British American Tobacco (Philippines) Limited

Registered Number 03599281

Annual report and financial statements

For the year ended 31 December 2018

Contents

Strategic Report

The Directors present their strategic report on British American Tobacco (Philippines) Limited (the "Company") for the year ended 31 December 2018.

Principal activities

The principal activity of the Company is the sale of tobacco products through its branch in the Philippines.

Review of the year ended 31 December 2018

The profit for the financial year attributable to British American Tobacco (Philippines) Limited shareholders after deduction of all charges and the provision of taxation amounted to £1,380,000 (2017: loss of £34,500,000).

Over the years British American Tobacco (Philippines) Limited faced significant challenges in building a sustainable business on the local market. This was mainly due to sales at negative margins imposed by a highly fragmented market, a discriminatory excise system and inability to build scale. As a consequence, the Company has been loss making since it re-entered the market and so as at 31 December 2017 it was decided that the Company will cease operations in Philippines. The closure of the business is expected to be finalised by 2020. As a result, the financial statements for 2018 have not been prepared on a going concern basis.

Key performance indicators

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 in the Strategic Report 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.

By Order of the Board

Mr J.M. Guttridge
Assistant Secretary

27 August 2019

Directors' Report

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2018.

Dividends

The Directors do not recommend the payment of a dividend for the year (2017: £nil).

Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 2018 to the date of this report are as follows:

Robert James Casey	(Resigned 11 March 2019)
James Michael Lafferty	(Resigned 28 September 2018)
David Patrick Ian Booth	
Noelle Colfer	(Appointed 28 September 2018)
Belinda Joy Ross	
Carola Wiegand	

Research and development

No research & development expenditure has been incurred during the year (2017: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2017: £nil).

Employees

The average number of employees employed by the Company during the year was nil (2017: 71).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Going concern

As the Directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

Directors' Report (continued)

Statement of Directors' responsibilities (continued)

- select suitable accounting policies and then 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 disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that is appropriate to prepare these financial statements on a going concern basis)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Directors' declaration in relation to relevant audit information

Having made appropriate enquiries, each of the Directors who held office at the date of approval of this report confirms that:

(a) to the best of his or her knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and

(b) 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 auditor is aware of that information.

By Order of the Board

Mr J.M. Guttridge
Assistant Secretary

27 August 2019

Independent auditor's report to the members of British American Tobacco (Philippines) Limited

Opinion

We have audited the financial statements of British American Tobacco (Philippines) Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and loss account, Statement of other comprehensive income, Statement of changes in equity, Balance Sheet and related notes, including the accounting policies in note 1.
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as implications of tax laws and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Emphasis of matter- non- going concern paragraph

We draw attention to the disclosure made in note 1, to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of British American Tobacco (Philippines) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 3 and 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Baker

James Baker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London. E14 5GL
27 August 2019

Profit and loss account for the year ended 31 December

Continued operations	Note	2018 £'000	2017 (restated) £'000
Turnover	2	-	-
Operating income/(expenses)	3	1,315	(34,718)
Operating loss		1,315	(34,718)
Interest receivable and similar income	4	65	218
Profit/ (Loss) before taxation		1,380	(34,500)
Tax on loss	5	-	-
Profit/ (Loss) for the financial year		1,380	(34,500)

There is no difference between the profit/ (loss) before taxation and the profit/ (loss) for the financial year stated above and their historical cost equivalents.

