

**Lord Extra Limited**  
**Registered Number 2805206**

**Directors' Report and Financial Statements**

**For the year ended 31 December 2009**

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# **Lord Extra Limited**

## **Contents**

Directors' report	3
Independent auditors' report to the members of Lord Extra Limited	5
Profit and loss account for the year ended 31 December 2009	7
Balance sheet – 31 December 2009	8
Notes to the financial statements – 31 December 2009	9

# **Lord Extra 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**

The Company acts as an investment company, holding the head lease of a property in Aylesbury

### **Review of the year to 31 December 2009**

The results for the financial year attributable to Lord Extra Limited shareholders after deduction of all charges and the provision of tax amounted to £nil (2008 £324,000 profit)

The Directors expect the Company's activities to continue on a similar basis in the foreseeable future

### **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 Business 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, 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 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 (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

Ridirectors Limited  
Graham Albert Read  
Charl Erasmus Steyn  
Peter Henry Taylor

# Lord Extra 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 confirm that they have complied with the above requirements 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 fellow directors and of the Company's auditors, each of the Directors confirms that

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

17 September 2010

For and on behalf of Risecretaries Limited

Secretary

## **Independent auditors' report to the members of Lord Extra Limited**

We have audited the financial statements of Lord Extra 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 results 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**

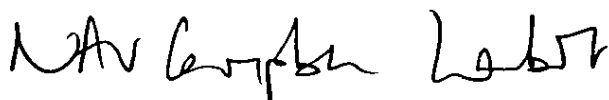
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Lord Extra 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

21 September 2010

## Lord Extra Limited

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

	Note	2009 £'000	2008 £'000
Operating income	2	1,167	1,167
Operating charges	3	(1,167)	(843)
<b>Operating profit</b>		-	324
Taxation on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>	10	-	324

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

There is no difference between the operating profit and the profit for the financial year stated above and their historical cost equivalents

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

**Lord Extra Limited**  
**Registered Number 2805206**

**Balance sheet – 31 December 2009**

	Note	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible fixed assets	5	14,527	15,014
Investments in subsidiary undertakings	6	1	1
		<b>14,528</b>	<b>15,015</b>
<b>Current assets</b>			
Debtors amounts falling due within one year	7	5,859	4,946
<b>Creditors: amounts falling due within one year</b>	8	<b>(19,121)</b>	<b>(18,695)</b>
<b>Net current liabilities</b>		<b>(13,262)</b>	<b>(13,749)</b>
<b>Total assets less current liabilities</b>		<b>1,266</b>	<b>1,266</b>
<b>Capital and reserves</b>			
Share capital	9	-	-
Profit and loss account	10	1,266	1,266
<b>Total shareholders' funds</b>	11	<b>1,266</b>	<b>1,266</b>

The financial statements on pages 7 to 14 were approved by the Directors on 17 September 2010 and signed on behalf of the Board



C E Steyn  
 Director

Notes are shown on pages 9 to 14



# Lord Extra 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

The Company is included in the consolidated financial statements of British American Tobacco p l c. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006

#### (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) 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 where there is an expectation that all or a portion of the amount due will not be recovered

#### (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

# Lord Extra Limited

## Notes to the financial statements – 31 December 2009

### 1 Accounting policies (continued)

#### (5) Tangible fixed assets

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated on a straight-line basis to write off the cost of tangible fixed assets over their useful lives. Depreciation is charged pro rata based on the month of acquisition and disposal.

The rates of depreciation used are	%
Leasehold buildings	2.5
Plant and machinery	10
Assets in the course of construction are not depreciated until brought into operational use	

#### (6) Fixed asset investments

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

#### (7) Operating leases

The annual payments under operating leases are charged to the profit and loss account over the length of the lease.

### 2 Operating income

Operating income comprises rental income receivable from another Group Undertaking.

