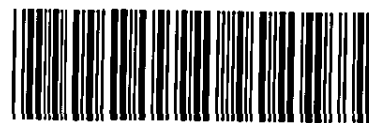


Weston Investment Company Limited
Registered Number 179244

Directors' Report and Financial Statements

For the year ended 31 December 2009

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Weston Investment Company Limited

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Weston Investment Company 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's principal activity is the holding of investments in companies operating in the tobacco industry as members of the British American Tobacco p l c Group (the "Group")

Review of the year to 31 December 2009

The profit for the financial year attributable to Weston Investment Company Limited shareholders after deduction of all charges and the provision of tax amounted to £1,896,978,000 (2008 £1,872,924,000) On 29 July 2009 1,727,915,419 ordinary shares of £1 00 each were issued at par to British American Tobacco (1998) Limited

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 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

Parent undertaking

On 30 December 2009 the Company's immediate parent company changed to Weston (2009) Limited

Dividends

During the year, the Company paid dividends of £1,880,000,000 (2008 £1,900,000,000)

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

Robert James Casey
Kenneth John Hardman
John Benedict Stevens
Nicandro Durante
Neil Robert Withington

Weston Investment Company Limited

Directors' report

Directors' indemnities

Throughout the period 1 January 2009 to the date of this report, an indemnity has been in force under which Messrs J B Stevens and N Durante, as directors of the Company, are, to the extent permitted by law, indemnified by British American Tobacco p l c , the ultimate parent undertaking, in respect of all costs, charges, expenses or liabilities which they may have incurred in or about the execution of their duties to the Company or as a result of things done by them as directors on behalf of the Company

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

Weston Investment Company Limited

Directors' report

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

On behalf of the Board



Miss D M Pass

Assistant Secretary

13 July 2010

Independent auditors' report to the members of Weston Investment Company Limited

We have audited the financial statements of Weston Investment Company 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 pages 4 and 5 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 profit 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

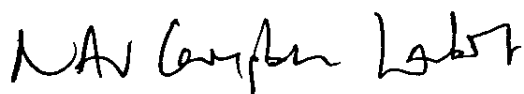
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Weston Investment Company 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

15 July 2010

Weston Investment Company Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Operating income	2	962	1,005
Operating charges	3	(14)	(76)
Operating profit		948	929
Income from shares in subsidiary undertakings		1,893,711	1,851,501
Profit on ordinary activities before interest and taxation		1,894,659	1,852,430
Interest receivable from Group undertakings		2,642	21,180
Interest payable to Group undertakings		(323)	(686)
Profit on ordinary activities before taxation		1,896,978	1,872,924
Taxation on profit on ordinary activities	4	-	-
Profit for the financial year	9	1,896,978	1,872,924

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 year stated above and their historical cost equivalents

Notes are shown on pages 10 to 15

Weston Investment Company Limited
Registered Number 179244

Balance sheet – 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Investments in subsidiary undertakings	5	5,496,458	3,768,543
Current assets			
Debtors amounts falling due within one year	6	2,670,545	2,645,160
Creditors. amounts falling due within one year	7	(4,446,337)	(4,437,930)
Net current liabilities		(1,775,792)	(1,792,770)
Total assets less current liabilities		3,720,666	1,975,773
Capital and reserves			
Share capital	8	1,733,574	5,659
Share premium account	9	1,549,032	1,549,032
Profit and loss account	9	438,060	421,082
Total shareholders' funds	10	3,720,666	1,975,773

The financial statements on pages 8 to 15 were approved by the Directors on 13 May 2010 and signed on behalf of the Board



Mr K J Hardman
 Director

Notes are shown on pages 10 to 15

Weston Investment Company 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) 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) 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

(5) 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

(6) Fixed asset investments

Fixed asset investments are stated at cost less any provisions for 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

Weston Investment Company Limited

Notes to the financial statements – 31 December 2009

2 Operating income

Operating income mainly comprises guarantee fees receivable

3 Operating charges

	2009 £'000	2008 £'000
Other operating charges	14	76

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 during the year (2008 £nil)

4 Taxation on profit on ordinary activities

(a) Summary of tax on profit on ordinary activities

	2009 £'000	2008 £'000
Current tax:		
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	1,896,978	1,872,924
Corporation tax at 28.0% (2008 28.5%) on profit on ordinary activities	531,154	533,783
Factors affecting the tax rate:		
Permanent differences	(9,512)	(533,783)
Current year losses for which no deferred tax asset has been recognised	8,597	-
Corporate income tax relief on intra-group dividends	(530,239)	-
Total current taxation charge note 4(a)	-	-

An amount of £76,742,000 (2008 £109,379,000) (tax amount of £21,488,000 (2008 £31,172,000)) included in permanent differences above represents tax adjustments in relation to UK to UK transfer pricing

