

B.A.T Far East Holding Limited

Registered number 03216047

Annual report and financial statements

For the year ended 31 December 2020

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Strategic Report

The Directors present their Strategic Report on B.A.T Far East Holding Limited (the “Company”) for the financial year ended 31 December 2020.

Principal activities

The Company is a holding company of members of the British American Tobacco p.l.c. group of companies (the “Group”) which engage in projects relating to the tobacco industry in China. The Company also operates a branch in Hong Kong.

Review of the year ended 31 December 2020

The result for the financial year attributable to B.A.T Far East Holding Limited shareholders after deduction of all charges and the provision of taxation amounted to £nil (2019: £2,000).

Further to changes in the external environment, a restructuring has been considered in order to implement a more efficient business model. As a result of the implementation of the new business model, B.A.T Far East Leaf Limited, including its liaison office in Hong Kong and representative office in Kunming, China, would be deregistered and the leaf business would be transferred to another Group company. As a holding company for B.A.T Far East Leaf Limited, the Company would also be considered for liquidation in the near future, so the accounts have been prepared on a non-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 British American Tobacco p.l.c.’s 2020 Annual Report and Form 20-F (“BAT Annual Report”) 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 BAT Annual Report and do not form part of this report.

UK Companies Act: Section 172(1) Statement

The Company is part of the Group and is ultimately owned by British American Tobacco p.l.c. As set out above in the Company’s Strategic Report, the Company’s principal activity is the holding of a group of companies which engage in projects relating to the tobacco industry in China and it also operates a branch in Hong Kong.

Under section 172(1) of the UK Companies Act and as part of the Directors’ duty to the Company’s shareholders, to act as they consider most likely to promote the success of the Company, the Directors must have regard for likely long-term consequences of decisions and the desirability of maintaining a reputation for high standards of business conduct. The Directors must also have regard for business relationships with the Company’s wider stakeholders, and the impact of the Company’s operations on the environment and communities in which it operates. Consideration of these factors and other relevant matters is embedded into all Board decision making and risk assessments throughout the year.

The Company’s key stakeholders are the Company’s shareholders, other Group undertakings and government authorities in countries in which the Company operates. The Company does not have any employees, customers or suppliers. Primary ways in which the Company engages directly or indirectly, as part of the Group, with its key external stakeholders are summarised at pages 82 to 83 of the BAT Annual Report. Primary ways in which the Company engages with Group undertakings and its shareholders are through regular meetings, intra-group management activities and ongoing dialogue. There is also regular engagement within the Group on finance-related matters.

Where the Directors do not engage directly with the Company’s stakeholders, they are kept updated on stakeholder perspectives, including through the use of management reporting and board notes relating to matters presented to the Board during the year which set out stakeholder considerations as applicable to matters under consideration. This enables the Directors to maintain an effective understanding of what matters to those stakeholders and to draw on these perspectives in Board decision-making.

Strategic report (continued)

UK Companies Act: Section 172(1) Statement


During the decision-making process the Directors are made aware of the impact of decisions on relevant stakeholders and engagement that has occurred with those stakeholders where applicable.

In accordance with the Group's overall governance and internal controls framework and in support of the Company's purpose as part of the Group, the Company applies and the Directors have due regard to all applicable Group policies and procedures, including the Group Statement of Delegated Authorities ("Group SoDA"), and the Group Standards of Business Conduct, International Marketing Principles, Health and Safety Policy, and Environmental Policy as set out at page 48 of the BAT Annual Report. As a Group company, the Company acts in accordance with the Group's policies in relation the safeguarding of human rights and community relationships, which are set out at page 48 of the BAT Annual Report.

Where authority for decision-making is delegated to management under the Group SoDA, the Group SoDA mandates regard for the likely long-term consequences of decisions, the imperative of maintaining high standards of business conduct, business relationships with wider stakeholders, the impact of business operations on the environment and communities, and other relevant factors. The Group SoDA is part of the Group's governance and internal controls framework through which good corporate governance, risk management and internal control is promoted within the Group and does not derogate from any requirement for Board review, oversight or approval in relation to the Company's activities.

The Directors receive training in relation to their role and duties as a Director on a periodic basis and all newly appointed Directors receive training in respect of their role and duties on appointment, including on directors' duties under Section 172 of the Companies Act. Director training is provided through the Company Secretary.

By Order of the Board

DocuSigned by:

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Mr P. McCormack
Secretary

2 June 2021

Directors' Report

The Directors present their report together with the audited financial statements of the Company for the financial year ended 31 December 2020.

Dividends

The Directors do not recommend the payment of a dividend for the year (2019: £nil).

Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 2020 to the date of this report are as follows:

Belinda Joy Ross

Bassem Bekdache

David Patrick Ian Booth

(Appointed 24 September 2020)

Research and development

No research and development expenditure has been incurred during the year (2019: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

Employees

The average number of employees employed by the Company during the year was nil (2019: nil).

