

**Rothmans Finance plc**  
**Registered Number 3562123**

**Directors' Report and Accounts**

**For the year ended 31 December 2000**



# Rothmans Finance plc

## Directors' report

### Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 2000 to the date of this report are as follows:

Andrew Graham Cripps	
Alfred Michael Thomas English	
Mark Anthony Oliver	Appointed 1 June 2000
Charl Erasmus Steyn	Appointed 1 June 2000
Graham Rodney Thomas	Resigned 30 June 2000

### Directors' interests

The interests of those persons who were Directors at 31 December 2000 in the share capital and share option schemes of British American Tobacco p.l.c. and its subsidiaries, are disclosed in the Directors' Report of Rothmans International Limited with the exception of Mr CE Steyn.

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

	1 January 2000*	31 December 2000
C E Steyn	1,426	1,426
* Or date of appointment, if later.		

In addition to the shares shown above, during the year the directors were granted the following interests in the ordinary shares of British American Tobacco p.l.c. which are held in trust pursuant to the British American Tobacco Deferred Share Bonus Scheme as at 31 December 2000:

	Ordinary shares of 25p
C E Steyn	17,266

Details of the Deferred Share Bonus Scheme are included in the Report and Accounts of British American Tobacco p.l.c.

# Rothmans Finance plc

## Directors' report

### British American Tobacco p.l.c. Share options

	1 January 2000*	Granted	Exercised	31 December 2000
C E Steyn	51,860	-	-	51,860
* Or date of appointment, if later.				

In addition, on 31 December 2000, the British American Tobacco Group Employee Trust and the B.A.T Industries Employee Share Ownership Plan held a total of 30,647,059 ordinary shares in British American Tobacco p.l.c. (1 January 2000: 15,581,616 ordinary shares). All employees, including the directors of the Company, are deemed to have a beneficial interest in the shares that are held by the 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 for options granted under the British American Tobacco Share Option Scheme or awards of ordinary shares made under the British American Tobacco Long Term Incentive Plan and the British American Tobacco Deferred Share Bonus Plan.

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

### Review of the year to 31 December 2000

The profit for the year attributable to Rothmans Finance plc shareholders after deduction of all charges and the provision of tax amounted to £5,000 (period to 31 December 1999: £90,000).

### Dividends

The Directors do not recommend the payment of a dividend for the year (period to 31 December 1999: £nil). The profit for the financial year of £5,000 (period to 31 December 1999: £90,000) will be transferred to reserves.

### Principal activities

The Company was originally established to provide financing in the United Kingdom for the Rothmans International B.V. group of companies, which on 7 June 1999 became part of the British American Tobacco p.l.c. group. Since then the Company's activities have been wound down and the Company is now no longer active.

# **Rothmans Finance plc**

## **Directors' report**

### **European Monetary Union**

The Company, as a matter of policy, actively supports Economic and Monetary Union as a means of delivering increased stability and prosperity. The Group's European companies including those in the UK have been capable of transacting business in the euro following its introduction in eleven European countries on 1 January 1999. The ability of the Group to conduct business in national currencies will be retained as long as necessary. The decision as to when to adopt the euro as a subsidiary's functional currency will be a local decision for each subsidiary in the European Union, having regard to the speed of transition to the euro in the individual economy.

Each operating subsidiary has prepared a business impact plan assessing the risks and uncertainties associated with the euro, with all end-market activity in the euro being coordinated through a European Regional Support Team.

### **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 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 they 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 the statement.

# Rothmans Finance plc

## Directors' report

### Auditors

The Directors have been advised that PricewaterhouseCoopers are willing to continue as auditors of the Company and a resolution for their reappointment and on their remuneration will be put to the Annual General Meeting.

On behalf of the Board



Aileen E. McDonald  
Secretary

4th June 2001

## **Auditors' report to the members of Rothmans Finance plc**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the note of accounting policies.

### **Respective responsibilities of Directors and auditors**

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 the Directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report including the statement of Directors' responsibilities.

