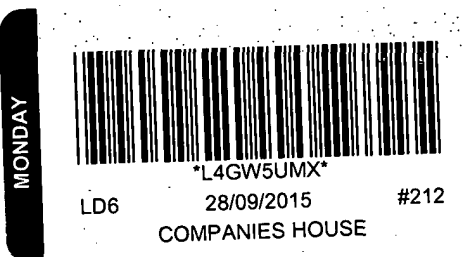


British American Tobacco (GLP) Limited

Registered Number 06238103

Directors' report and financial statements

For the year ended 31 December 2014



Contents

Strategic report.....	2
Directors' report.....	3
Independent auditors' report to the members of British American Tobacco (GLP) Limited.....	5
Profit and loss account for the year ended 31 December 2014.....	7
Balance sheet as at 31 December 2014	8
Notes to the financial statements for the year ended 31 December 2014	9

Strategic report

The Directors present their strategic report on the Company for the year ended 31 December 2014.

Principal activities

The Company's principal activities include the procurement and trading in tobacco leaf and semi-finished tobacco products as a member of the British American Tobacco p.l.c. Group (the "Group").

Review of the year ended 31 December 2014

The profit for the financial year attributable to British American Tobacco (GLP) Limited shareholders after deduction of all charges and the provision of tax amounted to US\$120,235,000 (2013: US\$107,660,000).

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

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 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



S. Kerr
Secretary

25 September 2015

Directors' report

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2014.

Dividends

During the year the Company paid dividends amounting to US\$90,000,000 (2013: US\$65,000,000).

Board of Directors

The names of the persons who served as directors of the Company during the period from 1 January 2014 to the date of this report are as follows:

	Dates appointed	Dates resigned
Timothy James Bartle	27 May 2014	
Andrew James Barrett	27 May 2014	
Peter Charles Davison		30 June 2014
H Palliye Gurunnselage Sandeep Nishan Drupath De Alwis		
Gilmar Juvenal Madureira		30 April 2014
John Youngson Moffat		31 March 2014
Paul Ogborn	17 December 2014	
Michael James Stevens		

Financial risk management

The Company's operations expose it to a currency risk as parts of sales, purchases and operating expenses are denominated in foreign currencies other than US dollars. The exposure is partially hedged with forward foreign exchange contracts.

Statement of directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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 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' report

Statement of disclosure of information to auditors

In accordance with Section 418, Directors' reports shall include a statement, in the case of each director in office at the date the Directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board



S. Kerr
Secretary

25 September 2015

Independent auditors' report to the members of British American Tobacco (GLP) Limited

Report on the financial statements

Our opinion

In our opinion, British American Tobacco (GLP) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

What we have audited

British American Tobacco (GLP) Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of Directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of British American Tobacco (GLP) Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

What an audit of financial statements involves

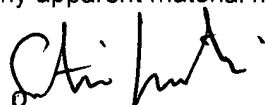
We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sotiris Kroustis (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

25 SEPTEMBER 2015

Profit and loss account for the year ended 31 December 2014

		2014	2013
		US\$'000	US\$'000
Continuing operations			
	Note		
Turnover	2	1,489,025	1,560,335
Other operating charges	3	(1,358,899)	(1,439,510)
Operating profit		130,126	120,825
Income from fixed asset investments		97,096	148,859
Other interest receivable and similar income	4	202	6
Interest payable and similar charges	5	(22,548)	(25,777)
Amounts written-off investments		(84,641)	(136,253)
Profit on ordinary activities before taxation		120,235	107,660
Taxation on Profit on ordinary activities	6	-	-
Profit for the financial year	13	120,235	107,660

There is no material difference between the profit on ordinary activities before taxation 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 and therefore no Statement of total recognised gains and losses has been presented.

