is written off in the year in which it is incurred.

#### f. Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates ruling at the balance sheet date. Profit and loss items are translated at actual rates.

#### g. Turnover

Turnover is the net amount receivable by the Company from sales excluding value added taxes, tobacco duties and all other sales taxes.

#### h. Cashflow Statement and Segmental Reporting

The Company is an indirect wholly owned subsidiary of Rothmans International plc and the cash flows and segmental analyses of the Company are included in the consolidated group cashflow statement and segmental analyses of Rothmans International plc. Consequently the Company is exempt under the provisions of Financial Reporting Standard No 1, from publishing a cashflow statement and under the provision of Statement of Standard Accounting Practice No 25 from publishing segmental analyses.

i. Pension Costs

Defined benefits scheme pension costs are charged to the profit and loss account so as to spread the cost of pensions over the employees' service lives with the Company.

2. **Profit for the year**

The profit for the year is stated after charging:

	1995 £000	1994 £000
Hire of plant	111	112
Auditors' remuneration for audit services	3	11
Depreciation	39	49
	<hr/>	<hr/>

3. **Interest Payable**

	1995 £000	1994 £000
On bank loans and overdrafts and other loans wholly repayable within five years	107	203
	<hr/>	<hr/>

4. **Employee Information**

The average weekly number employed during the year was made up as follows:

	1995 No	1994 No
Office and Management	5	5
Manufacturing	29	33
	<hr/>	<hr/>
	34	38
	<hr/>	<hr/>

Staff costs during the year comprised:

	£000	£000
Wages and salaries	625	800
Social security costs	69	88
Other pension costs	168	214
	<hr/>	<hr/>
	862	1,102
	<hr/>	<hr/>



**5. Directors' Remuneration**

The Director's did not receive any emoluments directly from the Company during the year or during the preceding period.

The prior year financial statement disclosed Directors' emoluments of £30,000. This amount represented a management fee charged by the holding company in respect of services provided by the directors to the Company, and this practice has continued in the current financial year.

**6. Taxation**

There is no charge to taxation due to losses brought forward from previous years. Tax losses are available to be set off against future trading profits.

**7. Tangible Fixed Assets**

	<b>Plant &amp; Machinery £000</b>
Cost:	
At 1st April 1994 and at 31st March 1995	<b>388</b>
	<hr/>
Depreciation:	
At 1st April 1994	<b>61</b>
Charge for year	<b>39</b>
	<hr/>
At 31st March 1995	<b>100</b>
	<hr/>
Net book amount At 31st March 1995	<b>288</b>
	<hr/>
At 31st March 1994	<b>327</b>
	<hr/>

<b>8. Stocks</b>	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>1,804</b>	<b>1,208</b>
Finished goods and goods for resale	<b>869</b>	<b>427</b>
	<hr/>	<hr/>
	<b>2,673</b>	<b>1,635</b>
	<hr/>	<hr/>
<b>9. Debtors</b>	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Amounts due within one year:		
Trade debtors	<b>1,210</b>	<b>1,009</b>
Amounts owed by fellow subsidiary undertakings	<b>91</b>	<b>-</b>
Other debtors	<b>-</b>	<b>24</b>
	<hr/>	<hr/>
	<b>1,301</b>	<b>1,033</b>
	<hr/>	<hr/>
<b>10. Creditors: Amounts falling due within one year:</b>	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts	<b>-</b>	<b>11</b>
Trade creditors	<b>297</b>	<b>113</b>
Amounts owed to parent undertakings & fellow subsidiary undertakings	<b>2,922</b>	<b>2,233</b>
Accruals	<b>3</b>	<b>15</b>
	<hr/>	<hr/>
	<b>3,222</b>	<b>2,372</b>
	<hr/>	<hr/>
<b>11. Share Capital</b>		
	<b>Authorised, Allotted, Called Up and Fully Paid</b>	
	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Ordinary share capital in shares of £1 each	<b>13,000</b>	<b>13,000</b>
	<hr/>	<hr/>

**12. Ultimate and Immediate Parent Companies**

The Directors regard Compagnie Financière Richemont AG, a company incorporated in Switzerland, to be the ultimate parent company, and Rothmans International Tobacco (UK) Limited, a company registered in England and Wales, to be the immediate parent undertaking for which group accounts are drawn up.

Copies of the group accounts of Compagnie Financière Richemont AG are available from its registered office at Rigistrasse 2, CH-6300 Zug, Switzerland.

### 13. Employees' Pensions

The Company meets its obligations to employees through contributions to the Rothmans International UK Pension Fund, which covers the majority of UK employees of Rothmans International plc and its subsidiaries, and is a separate trustee administrated scheme of the defined benefit type. The last actuarial valuation of the fund took place on the 31st March 1993 and disclosed that the actuarial value of assets was in excess of the estimated long term accrued liabilities. Particulars of the actuarial valuation are contained in the financial statements of the immediate parent undertaking, Rothmans International Tobacco (UK) Limited.

### 14. Directors' Interests

The interests of the directors of the Company and their immediate family interests in the shares of the Company, its parent company or its fellow subsidiaries as shown in the Register of Directors' Shareholdings kept pursuant to Section 325 of the Companies Act 1985, are shown below.

- a) At 1st April 1994 and at 31st March 1995 none of the Directors of the Company had any interests in the Shares of the Company.
- b) As at 1st April 1994 and at 31st March 1995, the interests of the Directors were as follows:

- i) Interests in Rothmans International units:-

	31st March 1995	1st April 1994
Name	Units held	Units held
S M James	500	6253

- (ii) Interests in Vendôme Luxury Group units:-

	31st March 1995	1st April 1994
Name	Units held	Units held
S M James	4,629	4,629

#### Notes

- By virtue of the constitutions of Rothmans International plc and Rothmans International N.V., each Rothmans International unit comprises one Rothmans International plc Ordinary share of 10p and one Rothmans International N.V. share of 20 Dutch cents. By virtue of the constitutions of Vendôme Luxury Group plc and Vendôme Luxury Group SA, each Vendôme Luxury Group unit comprises one Vendôme Luxury Group plc Ordinary share of 5p and one Vendôme Luxury Group SA share of no par value.
- Save as disclosed above, none of the Directors or their immediate families had any notifiable interests in the shares, or in any options to subscribe for shares in the capital of the Company, its parent company or its fellow subsidiaries.

# **THE LONDON TOBACCO COMPANY LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on the next page, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 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.

The Directors consider that in preparing the financial statements on pages 4 to 10 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The Directors are required to use a going concern basis in preparing the financial statements unless this is inappropriate.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE LONDON TOBACCO COMPANY LIMITED**

We have audited the financial statements on pages 4 to 10.

**Respective Responsibilities of Directors and Auditors**

As described on page 11 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 affairs of the Company at 31st March 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

*2nd August 1995*