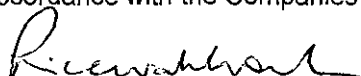
### **Basis of opinion**

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 the Company's affairs as at 31 December 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



4 June 2001

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

# Rothmans Finance plc

## Profit and loss account

For the year ended 31 December 2000

		Year ended 31 December 2000 £'000	9 months ended 31 December 1999 £'000
	Note		
Turnover		-	-
Operating income	2	5	-
Operating charges	3	-	(28)
Operating profit/(loss)		5	(28)
Interest receivable and similar income	5	-	14,985
Interest payable and other similar charges	6	-	(14,828)
Profit on ordinary activities before taxation		5	129
Tax on profit on ordinary activities	7	-	(39)
Retained profit for the financial year		5	90

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 financial year.

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

The notes on pages 9 to 12 form part of these accounts.

# Rothmans Finance plc

## Balance sheet – 31 December 2000

	Note	2000 £'000	1999 £'000
<b>Current assets</b>			
Debtors			
- amounts falling due within one year	8	100,134	371,609
<b>Creditors - amounts falling due within one year</b>	9	(39)	(271,519)
<b>Net current assets</b>		<b>100,095</b>	<b>100,090</b>
<b>Total assets less current liabilities</b>		<b>100,095</b>	<b>100,090</b>
<b>Capital and reserves</b>			
Called up share capital	10	100,000	100,000
Profit and loss account	11	95	90
<b>Total equity shareholders' funds</b>	12	<b>100,095</b>	<b>100,090</b>

The financial statements on pages 7 to 12 were approved by the Directors on *4 JUNE* 2001 and are signed on their behalf by:

  
Director

The notes on pages 9 to 12 form part of these accounts.



# Rothmans Finance plc

## Notes to the accounts – 31 December 2000

### 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) 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 Financial Reporting Standard 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) Taxation

Taxation is provided on the profits of the period.

#### (5) Accounting for income

Income is accounted for on a receivable basis.

### 2 Operating income

	Year ended 31 December 2000 £'000	9 months ended 31 December 1999 £'000
Other operating income	5	-

# Rothmans Finance plc

## Notes to the accounts – 31 December 2000

### 3 Operating charges

	Year ended 31 December 2000 £'000	9 months ended 31 December 1999 £'000
Auditors' fees	-	6
Other administrative expenses	-	22
	-	28

There were no employees, and no staff costs during the year (period to 31 December 1999: £nil).

Auditors' fees for the year ended 31 December 2000 have been borne by a fellow group company.

### 4 Directors' emoluments

None of the Directors received any remuneration in respect of their services as a Director of the Company during the year (period to 31 December 1999: £nil).

### 5 Interest receivable and similar income

	Year ended 31 December 2000 £'000	9 months ended 31 December 1999 £'000
Interest receivable from Group undertakings	-	14,985

### 6 Interest payable and other similar charges

	Year ended 31 December 2000 £'000	9 months ended 31 December 1999 £'000
Interest payable on overdrafts and bank loans	-	5,733
Interest payable to Group undertakings	-	9,095
	-	14,828

# Rothmans Finance plc

## Notes to the accounts – 31 December 2000

### 7 Taxation on ordinary activities

	Year ended 31 December 2000 £'000	9 months ended 31 December 1999 £'000
United Kingdom corporation tax at 30% (period to 31 December 1999: 30%)	-	39

The UK Corporation tax has been reduced by £1,470 (1999: £nil) in respect of group loss relief and ACT surrendered for less than full consideration.

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

	2000 £'000	1999 £'000
Amounts owed by parent undertaking	100,134	371,609

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

	2000 £'000	1999 £'000
Amounts owed to fellow subsidiaries	-	271,475
Taxation on UK profits	39	39
Accrued charges and deferred income	-	5
	39	271,519

### 10 Share capital

	2000	1999
Ordinary shares of £1 each		
Authorised - value	£100,000,000	£100,000,000
- number	100,000,000	100,000,000
Allotted, called up and fully paid		
- value	£100,000,000	£100,000,000
- number	100,000,000	100,000,000

# Rothmans Finance plc

## Notes to the accounts – 31 December 2000

### 11 Reserves

	Profit and loss account £'000
1 January 2000	90
Retained profit	5
31 December 2000	95

### 12 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Profit attributable to shareholders for the period	5	90
Net transfer to shareholders' funds	5	90
Opening shareholders' funds	100,090	100,000
Closing shareholders' funds	100,095	100,090

### 13 Related parties

The Company has taken advantage of the exemption under paragraph 3(c) of the Financial Reporting Standard 8 from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. group.

### 14 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 Rothmans International Limited. Group accounts are prepared only at the British American Tobacco p.l.c. level.

### 15 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