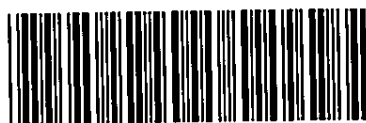


Rothmans International Enterprises Limited
Registered Number 2694154

Directors' Report and Accounts

For the year ended 31 December 2007

SATURDAY



AUZ5E49Z

A12

25/10/2008

4

COMPANIES HOUSE

Rothmans International Enterprises Limited

Contents

Directors' report	3
Report of the independent auditors to the members of Rothmans International Enterprises Limited	5
Profit and loss account for the year ended 31 December 2007	6
Balance sheet – 31 December 2007	7
Notes to the accounts – 31 December 2007	8

Rothmans International Enterprises Limited

Directors' report

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2007

Principal activities

The Company's principal activity is the holding of investments in companies operating in the tobacco industry as subsidiaries or associates of the British American Tobacco p l c Group

Business review of the year to 31 December 2007

The profit for the year attributable to Rothmans International Enterprises Limited shareholders after deduction of all charges and the provision of tax amounted to £2,013,000 (2006 £1,617,000)

Key performance indicators

The Directors of British American Tobacco p l c, the ultimate parent company, manage the operations of the British American Tobacco 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 Operating and Financial Review section in the Annual Report of British American Tobacco p l c and do not form part of this report

Principal risks and uncertainties

The principal risks and uncertainties of the Company 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 p l c, and do not form part of this report

Dividends

The Directors do not recommend the payment of a dividend for the year (2006 £nil)

Board of Directors

The names of the persons who served as directors of the Company during the period 1 January 2007 to the date of this report are as follows

Robert James Casey
Nicola Snook
Charl Erasmus Steyn

Rothmans International Enterprises Limited

Directors' report

Statement of Directors' responsibilities

The following Statement sets out the responsibilities of the Directors in relation to the financial statements. The report of the independent auditors, shown on page 5, sets out their responsibilities in relation to the financial statements.

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 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,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures being disclosed and explained, and
- 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 the auditors consider to be appropriate for the purpose of enabling them to give their audit report.

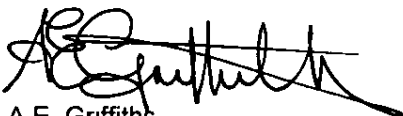
The Directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this statement.

Directors' declaration in relation to relevant audit information

Having made enquiries of fellow directors and of the Company's auditors, each of the Directors confirms that

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

On behalf of the Board



A E Griffiths

For and on behalf of

Risecretaries Limited
Secretary

22 October 2008

Report of the independent auditors to the members of Rothmans International Enterprises Limited

We have audited the financial statements of Rothmans International Enterprises Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.


Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its profit for the year then ended, the financial statements have been properly prepared in accordance with the Companies Act 1985, and the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers 

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

24 October 2008

Rothmans International Enterprises Limited

Profit and loss account for the year ended 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Operating profit	2	-	-
Income from fixed asset investments		2,018	1,621
Profit on ordinary activities before taxation		2,018	1,621
Taxation on profit on ordinary activities	3	(5)	(4)
Profit for the financial year	9	2,013	1,617

All the activities during the year are in respect of continuing operations

There are no recognised gains and losses other than the profit for the year

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

Notes are shown on pages 8 to 12

Rothmans International Enterprises Limited

Balance sheet – 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Fixed assets			
Investments in Group undertakings	4	203	203
Other investments	5	10,275	10,275
		10,478	10,478
Current assets			
Debtors amounts falling due within one year	6	218,664	216,651
Creditors: amounts falling due within one year	7	(695)	(695)
Net current assets		217,969	215,956
Net assets		228,447	226,434
Capital and reserves			
Called up share capital	8	1,000	1,000
Share premium account	9	293,858	293,858
Profit and loss account	9	(66,411)	(68,424)
Total shareholders' funds	10	228,447	226,434

The financial statements on pages 6 to 12 were approved by the Directors on 22 October 2008 and signed on behalf of the Board



C E Steyn
Director

Notes are shown on pages 8 to 12

Rothmans International Enterprises Limited -

Notes to the accounts – 31 December 2007

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 1985 and applicable accounting standards in the United Kingdom

(2) Cash flow statement

The Company is a wholly-owned subsidiary of British American Tobacco p l c. The cash flows of the Company are included in the consolidated cash flow statement of British American Tobacco p l c 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. 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) Accounting for income

Income is included in the profit and loss account when all contractual or other applicable conditions for recognition have been met. Provisions are made for bad and doubtful debts, including where delays are anticipated in the receipt of monies from overseas

(5) Taxation

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

Deferred taxation is provided in full on timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations. However, as allowed by FRS 19, the Company has chosen not to discount deferred tax assets and liabilities

(6) Fixed asset investments

Fixed asset investments are stated at cost less provisions for any impairment in value

