

**B.A.T Guizhou Limited**

**Registered Number 03258177**

**Directors' report and financial statements**

**For the year ended 31 December 2014**

**SATURDAY**



\*A4EAPWYQ\*

A18

22/08/2015

#117

COMPANIES HOUSE

## Contents

Strategic report .....	2
Directors' report .....	3
Independent auditors' report to the members of B.A.T Guizhou Limited .....	5
Profit and loss account for the year ended 31 December 2014 .....	7
Statement of total recognised gains and losses for the year ended 31 December 2014.....	7
Balance sheet 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 was engaged in projects relating to the tobacco industry through its branch in China and representative office in Hong Kong. In 2009 the branch closed and the Company ceased operations.

### Review of the year ended 31 December 2014

The result for the financial year attributable to B.A.T Guizhou Limited shareholders after deduction of all charges and the provision of taxation amounted to £nil (2013: £nil).

The Directors expect the Company to remain inactive for the foreseeable future.

### Going concern

The Directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of an intermediate parent company, Weston Investment Company Limited. This support is expected to continue for the foreseeable future. The Directors confirm that they have complied with the above requirements in preparing the financial statements.

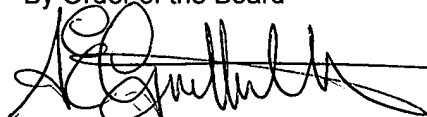
### Key performance indicators

Given the nature of the Company's activities, the Company's Directors believe that key performance indicators are not necessary or appropriate for an understanding of the Company's specific development, performance or the position of its business. However, key performance indicators relevant to the Group, and which may be relevant to the Company, are disclosed in the Strategic Report in the Annual Report of British American Tobacco p.l.c. and do not form part of this report.

### Principal risks and uncertainties

The principal risks and uncertainties of the Company, including financial risk management, are integrated with the principal risks of the Group and are monitored by audit committees to provide a framework for identifying, evaluating and managing risks faced by the Group. Accordingly, the key Group risk factors that may be relevant to the Company are disclosed in the Annual Report of British American Tobacco p.l.c. and do not form part of this report.

By Order of the Board



Ms A.E. Griffiths  
Secretary

18 August 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

The Directors do not recommend the payment of a dividend for the year (2013: £nil).

### Board of Directors

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

	Appointed	Resigned
Jerome Bruce Abelman		11 June 2014
Brendan James Brady		
Nicola Snook		
Charl Erasmus Steyn		30 April 2015
David Patrick Ian Booth	22 April 2015	
Belinda Joy Ross	11 June 2014	
Geoffrey Charles William Cunnington		

### Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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; and
- 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.

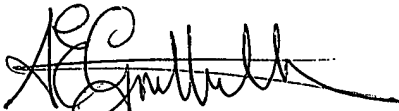
## Directors' report

### Directors' declaration in relation to relevant audit information

Having made enquiries of fellow Directors and of the Company's auditors, each of the Directors confirms that:

- (a) to the best of his or her knowledge and belief, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

By Order of the Board

A handwritten signature in black ink, appearing to read 'A.E. Griffiths', written over a horizontal line.

Ms A.E. Griffiths  
**Secretary**

18 August 2015

## **Independent auditors' report to the members of B.A.T Guizhou Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, B.A.T Guizhou 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 result 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**

B.A.T Guizhou Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended;
- the Statement of total recognised gains and losses 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 B.A.T Guizhou 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

18 August 2015

## Profit and loss account for the year ended 31 December 2014

		<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
<b>Discontinued operations</b>			
	Note		
Other operating charges	2	-	-
Operating results		-	-
Results on ordinary activities before taxation		-	-
Tax on result on ordinary activities	3	-	-
<b>Results for the financial year</b>		<b>-</b>	<b>-</b>

There is no difference between result on ordinary activities before taxation and the result for the financial year stated above and their historical cost equivalents.