Statement of other comprehensive income for the year ended 31 December

	Note	2018 £'000	2017 £'000
Profit/ (Loss) for the financial year		1,380	(34,500)
Differences on exchange arising on the retranslation to sterling of the profit for the financial year from average to closing rates		68	1,308
Differences on exchange arising on the retranslation to sterling (using closing rates of exchange) of net assets at the beginning of the year		43	(2,602)
Total recognised Profit/ (Loss) relating to the financial year		1,491	(35,794)

Statement of changes in equity for the year ended 31 December

	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
1 January 2017	**155,000**	**(125,475)**	**29,525**
Loss for the financial year	-	(34,500)	(34,500)
Net proceeds of issue of ordinary share capital	17,000	-	17,000
	172,000	**(159,975)**	**12,025**
Other comprehensive income			
Differences on exchange arising on the retranslation to sterling of the loss for the financial year from average to closing rates	-	1,308	1,308
Differences on exchange arising on the retranslation to sterling (using closing rates of exchange) of net assets at the beginning of the year	-	(2,602)	(2,602)
31 December 2017	**172,000**	**(161,269)**	**10,731**
Profit for the financial year	-	1,380	1,380
	172,000	**(159,889)**	**12,111**
Other comprehensive income			
Differences on exchange arising on the retranslation to sterling of the profit for the financial year from average to closing rates	-	68	68
Differences on exchange arising on the retranslation to sterling (using closing rates of exchange) of net assets at the beginning of the year	-	43	43
31 December 2018	**172,000**	**(159,778)**	**12,222**

Balance sheet as at 31 December

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	6	**17**	159
Current assets			
Debtors: amounts falling due within one year	7	**11,683**	24,548
Cash at bank and in hand		**3,797**	9,665
		15,480	34,213
Creditors: amounts falling due within one year	8	**(3,275)**	(23,641)
Net current assets		**12,205**	10,572
Total assets less current liabilities		**12,222**	10,731
Capital and reserves			
Called up share capital	9	**172,000**	172,000
Profit and loss account		**(159,778)**	(161,269)
Total shareholders' funds		**12,222**	10,731

The financial statements on pages 7 to 15 were approved by the Directors on 27 August 2019 and signed on behalf of the Board.

Mr D.P.I. Booth
Director

Registered number 03599281

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements for the year ended 31 December 2018

1 Accounting policies

The financial statements are prepared, under the historical cost convention, and in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). Over the years British American Tobacco (Philippines) Limited faced significant challenges in building a sustainable business on the local market. This was mainly due to sales at negative margins imposed by a highly fragmented market, a discriminatory excise system and inability to build scale. As a consequence, the Company has been loss making since it re-entered the market and so as at 31 December 2017 it was decided that the Company will cease operations in Philippines. The closure of the business is expected to be finalised by 2020. As a result, the financial statements have been prepared on a basis other than going concern.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and where advantage of disclosure exemptions available under FRS 101 have been taken.

With effect from 1 January 2018, the Company has adopted IFRS 15 *Revenue from Contracts with Customers* and *IFRS 9 Financial Instruments*. In adopting IFRS 15 prior year amounts have been restated to show the deduction of amounts payable to customers from revenue. Revenue in 2017 has been reduced by £5,062,000 to take account for this, with the residual of customer payments, £1,695,000, retained within operating expenses. The adoption IFRS 9 had no material effect on entities' accounts.

The preparation of the financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. The key estimates and assumptions are set out in the accounting policies below, together with the related notes to the accounts.

The most significant items include:

- the review of asset values and impairment testing of financial assets;
- the estimation of amounts to be recognised in respect of taxation.

Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgment at the date of the financial statements. In the future, actual experience may deviate from these estimates and assumptions, which could affect the financial statements as the original estimates and assumptions are modified, as appropriate, in the year in which the circumstances change.

The Company is included in the consolidated financial statements of British American Tobacco p.l.c. which is incorporated in the United Kingdom and registered in England and Wales. 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.

The accounting policies set out below, have unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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 has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 101.

Notes to the financial statements for the year ended 31 December 2018

1 Accounting policies (continued)

Foreign currencies

Turnover and profits expressed in currencies other than sterling are translated into sterling at average rates of exchange. Assets and liabilities are translated at closing rates of exchange. The difference between the retained profit of the overseas branch translated at the average and closing rates of exchange is taken to reserves, as are differences on exchange arising on the retranslation to sterling of foreign currency net assets at the beginning of the year. Exchange differences arising on the retranslation of monetary assets and liabilities between the Company and its branch, which are translated at the exchange rate ruling at the end of the year, are also taken to reserves. Other exchange differences, including those on remittances, are reflected in the profit and loss account.

