

**B.A.T. (Westminster House) Limited**  
**Registered Number 2432316**

**Directors' Report and Financial Statements**

**For the year ended 31 December 2009**



# **B.A.T. (Westminster House) Limited**

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# **B.A.T. (Westminster House) Limited**

## **Directors' report**

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2009

## **Principal activities**

Since December 2005, when the Company disposed of its joint venture with Honda Motor Co Ltd, the Company has wound down its activities and will expect to become dormant in the foreseeable future

## **Business review of the year to 31 December 2009**

The result for the year attributable to B A T (Westminster House) Limited shareholders after deduction of all charges and the provision of tax amounted to £nil (2008 Loss £3,997,000)

The Directors expect the Company's activities to become dormant in the foreseeable future

## **Key performance indicators**

The Directors of British American Tobacco plc, the ultimate parent company, manage the operations of the British American Tobacco plc Group (the "Group") on a regional basis. For this reason, and given the nature of the Company's activities, the Company's Directors believe that key performance indicators are not necessary or appropriate for an understanding of the Company's specific development, performance or the position of its business. However, key performance indicators relevant to the Group, and which may be relevant to the Company, are disclosed under the Business Review section in the Annual Report of British American Tobacco plc and do not form part of this report

## **Principal risks and uncertainties**

The principal risks and uncertainties of the Company, including financial risk management, are integrated with the principal risks of the Group and are monitored by audit committees to provide a framework for identifying, evaluating and managing risks faced by the Group. Accordingly, the key Group risk factors that may be relevant to the Company are disclosed in the Annual Report of British American Tobacco plc, and do not form part of this report

## **Dividends**

The Directors do not recommend the payment of a dividend for the year (2008 £nil)

## **Board of Directors**

The names of the persons who served as directors of the Company during the period 1 January 2009 to the date of this report are as follows

Kenneth John Hardman	Appointed 2 September 2010
Jimmi Rembiszewski	Resigned 31 December 2009
Nicola Snook	

# **B.A.T. (Westminster House) Limited**

## **Directors' report**

### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the immediate parent company Weston Investment Company Limited and confirm that the above requirements have been complied with in preparing the financial statements.

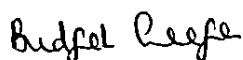
The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Directors' declaration in relation to relevant audit information**

Having made enquiries of the Directors and of the Company's auditors, the Directors confirm that

- (1) to the best of his/her knowledge and belief, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) he/she has taken all steps that a Director might reasonably be expected to have taken in order to make himself/herself aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



B M Creegan  
Assistant Secretary

3 September 2010

# **Independent auditors' report to the members of B.A.T. (Westminster House) Limited**

We have audited the financial statements of B A T (Westminster House) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' responsibilities set out on page 4 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of B.A.T. (Westminster House) Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Nicholas Campbell-Lambert

Senior Statutory Auditor

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

7 September 2010

## **B.A.T. (Westminster House) Limited**

### **Profit and loss account for the year ended 31 December 2009**

	Note	2009 £'000	2008 £'000
Exceptional litigation costs	2	-	(3,997)
<b>Operating loss</b>		-	(3,997)
<b>Loss on ordinary activities before taxation</b>		-	(3,997)
Taxation on loss on ordinary activities	3	-	-
<b>Loss for the financial year</b>		-	(3,997)

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

There are no recognised losses other than the loss for the financial year stated above their historical cost equivalents

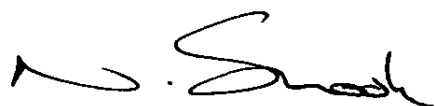
Notes are shown on pages 9 to 12

**B.A.T. (Westminster House) Limited**  
**Registered Number 2432316**

**Balance sheet – 31 December 2009**

	Note	2009 £'000	2008 £'000
<b>Current assets</b>			
Debtors amounts falling due within one year	4	5,956	5,956
<b>Creditors' amounts falling due within one year</b>	5	(210,345)	(210,345)
<b>Net current liabilities</b>		<b>(204,389)</b>	<b>(204,389)</b>
<b>Capital and reserves</b>			
Share capital	6	1,876	1,876
Profit and loss account	7	(206,265)	(206,265)
<b>Total shareholders' deficit</b>	8	<b>(204,389)</b>	<b>(204,389)</b>

The financial statements on pages 7 to 12 were approved by the Directors on 3 September 2010 and signed on behalf of the Board



N Snook  
 Director

Notes are shown on pages 9 to 12



# **B.A.T. (Westminster House) Limited**

## **Notes to the financial statements – 31 December 2009**

### **1 Accounting policies**

A summary of the principal accounting policies is set out below

#### **(1) Basis of accounting**

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

#### **(2) Cash flow statement**

The Company is a wholly-owned subsidiary of British American Tobacco plc. The cash flows of the Company are included in the consolidated cash flow statement of British American Tobacco plc which is publicly available. Consequently the Company is exempt under the terms of FRS 1 (Revised) from publishing a cash flow statement

#### **(3) Foreign currencies**

Transactions arising in currencies other than sterling are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities expressed in currencies other than sterling are translated at rates of exchange ruling at the end of the financial year. All exchange differences are taken to the profit and loss account in the year.