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

Balance sheet as at 31 December 2014

	Note	2014 US\$'000	2013 US\$'000
Fixed assets			
Tangible assets	7	573	1,720
Investments	8	47,730	362,260
		48,303	363,980
Current assets			
Stock	9	536,009	540,230
Debtors: amounts falling due within one year	10	205,688	228,840
Cash at bank and in hand		30,603	-
Total current assets		772,300	769,070
Creditors: amounts falling due within one year	11a	(417,678)	(760,360)
Net current assets		354,622	8,710
Total assets less current liabilities		402,925	372,690
Creditors: amounts falling due after more than one year	11b	(220,000)	(220,000)
Net assets		182,925	152,690
Capital and reserves			
Called up share capital	12	100,000	100,000
Profit and loss account	13	82,925	52,690
Total shareholders' funds	14	182,925	152,690

The financial statements on pages 7 to 19 were approved by the Directors on 25 September 2015 and signed on behalf of the Board.

P. Ogborn
Director



Registered number
06238103

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

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

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 principal accounting policies have been applied consistently throughout the year and a summary is set out below.

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.

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 FRS1 (revised 1996) 'Cash flow statements'.

Foreign currencies

Items included in the financial statements of the Company are reported in US\$, being the primary currency of the economic environment in which the Company operates.

Transactions arising in currencies other than US\$ are translated at the rate of exchange ruling on the date of the transaction, or at the forward rate if fully hedged by a forward exchange contract. Monetary assets and liabilities expressed in currencies other than US\$ are translated at rates of exchange ruling at the end of the financial year, or the forward rate if fully hedged by a forward exchange contract. All exchange differences are taken to the profit and loss account in the year.

Forward contracts are used to manage exposure to foreign exchange risks. The Company does not hold derivative financial instruments for trading or speculative purposes. The forward contracts are accounted for in the financial statements where the underlying transactions have occurred by the balance sheet date. As required by the Companies Act 2006, the fair value of all forward contracts outstanding at year end is disclosed in note 15.

Accounting for turnover and income

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. 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.

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies (continued)

Tax

Tax provided is that chargeable on the profits of the year, together with deferred tax.

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

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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on weighted average cost incurred in acquiring inventories and bringing them to their existing location and condition, which will include raw materials, direct labour and overheads, where appropriate. Net realisable value is the estimated selling price less cost to completion and sale.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation. 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 assets over their useful lives. Depreciation is charged pro rata based on the month of acquisition and disposal.

The rate of depreciation used is:

	%
Computer equipment	20

Fixed asset investments

Fixed asset investments are stated at cost less provisions for any impairment in value. Any impairment is recognised in the profit and loss account in the period in which it arises.

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.

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies (continued)

Employee share schemes

The Company is recharged by British-American Tobacco (Holdings) Limited, a fellow Group company, for the share schemes cost of employees whose staff costs are borne by the Company. This recharge is expensed in the year incurred. The recharge in the year ended 31 December 2014 was US\$ 929,000 (2013: US\$ 1,186,000) as disclosed in note 3 operating charges. The fellow Group company, which administers the share schemes on behalf of other group companies calculates and reflects the charge for the share schemes, provides the relevant disclosures required under FRS 20.

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.

Retirement benefits

The Company is recharged by British-American Tobacco (Holdings) Limited, a fellow Group company, for the cost of pensions to which its employees belong. The recharges in the year ended 31 December 2014 are disclosed in note 3 operating charges. The fellow Group Company provides the relevant disclosures required under FRS 17.

Future changes to accounting policies

The Financial Reporting Council has issued FRS 100 Application of Financial Reporting Requirements, FRS 101 Reduced Disclosure Framework and FRS 102 The Financial Reporting Standard applicable in the UK and Ireland. These standards will be applicable to all companies and entities in the UK and Republic of Ireland, other than listed groups which continue to report under EU-adopted International Financial Reporting Standards (IFRS), for accounting periods beginning on or after 1 January 2015.

FRS 100 sets out the overall financial reporting framework for companies in the UK and Ireland. FRS 101 applies to the individual financial statements of subsidiaries and ultimate parents, allowing them to apply the same accounting policies as in their listed group financial statements, but with fewer disclosures. FRS 102 is a single financial reporting standard that applies to the financial statements of entities that are not applying EU-adopted IFRS, FRS 101 or the FRSSE. The primary statements of entities applying FRS 101 or FRS 102 would continue to follow the requirements of the Companies Act 2006.