Turnover

Turnover comprises sales at invoiced value (excluding duty, excise and other taxes) and is after deducting rebates, returns and similar discounts, and is included in the profit and loss account when all contractual or other applicable conditions for recognition have been met.

Operating expenses

Operating expenses are recorded in period they relate to and are generated in the normal business operations of the Company.

Taxation

Taxation is that chargeable on the profits for the period, together with deferred taxation.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in full using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. As required under IAS 12 *Income Taxes*, deferred tax assets and liabilities are not discounted.

Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Tax is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or changes in equity.

The Company has exposures in respect of the payment or recovery of a number of taxes. Liabilities or assets for these payments or recoveries are recognised at such time as an outcome becomes probable and when the amount can reasonably be estimated.

Notes to the financial statements for the year ended 31 December 2018

1 Accounting policies (continued)

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis to write off the assets over their useful economic life. No depreciation is provided on freehold land or assets classified as held for sale. Freehold and leasehold property are depreciated at rates between 2.5 per cent and 4 per cent per annum, and plant and equipment at rates between 7 per cent and 25 per cent per annum.

Impairment of non-financial assets

Assets are reviewed for impairment whenever events indicate that the carrying amount of an asset may not be recoverable. In addition, assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less costs to sell and its value in use.

Operating leases

The annual payments under operating leases are charged to the profit and loss account on a straight line basis over the length of the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions. Such assets and liabilities are classified as current if they are expected to be realised or settled within 12 months after the balance sheet date. If not, they are classified as non-current. Financial instruments are initially recognised at fair value plus directly attributable transaction costs where applicable, with subsequent measurement as set out below. The Company's financial assets are held in order to collect contractual cash flows and are subsequently carried at amortised cost. Non-derivative financial liabilities, including creditors, are subsequently carried at amortised cost using the effective interest method. Derivative financial assets and liabilities are initially recognised, and subsequently measured, at fair value, which includes accrued interest receivable and payable where relevant. Changes in their fair values are recognised in profit and loss.

Loans and receivables: Amounts owed by Group undertakings and Other debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market

Impairment of financial assets

With effect from 1 January 2018, loss allowances for expected credit losses on financial assets which are held at amortised cost are recognised on the initial recognition of the underlying asset. Allowances in respect of loans and other receivables (debtors) are initially recognised at an amount equal to 12-month expected credit losses. Where the credit risk on the receivables has increased significantly since initial recognition, allowances are measured at an amount equal to the lifetime expected credit loss. Prior to 1 January 2018, financial assets were reviewed for impairment at each balance sheet date, or whenever events indicated that the carrying amount might not be recoverable

Notes to the financial statements for the year ended 31 December 2018

2 Turnover

	2018 £'000	2017 (restated) £'000
Gross turnover	-	19,409
Excise	-	(14,347)
Net turnover	-	5,062
IFRS 15 Adjustment	-	(5,062)
Restated Net turnover	-	-

3 Other operating income/ (expenses)

	2018 £'000	2017 (restated) £'000
Other operating expenses comprise:		
Purchases of goods for resale	-	5,279
Change in stocks of finished goods and goods for resale	-	4,057
Staff costs	-	3,063
Depreciation of tangible assets	23	182
Auditors' remuneration:		
- Audit services	28	30
Operating lease charges:		
- buildings	-	63
Other operating (income)/ expense	(1,366)	4,339
Exceptional operating expenses	-	17,705
	(1,315)	34,718

The Other operating expenses in 2017 in amount of £9,401,000 were restated to £4,339,000 in order to reflect the effect of Change in accounting policy after the adoption of IFRS 15.

Exceptional operating expenses in 2017 in amount £17,705,000 relate to the closure of the branch.