#### **(4) Taxation**

Taxation provided is that chargeable on the profits of the year, together with deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

## B.A.T. (Westminster House) Limited

### Notes to the financial statements – 31 December 2009

#### 2 Exceptional litigation costs

	2009 £'000	2008 £'000
Exceptional litigation costs	-	3,997

During 2008 the Company incurred litigation costs of £3,997,000 related to the final settlement of a claim in connection with a purported breach by the Company of a sponsorship agreement

Auditors' fees of £1,848 were borne by a fellow Group undertaking (2008 £1,848)

The Directors did not receive any remuneration in respect of their services to the Company during the year (2008 £nil)

There were no employees and no staff costs during the year (2008 £nil)

#### 3 Taxation on loss on ordinary activities

##### (a) Summary of tax on ordinary activities

	2009 £'000	2008 £'000
<b>Current tax:</b>		
UK corporation tax on loss of the year		
Comprising		
- current tax at 28% (2008 28.5%)	-	-
Total current taxation charge note 3(b)	-	-

##### (b) Factors affecting the tax charge

The standard rate of Corporation Tax in the UK changed from 30.0% to 28.0% with effect from 1 April 2008

The current taxation charge differs from the standard 28.0% (2008 effective interest 28.5%) rate of Corporation Tax in the UK. The major causes of this difference are listed below

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	-	(3,997)
Corporation tax at 28% (2008 28.5%) on loss on ordinary activities	-	(1,139)
<b>Factors affecting the tax rate:</b>		
Permanent difference	(4,584)	(4,842)
Group loss relief surrendered at nil consideration	4,584	5,981
Total current taxation charge note 3(a)	-	-

An amount of £16,373,000 (2008 £16,991,000) (tax amount of £4,584,000 (2008 £4,842,000)) included in permanent differences above represents tax adjustments in respect of UK to UK transfer pricing

# **B.A.T. (Westminster House) Limited**

## **Notes to the financial statements – 31 December 2009**

### **3 Taxation on loss on ordinary activities (continued)**

At the balance sheet date, the Company has not recognised a deferred tax asset in respect of unused capital tax losses of £6,818,000 (2008 £8,245,000). These unrecognised capital tax losses have no expiry date. No recognition has been made for deferred tax in respect of these items as their future recoverability remains uncertain.

### **4 Debtors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due from Group undertakings	<b>5,956</b>	5,956
Amounts due from Group undertakings are unsecured, interest free and repayable on demand		

### **5 Creditors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due to Group undertakings	<b>210,345</b>	210,345
Amounts due to Group undertakings are unsecured, interest free and repayable on demand		

### **6 Share capital**

<b>Ordinary shares of £1 each</b>	<b>2009</b>	<b>2008</b>
Allotted, called up and fully paid		
- value	<b>£1,876,000</b>	£1,876,000
- number	<b>1,876,000</b>	1,876,000

The concept of authorised share capital was abolished in October 2009 pursuant to the provisions of the Companies Act 2006, therefore authorised share capital has not been presented as at 31 December 2009.

## **B.A.T. (Westminster House) Limited**

### **Notes to the financial statements – 31 December 2009**

#### **7 Reserves**

	<b>Profit and loss account £'000</b>
<b>1 January to 31 December 2009</b>	<b>(206,265)</b>

#### **8 Reconciliation of movements in shareholders' deficit**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Loss for the financial year	-	(3,997)
Opening shareholders' deficit	<b>(204,389)</b>	<b>(200,392)</b>
<b>Closing shareholders' deficit</b>	<b>(204,389)</b>	<b>(204,389)</b>

#### **9 Related party disclosures**

As a wholly owned subsidiary, the Company has taken advantage of the exemption under paragraph 3(c) of FRS 8 from disclosing transactions with other subsidiary undertakings of the British American Tobacco p l c Group

#### **10 Parent undertakings**

The Company's ultimate parent undertaking and ultimate controlling party is British American Tobacco p l c being incorporated in the United Kingdom and registered in England and Wales. The Company's immediate parent undertaking is Weston Investment Company Limited. Group financial statements are prepared only at the British American Tobacco p l c level.

#### **11 Parent support**

The immediate parent undertaking, Weston Investment Company Limited, has indicated its willingness to continue to provide support to allow the Company to continue at its current level of operations for the foreseeable future.

#### **12 Copies of the annual report and financial statements**

Copies of the annual report of British American Tobacco p l c may be obtained from

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