The Company will adopt the accounting requirements of the reduced disclosure framework under FRS 101 in the Company's reporting for 2015. As shown in note 15, the recognition of financial instruments will affect the Company's Balance Sheet and Reserves.

Notes to the financial statements for the year ended 31 December 2014

2 Turnover

Turnover comprises the sale of tobacco leaf and semi-finished tobacco products to fellow Group companies.

Sales have been made to the following regions:

	2014 US\$'000	2013 US\$'000
Location of customers:		
Western Europe	625,053	605,596
EEMEA (Eastern Europe, Middle East and Africa)	503,337	576,863
Asia-Pacific	293,739	282,676
Americas	66,896	95,200
	1,489,025	1,560,335

3 Other operating charges

	2014 US\$'000	2013 US\$'000
Operating charges comprise:		
Raw materials and consumables	1,284,361	1,523,233
Decrease/(increase) in stocks (note 9)	4,221	(144,498)
Staff costs	22,477	15,339
Depreciation of tangible fixed assets	1,147	1,147
Auditors' remuneration:		
- Audit services	161	140
Exchange (gains)/losses	(255)	1,426
Other operating charges	46,787	42,723
	1,358,899	1,439,510

	2014 US\$'000	2013 US\$'000
Staff costs:		
Wages and salaries	19,177	12,346
Social security costs	968	961
Defined contribution scheme costs	371	98
Defined benefit scheme treated as defined contribution scheme	1,032	748
Share-based payments	929	1,186
	22,477	15,339

The above staff costs borne by the Company, relate to the employees of fellow Group undertakings. The associated employee numbers are 53 (2013: 35).

Notes to the financial statements for the year ended 31 December 2014

3 Other operating charges (continued)

The aggregate emoluments of the Directors payable by the Company in respect of their services to those companies while directors of the Company were:

	2014 US\$'000	2013 US\$'000
Aggregate emoluments	331	295

	2014 Number	2013 Number
Directors exercising share options during the year	2	1
Directors entitled to receive shares under a long term incentive scheme	2	1
Directors retirement benefits accruing under a defined benefit scheme	1	-
Directors retirement benefits accruing under a defined contribution scheme	1	1

The above figures do not include Messrs Bartle, Barrett, Stevens, Davison, Moffat or Madureira on the basis that they are paid for their services to other Group companies.

Highest paid Director

	2014 US\$'000	2013 US\$'000
Aggregate emoluments	312	295

The highest paid Director was entitled to receive shares under a long term incentive scheme and did exercise share options during the year. No Directors received emoluments (excluding shares) under long term incentive schemes during the year (2013: none). There were no compensation payments to Directors as a result of redundancies in the year (2013: none).

At 31 December, the company had no annual commitments in respect of non-cancellable operating leases.

4 Other interest receivable and similar income

	2014 US\$'000	2013 US\$'000
Interest receivable from Group undertakings	202	6
	202	6

5 Interest payable and similar charges

	2014 US\$'000	2013 US\$'000
Interest payable to Group undertakings	11,226	15,665
Financing charges payable to Group undertakings	291	812
Financing charges payable to external suppliers	8,836	9,139
Exchange losses on foreign currency borrowings	2,195	161
	22,548	25,777

Notes to the financial statements for the year ended 31 December 2014

6 Taxation on profit on ordinary activities

(a) Summary of taxation on profit on ordinary activities

	2014 US\$'000	2013 US\$'000
Current taxation:		
UK corporation taxation on profit of the year	-	-
Comprising:		
- current taxation at 21.5% (2013: 23.25%)	-	-
Total current taxation note 6(b)	-	-

(b) Factors affecting the taxation charge

The standard rate of corporation taxation in the UK changed from 23.0% to 21.0% with effect from 1 April 2014. Accordingly the Company's profit for this accounting period is taxed at an effective rate of 21.5%.