Staff costs:		
Wages and salaries	-	3,209
Social security costs	-	99
Pension contributions to other group undertakings	-	(245)
	-	3,063

The average monthly number of persons (including Directors) employed by the Company during the year was:

	2018 Number	2017 Number
By activity		
Administration	-	13
Marketing	-	58
	-	71

None of the Directors received any remuneration in respect of their services as a Director of the Company during the year (2017: £nil).

Notes to the financial statements for the year ended 31 December 2018

4 Interest receivable and similar income

	2018 £'000	2017 £'000
Interest receivable and similar income	**65**	218

5 Taxation

(a) Recognised in the profit and loss account

	2018 £'000	£'000	2017 £'000	£'000
Foreign tax				
Current tax on income for the period	-		-	
Total current tax		-		-
Total income tax expense		-		-

(b) Factors affecting the taxation charge

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantially enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

The current taxation charge differs from the standard 19% (2017: 19.25%) rate of corporation taxation in the UK. The major causes of this difference are listed below:

	2018 £'000	2017 £'000
Profit/(Loss) for the year	**1,380**	(34,500)
Total tax expense	-	-
Profit/(Loss) excluding taxation	**1,380**	(34,500)
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	**262**	(6,641)
Non–deductible expenses	**(1)**	1,466
Temporary differences not recognised	-	(282)
Group relief claimed/surrendered for nil consideration	**(261)**	5,459
Transfer pricing adjustment	-	(2)
Effects of overseas tax rates	-	-
Total tax charge for the period	-	-

No deferred tax asset has been recognised in respect of tax losses (GBP 39,453,000) and other gross temporary differences (GBP 11,886,000) that have arisen in the Philippines as it is not expected that these deductible temporary differences will be recoverable. The tax losses have a life of 3 years and will fully expire by 31 December 2021.

Notes to the financial statements for the year ended 31 December 2018

6 Tangible assets

	Motor Vehicles £'000	Computer and office equipment £'000	Furniture and fixtures £'000	Plant and Machinery	Total £'000
Cost					
1 January 2018	**402**	**577**	**340**	-	**1,319**
Differences on exchange	-	-	1	(1)	-
Additions	-	-	-	147	147
Disposals	(402)	(571)	(219)	(132)	(1,324)
31 December 2018	**-**	**6**	**122**	**14**	**142**
Accumulated depreciation					
1 January 2018	**361**	**514**	**285**	-	**1,160**
Differences on exchange	-	-	1	-	1
Charge for the year	6	4	13	-	23
Disposals	(367)	(514)	(178)	-	(1,059)
31 December 2018	**-**	**4**	**121**	**-**	**125**
Net book value					
1 January 2018	41	63	55	-	159
31 December 2018	**-**	**2**	**1**	**14**	**17**

7 Debtors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade debtors	**5,643**	3,428
Amounts owed by Group undertakings	**5,621**	5,575
Other debtors	**419**	15,545
	11,683	24,548

Included in Amounts owed by Group undertakings an amount of £5,583,000 (2017: £5,575,000) is unsecured, interest bearing and repayable on demand. The interest rate is based on LIBOR.

8 Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	**-**	973
Amounts owed to Group undertakings	**126**	37
Accruals and deferred income	**3,065**	22,015
Tax and social security	**84**	616
	3,275	23,641

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

Notes to the financial statements for the year ended 31 December 2018

9 Called up share capital

Ordinary shares of £1 each	2018	2017
Allotted, called up and fully paid		
- value	**£172,000,100**	£172,000,100
- number	**172,000,100**	172,000,100

During the year, the Company issued 17,000,000 ordinary shares of £1 each to its shareholder British American Tobacco (Investments) Limited, for a consideration of £17,000,000.

10 Related party disclosure

As a wholly owned subsidiary the Company has taken advantage of the exemption under FRS 101 from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. Group.

11 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 British American Tobacco (Investments) Limited. Group financial statements are prepared only at the British American Tobacco p.l.c. level and may be obtained from:

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