At the balance sheet date, the Company has unused tax losses of £302,906,000 (2008 £269,932,000) which have no expiry date. No recognition has been made for deferred tax in respect of these items as their future recoverability remains uncertain

Weston Investment Company Limited

Notes to the financial statements – 31 December 2009

5 Investments in subsidiary undertakings

(1) Shares in Group undertakings

	% equity shares held
<u>Unlisted – registered in England and Wales</u>	
British American Tobacco International (Holdings) B V *	35 493%**
139,464 ordinary shares of €450 00	
British American Tobacco Korea (Investments) Limited *	100%
2 ordinary shares of £1 00	
British American Tobacco China Holdings Limited *	50%
1 ordinary shares of £1 00	
British American Tobacco Peru Holdings Limited *	100%
2 ordinary shares of £1 00	
B A T (Westminster House) Limited	100%
1,875,999 ordinary shares of £1 00	
Precis (1789) Limited *	100%
140,804 ordinary shares of £1 00	
Precis (1790) Limited *	100%
350,312 ordinary shares of £1 00	
Precis (1814) Limited *	100%
58,958 ordinary shares of £1 00	
British American Tobacco UK Limited	100%
1,000,001 ordinary shares of £1 00	
Rothmans (UK) Trading Limited	100%
2 ordinary shares of £1 00	
British American Tobacco Brands (Switzerland) Limited	100%
187 ordinary shares of CHF 1,000 registered	
BAT (CI) Holdings Limited	100%
98,220,850 ordinary shares of £1 00	
British American Ventures Limited	100%
2 ordinary shares of £1 00	
Tobacco Holdings Limited	100%
2000 € no par value registered	
Lord Extra Limited	100%
2 Ordinary shares £1 00	

* These are individual holding companies

Weston Investment Company Limited

Notes to the financial statements – 31 December 2009

5 Investments in subsidiary undertakings (continued)

Unlisted – Germany

British American Tobacco Morocco Holdings GmbH 100%
€25,000 initial share capital

Unlisted – St Lucia

Carisma Marketing Services Limited 100%
100 ordinary shares of US\$1 00

** The total holding by the British American Tobacco Group in British American Tobacco International (Holdings) BV is 100% and, therefore, the Company's interest is included in investments in subsidiary undertakings

The Company has taken advantage of the exemption under Section 410 of the Companies Act 2006 by providing information only in relation to subsidiary 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

	£'000
1 January 2009	3,768,543
Additions	1,727,915
31 December 2009	5,496,458

The additions relate to the purchase of British American Tobacco Brands (Switzerland) Limited for £101,946, BAT (CI) Holdings Limited for £1,571,189,472, British American Ventures Limited for £2 00 and Tobacco Holdings Limited for £156,624,001

- (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

6 Debtors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due from Group undertakings	2,660,045	2,634,568
Other debtors	10,500	10,500
Prepayments and accrued income	-	92
	2,670,545	2,645,160

Included within amounts due from Group undertakings is an amount of £429,104,000 (2008 £405,388,000) which is unsecured, interest bearing and repayable on demand. The interest rate is based on LIBOR. Other amounts due from Group undertakings are unsecured, interest free and repayable on demand.

Weston Investment Company Limited

Notes to the financial statements – 31 December 2009

7 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due to Group undertakings	4,446,337	4,437,930

Included within amounts due to Group undertakings is an amount of £nil (2008 £10,000,000) which is unsecured, interest bearing and repayable on demand. The interest rate is based on LIBOR. Other amounts due to Group undertakings are unsecured, interest free and repayable on demand.

8 Share capital

Ordinary shares of £1 each	2009	2008
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Allotted, called up and fully paid

- value	£1,733,574,183	£5,658,764
- number	1,733,574,183	5,658,764

On 29 July 2009 1,727,915,419 ordinary shares of £1.00 each were issued at par to British American Tobacco (1998) Limited.

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.

9 Reserves

	Share premium account £'000	Profit and loss account £'000
1 January 2009	1,549,032	421,082
Profit for the financial year	-	1,896,978
Dividends – interim paid	-	(1,880,000)
31 December 2009	1,549,032	438,060

Weston Investment Company Limited

Notes to the financial statements – 31 December 2009

10 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit for the financial year	1,896,978	1,872,924
Net proceeds of issue of ordinary share capital	1,727,915	-
Dividends - interim paid	(1,880,000)	(1,900,000)
Net addition to/(withdrawal from) shareholders' funds	1,744,893	(27,076)
Opening shareholders' funds	1,975,773	2,002,849
Closing shareholders' funds	3,720,666	1,975,773

11 Contingent liabilities

The Company provides guarantees in the normal course of business and as at 31 December 2009 had guaranteed borrowings by Group undertakings of £55,000,000 (2008 £18,000,000)

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

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. The Company's immediate parent undertaking was until 30 December 2009 British American Tobacco (1998) Limited. On that date, ownership of the Company was transferred to Weston (2009) 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