

Myddleton Investment Company Limited

Registered Number 00207434

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 Myddleton Investment Company Limited (“the Company”) for the year ended 31 December 2020.

Principal activities

The Company acts as an investment holding company in an associated undertaking of the British American Tobacco p.l.c. group of companies (the “Group”) which is active in the tobacco industry.

Review of the year ended 31 December 2020

The profit for the financial year attributable to Myddleton Investment Company Limited shareholders after deduction of all charges and the provision of taxation amounted to £45,946,000 (2019: £32,611,000).

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 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 British American Tobacco Group and is ultimately owned by British American Tobacco p.l.c. As set out in the Company’s Strategic Report above, the Company’s principal activity is the holding of an investment in an associated undertaking of the Group which is active in the tobacco industry.

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 and other Group undertakings. The Company does not have any employees, customers outside the Group or suppliers. 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.

Strategic Report (continued)

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.

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.

The principal decisions made by the Directors during the year included review and approval of a dividend payment. An example of how stakeholder considerations and other relevant factors have been taken into account during the decision-making process in these contexts are as follows: The Directors reviewed and approved a dividend payment to the shareholder as set out in the Directors' Report below. The Board considered, amongst other relevant factors, the Company's capital position, the amount of its distributable reserves, its cash position, the Company's actual and contingent liabilities and its ability to pay its debts as they fell due.

By Order of the Board

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Ms S. Mehta
Secretary

18 June 2021

Directors' Report

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

Dividends

During the year the Company paid dividends amounting to £45,000,000 (2019: £32,500,000).

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:

David Patrick Ian Booth	
Paul McCrory	(Appointed: 14 February 2020)
Neil Arthur Wadley	(Appointed: 14 February 2020)
Carola Wiegand	

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.

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.

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 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

DocuSigned by:

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Ms S. Mehta
Secretary

18 June 2021

Independent Auditor's Report to the members of Myddleton Investment Company Limited

Opinion

We have audited the financial statements of Myddleton Investment Company Limited ("the Company") for the year ended 31 December 2020 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 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.

Independent Auditor's Report to the members of Myddleton Investment Company Limited (continued)

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.

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 directors' report and strategic 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 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.

Independent Auditor's Report to the members of Myddleton Investment Company Limited (continued)

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.

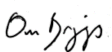
Auditor's responsibilities

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.

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Oliver Briggs, (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London. E14 5GL

18 June 2021

Profit and loss account for the year ended 31 December

	Note	2020 £'000	2019 £'000
Continuing operations			
Other operating expenses	2	-	-
Operating profit		-	-
Income from other investments at fair value	3	51,050	32,580
Interest receivable and similar income	4	1	31
Profit before taxation		51,051	32,611
Taxation	5	(5,105)	-
Profit for the financial year		45,946	32,611

Statement of comprehensive income for the year ended 31 December

	Note	2020 £'000	2019 £'000
Profit for the financial year		45,946	32,611
Items that will not be reclassified to profit or loss			
Net fair value losses on other investments at fair value	6	(204,899)	(317,157)
Total comprehensive loss for the year		(158,953)	(284,546)

Statement of changes in equity for the year ended 31 December

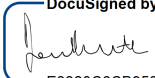
	Called up Share capital £'000	Profit and loss account £'000	Fair Value Reserve £'000	Total Equity £'000
1 January 2019	50	2,670	1,538,644	1,541,364
Profit for the financial year	-	32,611	-	32,611
Dividends paid	-	(32,500)	-	(32,500)
	50	2,781	1,538,644	1,541,475
Other comprehensive income				
Net fair value gains on other investments at fair value	-	-	(317,157)	(317,157)
1 January 2020	50	2,781	1,221,487	1,224,318
Profit for the financial year	-	45,946	-	45,946
Dividends paid	-	(45,000)	-	(45,000)
	50	3,727	1,221,487	1,225,264
Other comprehensive income				
Net fair value losses on other investments at fair value	-	-	(204,899)	(204,899)
31 December 2020	50	3,727	1,016,588	1,020,365

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

Balance sheet at 31 December

	Note	2020 £'000	2019 £'000
Fixed assets			
Other investments at fair value	6	1,018,104	1,223,003
		1,018,104	1,223,003
Current assets			
Debtors: amounts falling due within one year	7	2,261	1,315
Net current assets		2,261	1,315
Total assets less current liabilities		1,020,365	1,224,318
Capital and reserves			
Called up share capital	8	50	50
Profit and loss account		3,727	2,781
Fair value reserve		1,016,588	1,221,487
Total shareholders' funds		1,020,365	1,224,318

The financial statements on pages 9 to 16 were approved by the Directors on 18 June 2021 and signed on behalf of the Board.