## Statement of total recognised gains and losses for the year ended 31 December 2014

	Note	<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
<b>Result for the financial year</b>		<b>-</b>	<b>-</b>
Difference on exchange arising on the retranslation to sterling (using closing rates of exchange) of net liabilities at the beginning of the year	7	<b>(443)</b>	138
<b>Total recognised (loss)/gain relating to the financial year</b>		<b>(443)</b>	138

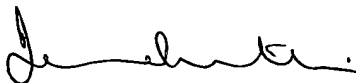
The accompanying notes are an integral part of the financial statements.



**Balance sheet at 31 December 2014**

	Note	2014 £'000	2013 £'000
<b>Current assets</b>			
Cash at bank and in hand		-	37
Creditors: amounts falling due within one year	4	(7,586)	(7,180)
<b>Total assets less current liabilities</b>		<b>(7,586)</b>	<b>(7,143)</b>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Profit and loss account	7	(7,586)	(7,143)
<b>Total shareholders' deficit</b>	7	<b>(7,586)</b>	<b>(7,143)</b>

The financial statements on pages 7 to 12 were approved by the Directors on 18 August 2015 and signed on behalf of the Board.



D.P.I. Booth  
Director

**Registered number 03258177**

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.

#### 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

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.

#### Taxation

Taxation provided is that chargeable on the profits of the year, together with deferred taxation.

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

Deferred taxation 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 taxation in the future or a right to pay less taxation in the future have occurred at the balance sheet date.

A net deferred taxation 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 taxation losses and from which the future reversal of underlying timing differences can be deducted.

Deferred taxation is measured at the average taxation rates that are expected to apply in the periods in which the timing differences are expected to reverse based on taxation rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is measured on an undiscounted basis.

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

### Accounting policies (continued)

#### 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. The adoption of FRS 101 from 1 January 2015 will have no material impact on profit or equity.

## 2 Other operating charges

Auditors' fees of £2,000 were borne by a fellow Group undertaking.

There were no employees (2013: none) and no staff costs during the year (2013: £nil).

None of the Directors received any remuneration in respect of their services to the Company during the year (2013: £nil).

## 3 Tax on result on ordinary activities

### (a) Summary of taxation on ordinary activities

	2014 £'000	2013 £'000
<b>Current taxation:</b>		
UK corporation taxation on result of the year		
Comprising:		
- current taxation at 21.5% (2013: 23.25%)	-	-
<b>Total current taxation note 3(b)</b>	<b>-</b>	<b>-</b>

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

### Tax on result on ordinary activities (continued)

#### (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 loss 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 £'000	2013 £'000
Result on ordinary activities before taxation		-
Corporation taxation at 21.5% (2013: 23.25%) on profit on ordinary activities	-	-
<b>Factors affecting the taxation rate:</b>		
Permanent differences	(79)	(85)
Group loss relief surrendered at less than full consideration	79	85
Total current taxation note 3(a)	-	-

An amount of £369,000 (2013: £367,000) (taxation amount of £79,000 (2013: £85,000)) included in permanent differences above represents imputed taxation adjustments in respect of UK to UK transfer pricing.

#### 4 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to Group undertakings	7,586	7,180
	<b>7,586</b>	<b>7,180</b>

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

#### 5 Called up share capital

Ordinary shares of £1 each	2014	2013
Allotted, called up and fully paid		
- value	£100	£100
- number	100	100

#### 6 Reserves

	Profit and loss account £'000
1 January 2014	(7,143)
Result for the financial year	-
Unrealised exchange differences on translation of branch activities	(443)
<b>31 December 2014</b>	<b>(7,586)</b>

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

### 7 Reconciliation of movements in shareholders' deficit

	2014 £'000	2013 £'000
Result for the financial year	-	-
Unrealised exchange differences on translation of branch activities	(443)	138
Net movement in shareholders' deficit	(443)	138
Opening shareholders' deficit	(7,143)	(7,281)
Closing shareholders' deficit	(7,586)	(7,143)

### 8 Related party disclosures

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.

### 9 Parent company support

An intermediate parent company, Weston Investment Company Limited, has indicated its willingness to continue to provide support to allow the Company to continue at its current level of operations for the foreseeable future.

### 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 B.A.T Far East Holding 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