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:

- 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 it is appropriate to prepare these financial statements on a going concern basis.

Directors' Report (continued)

Statement of Directors' responsibilities (continued)

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 Annual report confirms that:

- (a) to the best of his knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) 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 auditor is aware of that information.

By Order of the Board

DocuSigned by:



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Mr P. McCormack
Secretary

2 June 2021

Independent Auditor's Report to the members of B.A.T Far East Holding Limited

Opinion

We have audited the financial statements of B.A.T Far East Holding Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and loss account, Statement of 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 2020 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.

Emphasis of matter – non-going concern basis of preparation

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 reason set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent Auditor's Report to the members of B.A.T Far East Holding Limited (continued)

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 director's 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.

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 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; 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.

Independent Auditor's Report to the members of B.A.T Far East Holding Limited (continued)


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.

DocuSigned by:

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Natalia Bottomley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London. E14 5GL

2 June 2021

Profit and loss account for the year ended 31 December

Discontinued operations		2020 £'000	2019 £'000
	Note		
Other operating expenses	2	(1)	(1)
Operating Loss		(1)	(1)
Interest receivable and similar income		1	3
Result/profit before taxation		-	2
Taxation	3	-	-
Result/profit for the financial year		-	2

Statement of comprehensive income for the year ended 31 December

	Note	2020 £'000	2019 £'000
Profit/(loss) for the financial year		-	2
Difference on exchange arising on the retranslation to sterling (using closing rates of exchange) of net liabilities at the beginning of the year		212	285
Total comprehensive income for the financial year		212	287

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

Statement of changes in equity for the year ended 31 December

	Called up share capital	Other reserves	Profit and loss account	Total Equity
	£'000	£'000	£'000	£'000
1 January 2019	-	-	(8,378)	(8,378)
Reclassification	-	(1,866)	1,866	-
Profit for the financial year	-	-	2	2
Difference on exchange arising on the retranslation to sterling (using closing rates of exchange) of net liabilities at the beginning of the year	-	285	-	285
31 December 2019 *Revised	-	(1,581)	(6,510)	(8,091)
Profit for the financial year	-	-	-	-
Difference on exchange arising on the retranslation to sterling (using closing rates of exchange) of net liabilities at the beginning of the year	-	212	-	212
31 December 2020	-	(1,369)	(6,510)	(7,879)

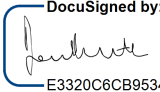
* During the year the presentation of the exchange difference on translation previously presented in Profit and loss account was revised and presented in Other reserve.

Balance sheet as at 31 December

	Note	2020 £'000	2019 *Revised £'000
Current assets			
Investments	4	1	1
Debtors: amounts falling due within one year	5	268	275
Creditors: amounts falling due within one year	6	(8,148)	-
Net current (liabilities)/assets		(7,879)	276
Creditors: amounts falling due after one year	6	-	(8,367)
Net liabilities		(7,879)	(8,091)
Capital and reserves			
Called up share capital	7	-	-
Other reserve		(1,369)	(1,581)
Profit and loss account		(6,510)	(6,510)
Total shareholders' deficit		(7,879)	(8,091)

* During the year the presentation of the exchange difference on translation previously presented in Profit and loss account was revised and presented in Other reserve.

The financial statements on pages 9 to 15 were approved by the Directors on 2 June 2021 and signed on behalf of the Board.

DocuSigned by:

 E3320C6CB953417...
 Mr. D.P.I. Booth
 Director

Registered number 03216047

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

Notes to the financial statements for the year ended 31 December 2020

1 Accounting policies

Basis of accounting

In previous years, the financial statements have been prepared on a going concern basis. However, in September 2019 the directors took the decision to deregister BAT East Leaf Limited, including its liaison office in Hong Kong and representative office in Kunming and the leaf business would be transferred to another group company. As a holding company for BAT East Leaf Limited, B.A.T. Far East Holding Limited will also be liquidated in the near future, therefore the accounts have been prepared on a non-going concern basis. Accordingly, the directors have not prepared the financial statements on a going concern basis.

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 ('the Act') and in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Act, but makes amendments where necessary in order to comply with the Act, and where advantage of disclosure exemptions available under FRS 101 have been taken.

The Company has taken advantage of the exemption from preparing a cash flow statement, from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. Group, and from certain disclosures in relation to financial instruments and share schemes where equivalent disclosures are included in the consolidated financial statements of the Company's ultimate parent.

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 investments and financial assets.

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 judgement 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.

Notes to the financial statements for the year ended 31 December 2020

1 Accounting policies (continued)

Functional currency

The functional currency of the Company is sterling. 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. 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.

Operating expenses

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

Investments in Group undertakings

As permitted by IFRS 9 *Financial Instruments*, Investments in Group undertakings are stated at cost, together with subsequent capital contributions, less provisions for any impairment in value, where appropriate.