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 Mr. D.P.I Booth
Director

Registered number
00207434

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

The financial statements are prepared on the going concern basis, 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.

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months following the signing of these 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.

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.

Foreign currencies

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

Operating expenses

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

Income

Income is recognised in the profit and loss account when all contractual or other applicable conditions for recognition have been met.

Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid.

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

1 Accounting policies (continued)

Financial instruments

The Company's business model for managing financial assets is 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 cash and cash equivalents and loans and other receivables) but some assets (typically investments) are held for investment potential. 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 assets and financial liabilities are initially recognised at fair value, plus directly attributable transaction costs where applicable, with subsequent measurement as set out below.

Non-derivative financial assets are classified on initial recognition in accordance with the Group's business model as investments or loans and receivables. Loans and receivables include Amounts owed by Group undertakings and Other debtors, which are non-derivative financial assets with fixed or determinable payments that are solely payments of principal and interest on the principal amount outstanding, that are primarily held in order to collect contractual cash flows. These balances are measured at amortised cost, using the effective interest rate method, and stated net of allowances for credit losses.

Other investments at fair value that are not held for trading are accounted for as equity investments to be measured at fair value in accordance with IFRS 9 with changes in fair value being recognised directly in other comprehensive income. When such investments are derecognised the cumulative change in fair value remains in other comprehensive income and is not recycled to profit or loss. Dividend and interest income on these investments are included within 'income from other investments at fair value' when the Company's right to receive payments is established.

Fair values for quoted investments are based on observable market prices where available. If there is no active market for an investment, the fair value is established by using the discounted cash flows of estimated future dividends.

Impairment of financial assets held at amortised cost

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.

Impairment of non-financial assets and investments in Group undertakings

Assets are reviewed for impairment whenever events indicate that the carrying amount of an asset may not be recoverable. 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.

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.

Group Relief

As a UK-resident wholly-owned subsidiary within the British American Tobacco group of companies (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.

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.

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.

Any liabilities or assets recognised for exposures in respect of the payment or recovery of a number of taxes are recognised at such time as an outcome becomes probable and when the amount can reasonably be estimated.

2 Other operating expenses

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

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 as a Director of 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 received 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 Income from other investments at fair value

	2020 £'000	2019 £'000
Income from other investments at fair value	51,050	32,580

Income from other investments at fair value represents dividends received from ITC Limited.

4 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest receivable from Group undertakings	1	31

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

5 Taxation

(a) Recognized in the profit and loss account

	2020	2019		
	£'000	£'000	£'000	£'000
<i>UK corporation tax</i>				
Current tax on income for the period	-		-	
<i>Foreign tax</i>				
Current tax on income for the period	5,105		-	
Total income tax expense (note 5b)		5,105		-

(b) Factors affecting the taxation charge

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%. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, after the balance sheet date. This will increase the company's future current tax charge accordingly.

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	2019
	£'000	£'000
Profit for the year	45,946	32,611
Total tax expense	5,105	-
Profit excluding taxation	51,051	32,611
Tax using the UK corporation tax rate of 19% (2019: 19%)	9,700	6,196
Transfer pricing adjustments	(2)	(2)
Tax exempt revenues	(9,700)	(6,190)
Effects of overseas tax rates	5,105	-
Group relief claimed for nil consideration	2	(4)
Total tax charge for the period	5,105	-

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

6 Investments

(1) Indirect Investments in Associated Undertakings

Company	Share Class	Direct Interest (%)	Subsidiary Interest (%)	Attributable Interest (%)
Nepal <i>Shree Bal Sadan, Gha 2-513, Kantipath, Kathmandu, Nepal</i> Surya Nepal Pvt. Limited	Ordinary	0.00	49.00	1.94

(2) Other Investments at fair value

Company	Share Class	Direct Interest (%)	Subsidiary Interest (%)	Attributable Interest (%)
India <i>Virginia House, 37, J.L. Road, Kolkata – 700 071, India</i> ITC Limited	Ordinary	3.95	0.00	3.95

ITC Limited has interests in tobacco, paper and packaging and hotels. In total, the British American Tobacco Group owns 29.42 per cent of the issued share capital of ITC Limited.

(3) Movements in other investments at fair value

	Other investments at fair value £'000
Fair value	
1 January 2020	1,223,003
Change in fair value	(204,899)
31 December 2020	1,018,104

Other investments at fair value relate to investment in ITC Limited.

- (4) The Directors are of the opinion that the individual investment in the Group undertaking have a value not less than the amount at which they are shown in the balance sheet.

7 Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed by Group undertakings	2,261	1,315

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

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

8 Called up share capital

Ordinary shares of £1 each	2020	2019
Allotted, called up and fully paid		
- value	£50,000	£50,000
- number	50,000	50,000

9 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.

10 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 Molensteegh Invest B.V. 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