The current taxation charge differs from the standard 21.5% (2013: 23.25%) rate of corporation taxation in the UK. The major causes of this difference are listed below:

	2014 US\$'000	2013 US\$'000
Profit on ordinary activities before taxation	120,235	107,660
Corporation taxation at 21.5% (2013: 23.25%) on profit on ordinary activities	25,851	25,031
Factors affecting the taxation rate:		
Permanent differences	18,690	31,804
Accelerated capital allowances	247	267
Other timing differences	(2,652)	1,559
Group loss relief claimed at nil consideration	(21,260)	(24,051)
Corporate income taxation relief on intra-group dividends	(20,876)	(34,610)
Total current taxation note 6(a)	-	-

An amount of US\$nil (2013: US\$1,533,000) (taxation amount of US\$nil (2013: US\$356,000)) included in permanent differences above represents imputed taxation adjustments in respect of UK to UK transfer pricing.

The Company has a deferred taxation asset of US\$9,251,000 (2013: US\$11,369,000) in relation to unutilised capital allowances which is not recognised in the balance sheet as their future recoverability remains uncertain. These unused allowances have no expiry date.

Notes to the financial statements for the year ended 31 December 2014

7 Tangible assets

	Computer equipment US\$'000
Cost	
1 January 2014	43,161
31 December 2014	43,161
Accumulated depreciation	
1 January 2014	41,441
Charge for the year	1,147
31 December 2014	42,588
Net book value	
1 January 2014	1,720
31 December 2014	573

8 Investments

Shares in Group undertaking

Unlisted – registered in the Netherlands

% equity shares held

1 January 2014

Yolanda Netherlands B.V. (Investment holding)	100
120,041 ordinary shares of €0.15 each	
294,277 ordinary-A shares of €175.56 each	
159,352 ordinary-B shares of €134.00 each	
113,600 ordinary-C shares of €1,000.00 each	

31 December 2014

Yolanda Netherlands B.V. (Investment holding)	100
120,041 ordinary shares of €0.01 each	
294,277 ordinary-A shares of €0.01 each	
159,352 ordinary-B shares of €0.01 each	
113,600 ordinary-C shares of €82.00 each	

Notes to the financial statements for the year ended 31 December 2014

8 Investments (continued)

Shareholdings at cost less provisions and other fixed asset investments

	Shareholdings at cost less provisions
	US\$'000
Cost	
1 January 2014	679,300
Additions	-
31 December 2014	679,300
Capital reductions	
1 January 2014	180,787
Capital reductions	229,889
31 December 2014	410,676
Impairments	
1 January 2014	136,253
Charge in the year	84,641
31 December 2014	220,894
Net book value	
1 January 2014	362,260
31 December 2014	47,730

During the year US\$97,096,000 (2013: US\$148,859,000) of equity dividends were received from Yolanda Netherlands, reducing the net assets of the investment. At year end an impairment charge was recognised of US\$84,641,000 (2013: US\$136,253,000) resulting in a net impact on the profit for the year of US\$12,455,000 (2013: US\$12,606,000).

The Directors are of the opinion that the investment in the Group undertaking has a value not less than the revised carrying value shown in the balance sheet at year end date.

9 Stocks

	2014 US\$'000	2013 US\$'000
Goods for resale	536,009	540,230
Current replacement cost of stock	513,328	548,884

Notes to the financial statements for the year ended 31 December 2014

10 Debtors: amounts falling due within one year

	2014 US\$'000	2013 US\$'000
Amounts owed by Group undertakings	164,152	138,406
Other debtors	641	16,769
Prepayments and accrued income	40,895	73,665
	205,688	228,840

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

Other debtors includes an amount of US\$nil (2013: US\$15,029,000) which relates to deferred expenses in respect of derivative contracts for future leaf purchases.

Prepayments and accrued income relate to payments in advance made to leaf suppliers for tobacco leaf purchases. The prepayments are offset against subsequent tobacco leaf crop received from these counterparts. Included within this, the amount of US\$21,545,000 (2013: US\$46,365,000) was made to internal leaf suppliers. US\$19,350,000 (2013: US\$27,300,000) was made to a third party leaf supplier.