Financial instruments

The Company's business model for managing financial assets is in accordance with the principles set out in the BAT Group Treasury Manual which notes that the primary objective with regard to the management of cash and investments is to protect against the loss of principal. The majority of financial assets are held in order to collect contractual cash flows (typically loans and other receivables).

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 costs where applicable. The Company's financial assets consist of amounts owed by Group Undertakings and Other Debtors which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently carried at amortised cost. Non-derivative financial liabilities, including creditors, are subsequently carried at amortised cost using the effective interest method. Financial guarantees are initially recorded at fair value, and subsequently carried at this fair value less accumulated amortisation changes in their fair values are recognised in profit and loss.

Where interest bearing receivables and payables have their floating rates based on benchmark rates, such as LIBOR, the Company will account for the application of replacement benchmark rates in accordance with the Amendments to IFRS 9 *Financial Instruments* published in 2019 (phase 1) and 2020 (phase 2) when applicable.

Notes to the financial statements for the year ended 31 December 2020

1 Accounting policies (continued)

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.

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.

As a UK resident wholly-owned subsidiary of the Group, the Company is eligible to surrender tax losses to, or claim tax losses from, fellow members of the same UK group for the purposes of calculating corporation tax due in the UK ("group relief"). It is Group policy that tax losses are surrendered unless the entity generating the losses has a particular requirement to carry the losses forward. It is also Group policy not to reimburse entities for group relief surrendered unless, on a stand-alone basis and assuming the entity were not in the Group, those losses are judged to have value to the entity generating the loss.

2 Other operating expenses

	2020 £'000	2019 £'000
Other operating expenses	1	1
	1	1

Auditor's fees of £2,500 were borne by a fellow Group undertaking (2019: £2,500).

There were no employees (2019: none) and no staff costs during the year (2019: £nil).

None of the Directors received any remuneration in respect of their services to the Company during the year (2019: £nil). The Company considers that there is no practicable method to allocate a portion of the emoluments the Directors receive from their respective Group company employer for any qualifying services in respect of the Company, as these are considered to be incidental and part of the Directors overall management responsibilities within the Group.

3 Taxation

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2020 has been calculated at 19% (2019: 19%). It has been announced that the rate will increase to 25% with effect from 1 April 2023, although this has not yet been substantively enacted.

The taxation charge for the year differs from the charge that would be expected based on the statutory 19% (2019: 19%) rate of corporation taxation in the UK. The major causes of this difference are listed below:

	2020 £'000	2019 £'000
Profit (Loss) for the year	-	2
Total tax expense	-	-
Profit (loss) excluding taxation	-	2
	-	-
Tax using the UK corporation tax rate of 19% (2019: 19%)	-	-
Transfer pricing adjustments	(32)	(36)
Group relief surrendered/(claimed) for nil consideration	32	36
Total tax charge for the period	-	-

Notes to the financial statements for the year ended 31 December 2020

3 Taxation (continued)

At the balance sheet date, The Company has not recognised any deferred tax asset in respect of fixed asset temporary differences of £1,112 (2019: £1,214) on the balance sheet as it is not sufficiently probable that these losses will be utilised in the foreseeable future.

4 Investments

(1) Shares in Group undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
United Kingdom				
<i>Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom</i>				
B.A.T. Far East Leaf Limited	Ordinary shares	99.00	0.00	99.00*

*In each case the remaining 1% is held by a British American Tobacco Group Company as nominee.

(2) Investments in Group undertakings

The Directors are of the opinion that the individual investments in the Group undertakings have a value not less than the amount at which they are shown in the balance sheet. Cost of the investments as at 31 December 2020 is £488 (2019: £501). None of the investments have been impaired.

5 Debtors: amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed by Group undertakings	268	275

Included in amounts owed by Group undertakings there is an amount of £268,000 (2019: 275,000) which is unsecured, interest bearing and repayable on demand. The interest rate is based on LIBOR.

The Company has amounts receivable from fellow Group subsidiaries where the variable interest rate is based on a recognised benchmark rate which is due to be reformed and replaced in the near future. For example, the London InterBank Interest Rate ("LIBOR") is unlikely to be offered after the end of 2021. The receivable is subject to standard lending agreements within the Group which are scheduled to be revised during 2021 to take account of global benchmark interest rate reform. The interest rate to be applied in future will be in accordance with the changes to the Group's intercompany lending agreements, and the Company will apply the relevant Amendments to IFRS 9 *Financial Instruments* at that time. The Company does not believe that it would be materially adversely affected by these changes.

6 Creditors

a) amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed to Group undertakings	8,148	-

Amounts owed to Group undertakings are unsecured and interest free.

b) amounts falling due after one year

	2020	2019
	£'000	£'000
Amounts owed to Group undertakings	-	8,367

Amounts owed to Group undertakings are unsecured and interest free.

Notes to the financial statements for the year ended 31 December 2020

7 Called up share capital

Ordinary shares of £1 each	2020	2019
Allotted, called up and fully paid		
- value	£100	£100
- number	100	100

8 Related party disclosures

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.

9 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 China Holdings 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