### 3 Operating charges

	2009 £'000	2008 £'000
<b>Operating profit is stated after charging</b>		
Depreciation of tangible fixed assets	683	598
Land and buildings operating lease charges	133	133
Other operating charges	351	112
	<b>1,167</b>	<b>843</b>

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

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

None of the Directors received any remuneration in respect of their services to the Company during the year (2008: £nil).

At 31 December, the Company had annual commitments under non-cancellable operating leases expiring as follows:

	2009 £'000	2008 £'000
<b>Land and buildings:</b>		
Over 5 years	133	133

# Lord Extra Limited

## Notes to the financial statements – 31 December 2009

### 4 Taxation on profit on ordinary activities

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

	2009 £'000	2008 £'000
<b>Current tax:</b>		
UK corporation tax on profit of the year		
Comprising		
- current tax at 28.0 % (2008 28.5%)	-	-
Total current taxation note 4(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 28.5%) rate of Corporation Tax in the UK. The major causes of this difference are listed below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	-	324
Corporation tax at 28.0 % (2008 28.5%) on profit on ordinary activities	-	92
<b>Factors affecting the tax rate:</b>		
Permanent differences	(106)	(262)
Accelerated capital allowances and other timing differences	136	170
Group loss relief claimed at nil consideration	(30)	-
Total current taxation charge note 4(a)	-	-

An amount of £900,000 (2008 £1,032,000) (tax amount of £252,000 (2008 £294,000)) included in permanent differences above represents imputed tax adjustments in respect of UK to UK transfer pricing

# Lord Extra Limited

## Notes to the financial statements – 31 December 2009

### 5 Tangible fixed assets

	Leasehold land and buildings £'000	Plant, machinery and equipment £'000	Assets in the course of construction £'000	Total £'000
<b>Cost</b>				
At 1 January 2009	14,269	4,455	2,454	21,178
Additions	-	-	204	204
Reallocations	-	2,090	(2,090)	-
Disposals	-	(8)	-	(8)
<b>At 31 December 2009</b>	<b>14,269</b>	<b>6,537</b>	<b>568</b>	<b>21,374</b>
<b>Accumulated depreciation</b>				
At 1 January 2009	3,606	2,558	-	6,164
Charge for the year	195	488	-	683
Disposals	-	-	-	-
<b>At 31 December 2009</b>	<b>3,801</b>	<b>3,046</b>	<b>-</b>	<b>6,847</b>
<b>Net book value</b>				
<b>At 31 December 2009</b>	<b>10,468</b>	<b>3,491</b>	<b>568</b>	<b>14,527</b>
At 31 December 2008	10,663	1,897	2,454	15,014

The Company had no capital commitments at 31 December 2009 (2008 £nil)

### 6 Investments in subsidiary undertakings

#### (1) Shares in subsidiaries

##### Unlisted – registered in England

% equity shares held

Precis (2396) Limited – 1,002 Ordinary shares of £1 each 100

The above subsidiary holds the sub-lease of a property in Aylesbury which it sub-lets

#### (2) Shareholdings at cost less provisions

£'000

1 January and 31 December 2009

1

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

# Lord Extra Limited

## Notes to the financial statements – 31 December 2009

### 7 Debtors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due from Group undertakings	5,859	4,946

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

### 8 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due to Group undertakings	18,871	18,647
Accrued charges	250	48
	19,121	18,695

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

### 9 Share capital

Ordinary shares of £1 each	2009	2008
Allotted, called up and fully paid		
- value	£2	£2
- number	2	2

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

### 10 Reserves

	Profit and loss account £'000
1 January 2009	1,266
Profit for the financial year	-
31 December 2009	1,266

## **Lord Extra Limited**

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

#### **11 Reconciliation of movements in shareholders' funds**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the financial year	-	324
Opening shareholders' funds	<b>1,266</b>	<b>942</b>
Closing shareholders' funds	<b>1,266</b>	<b>1,266</b>

#### **12 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

#### **13 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 Weston Investment Company Limited. Group financial statements are prepared only at the British American Tobacco p l c level

#### **14 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