11 Creditors: (a) amounts falling due within one year

	2014 US\$'000	2013 US\$'000
Trade creditors	78,118	120,906
Other creditors	28,488	-
Amounts owed to Group undertakings	311,072	639,454
	417,678	760,360

Other creditors include an amount of US\$14,926,000 (2013: US\$nil) for deferred gains in respect of derivative contracts for future leaf purchases.

Included within amounts owed to Group undertakings is an amount of US\$250,541,000 (2013: US\$197,978,000) which is unsecured, repayable on demand and incurs interest based on USD LIBOR.

Also included within amounts owed to Group undertakings is an amount of US\$nil (2013: US\$360,000,000) which is unsecured, incurs a fixed rate of interest of 2.24% and is repayable in April 2014 (US\$98,000,000), June 2014 (US\$84,000,000), September 2014 (US\$63,000,000) and December 2014 (US\$115,300,000).

Other amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements for the year ended 31 December 2014

11 Creditors (continued):

(b) amounts falling due after more than one year

	2014 US\$'000	2013 US\$'000
Amounts owed to Group undertaking	220,000	220,000

Amounts owed to Group undertakings are unsecured, repayable in 2016 and incur a rate of interest based on USD LIBOR.

12 Called up share capital

Ordinary shares of \$1 each	2014	2013
Allotted, called up and fully paid		
- value	\$100,000,001	\$100,000,001
- number	100,000,001	100,000,001

13 Reserves

	Profit and loss account US\$'000
1 January 2014	52,690
Profit for the financial year	120,235
Dividends paid	(90,000)
31 December 2014	82,925

14 Reconciliation of movements in shareholders' funds

	2014 US\$'000	2013 US\$'000
Profit for the financial year	120,235	107,660
Dividends paid	(90,000)	(65,000)
Net movement in shareholders' funds	30,235	42,660
Opening shareholders' funds	152,690	110,030
Closing shareholders' funds	182,925	152,690

15 Financial instruments

The Company's operations expose it to currency risk as part of its sales, purchases of raw materials and goods for resale are denominated in foreign currencies other than US\$. The exposure is hedged with forward foreign exchange contracts. The fair value of the instruments at 31 December 2014 was a net payable of US\$38,464,000 (2013: net receivable of US\$6,895,000). Subsequent to the year end, the Company's financial position was not materially affected by the instruments reaching their maturity dates.

Notes to the financial statements for the year ended 31 December 2014

16 Related party disclosures

Transactions with related parties have been aggregated by nature of transaction and were as follows:

	2014 US\$'000	2013 US\$'000
Transactions with associates of the British American Tobacco p.l.c. Group		
Sales	573	22,610
Purchases of tobacco leaf	202,621	255,491
Other charges	22	814
Amounts due	-	10,034
Amounts payable included in trade creditors	-	334

The associates referred to are: Reynolds American Inc. and ITC Limited.

As a wholly owned subsidiary the Company has taken advantage of the exemption under paragraph 3(c) of FRS 8 'Related party disclosures' from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. Group.

17 Post Balance Sheet Events

Subsequent to the year end, the Company has paid dividends amounting to US\$115,000,000.

In February, March and April 2015 the Company paid an external leaf supplier a total of \$24,083,000 in advance for leaf tobacco.

In March 2015, the Company received \$23,491,000 as a consequence of a capital reduction which was executed by Yolanda Netherlands. In addition dividends amounting to \$24,405,008 were received in March and April 2015 and the Company recognised an associated impairment of \$23,302,000. Subsequent to these receipts a resolution was passed to execute the liquidation of Yolanda Netherlands. The Company expects to receive its remaining interest in Yolanda Netherlands subsequent to its liquidation.

In July 2015 the Company paid \$62,300,453 in connection with losses made on derivative contracts taken to mitigate exposures on foreign currency leaf crop purchases.

18 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 International Holdings (UK) 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