(7) Dividends

Dividends payable that are unapproved at the year end are not recognised as a liability. Similarly, dividend income is recognised at the same time as the paying company recognises the liability to pay a dividend

Rothmans International Enterprises Limited

Notes to the accounts – 31 December 2007

2 Operating profit

Auditors' fees of £696 were borne by a fellow Group undertaking (2006 £696)

None of the Directors received any remuneration in respect of their services as a director of the Company during the year (2006 £nil)

There were no employees and no staff costs during the year (2006 £nil)

3 Taxation on profit on ordinary activities

(a) Summary of tax on ordinary activities

	2007 £'000	2006 £'000
UK Corporation Tax		
Comprising		
- current tax at 30% (2006 30%)	930	709
- double taxation relief	(930)	(709)
	-	-
Overseas tax		
Comprising		
- current tax on income	5	4
Total current taxation charge note 3(b)	5	4

(b) Factors affecting the tax charge

The current taxation charge differs from the standard 30 per cent rate of Corporation Tax in the UK
The major causes of this difference are listed below

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	2,018	1,621
Corporation Tax at 30% (2006 30%) on profit on ordinary activities	605	486
Factors affecting the tax rate:		
Corporation tax regrossing up of foreign dividends	325	226
Permanent differences	4,544	137
Overseas withholding taxes	5	4
Group loss relief claimed at nil consideration	(4,544)	(140)
Double taxation relief on UK profits	(930)	(709)
Total current taxation charge note 3(a)	5	4

An amount of £15,149,032 (2006 £455,393) (tax amount of £4,544,710 (2006 £136,618) included in permanent differences above represents tax adjustments in respect of UK to UK transfer pricing

Rothmans International Enterprises Limited

Notes to the accounts – 31 December 2007

4 Investments in Group undertakings

(1) Shares in Group undertakings

Listed overseas – registered in Pakistan

Pakistan Tobacco Company Limited

Stock Exchange valuation of the Company's relative holding at
31 December 2007 - £1,011,925 (2006 £479,978)

% equity shares held

Ordinary shares of Rs 10

0.312%

Pakistan Tobacco Company Limited is a subsidiary undertaking of the British American Tobacco p l c Group

The Company has taken advantage of the exemption under s231(5) of the Companies Act 1985 by providing information only in relation to Group undertakings whose results or financial position, in the opinion of the Directors, principally affected the figures shown in the financial statements

(2) Shareholdings at cost less provisions

1 January and 31 December 2007

£'000

203

- (3) The Directors are of the opinion that the individual investments have a value of not less than the amount at which they are stated in the balance sheet

5 Other investments

(1) Shares in other investments

Listed overseas - India

ITC Limited

Stock Exchange valuation of the Company's relative holding
at 31 December 2007 - £137,885,583 (2006 £105,325,456)

% equity shares held

Ordinary shares of Rs 1

1.37%

VST Industries Limited

Stock Exchange valuation of the Company's relative holding
at 31 December 2007 - £318,878 (2006 £304,780)

Ordinary shares of Rs 10

0.431%

ITC Limited and VST Limited are associate undertakings of the British American Tobacco p l c Group. ITC Limited has interests in tobacco, paper and packaging and hotels. VST Industries Limited has interests in tobacco.

(2) Shareholdings at cost less provisions

1 January and 31 December 2007

£'000

10,275

Rothmans International Enterprises Limited

Notes to the accounts – 31 December 2007

6 Debtors: amounts falling due within one year

	2007 £'000	2006 £'000
Amounts due from Group undertakings	218,664	216,651

Amounts due from Group undertakings are unsecured, interest free and repayable on demand

7 Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Amounts due to Group undertakings	695	695

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand

8 Share capital

Ordinary shares of £1 each	2007	2006
Authorised, allotted, called up and fully paid – value	£1,000,000	£1,000,000
– number	1,000,000	1,000,000

Special shares of £1 each

Authorised, allotted, called up and fully paid – value	£1	£1
– number	1	1

The special share bestows voting rights equivalent to 70 1 per cent of the Company's share capital but carries no entitlement to dividends except where these exceed £1,000,000 per ordinary share. The holder of the special share shall be entitled, *pari passu*, with the holders of the ordinary shares to receive repayment of the amount paid up or credited as paid up on the special share.

9 Reserves

	Share premium £'000	Profit and loss £'000
1 January 2007	293,858	(68,424)
Profit for the financial year	-	2,013
31 December 2007	293,858	(66,411)

Rothmans International Enterprises Limited

Notes to the accounts – 31 December 2007

10 Reconciliation of movements in shareholders' funds

	2007	2006
	£'000	£'000
Profit for the year	2,013	1,617
Opening shareholders' funds	226,434	224,817
Closing shareholders' funds	228,447	226,434

11 Related parties

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

12 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. Its immediate parent undertaking is Rothmans International Limited. Group accounts are prepared only at the British American Tobacco p l c level.

13 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