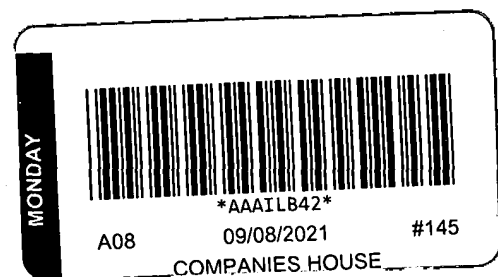


Precis (1814) Limited

Registered Number 03835524

Annual report and financial statements

For the year ended 31 December 2020



Precis (1814) Limited

Contents

Strategic report..... 2

Directors' report..... 4

Independent auditor's report to the members of Precis (1814) Limited 6

Profit and loss account and statement of changes in equity 9

Balance sheet..... 10

Notes to the financial statements for the year ended 31 December 2020 11

Precis (1814) Limited

Strategic report

The Directors present their strategic report on Precis (1814) Limited (the "Company") for the year ended 31 December 2020.

Principal activities

The Company's principal activity is the holding of investments in companies operating in the tobacco industry as members of the British American Tobacco p.l.c. group of companies (the "Group").

Review of the year ended 31 December 2020

The loss for the financial year attributable to the Company's shareholders after deduction of all charges and the provision of taxation amounted to £4,346,000 (2019: loss £11,606,000).

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 investments in companies operating in the tobacco industry as members of the Group.

Under section 172(1) of the UK Companies Act and as part of the Directors' duty to the Company's shareholder 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 assessment throughout the year.

The Company's key stakeholders are the Company's shareholder and other Group undertakings. The Company does not have any employees, customers or suppliers. Primary ways in which the Company engages with Group undertakings and its shareholder are through regular meetings, intra-group management activities and ongoing dialogue.

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. 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.

Precis (1814) Limited


UK Companies Act: Section 172(1) Statement (continued)

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 to 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:

85AE9908A21948C...

Ms. S. Mehta
Secretary

21 July 2021

Precis (1814) Limited

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 of £nil (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:

Ruth Wilson	(Appointed on 16 September 2020)
Andrew James Barrett	
Neil Arthur Wadey	
Carola Wiegand	
Noelle Colfer	(Resigned 31 March 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.

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.

Precis (1814) Limited

Directors' report (continued)

Statement of Directors' responsibilities (continued)

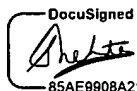
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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:

85AE9908A21946C...

Ms. S. Mehta
Secretary

21 July 2021

Independent Auditor's Report to the members of Precis (1814) Limited

Opinion

We have audited the financial statements of Precis (1814) Limited ("the Company") for the year ended 31 December 2020 which comprise the Profit and loss account, 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 loss 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 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 Precis (1814) 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 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.

Independent Auditor's Report to the members of Precis (1814) 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.

DocuSigned by:

AC0B2E3C647841B...

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

Chartered Accountants
15 Canada Square
London. E14 5GL

21 July 2021

Precis (1814) Limited**Profit and loss account for the year ended 31 December**

Continuing operations	Note	2020 £'000	2019 £'000
Other operating expenses	2	(2,155)	(9,612)
Operating loss		(2,155)	(9,612)
Interest receivable and similar income	3	37,753	53,287
Interest payable and similar expenses	4	(32,906)	(46,252)
Profit/(loss) before taxation		2,692	(2,577)
Tax on profit	5	(7,038)	(9,029)
Loss for the financial year		(4,346)	(11,606)

There are no recognised gains or losses other than the loss for the financial year and therefore no Statement of other comprehensive income has been presented.

Statement of changes in equity for the year ended 31 December

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total Equity £'000
1 January 2019	1,858,994	48,657	(1,141,716)	765,935
Reduction in share capital	(1,758,994)	(48,657)	1,807,651	-
Loss for the financial year	-	-	(11,606)	(11,606)
31 December 2019	100,000	-	654,329	754,329
Ordinary share capital issued	171,520	-	-	171,520
Profit for the financial year	-	-	(4,346)	(4,346)
31 December 2020	271,520	-	649,983	921,503

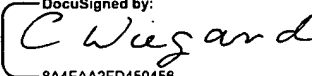
The accompanying notes are an integral part of the financial statements.

Precis (1814) Limited

Balance sheet as at 31 December

	Note	2020 £'000	2019 £'000
Fixed assets			
Investments in Group undertakings	6	35,360	35,360
		35,360	35,360
Current assets			
Debtors: amounts falling due within one year	7a	917,838	752,168
Debtors: amounts falling due after one year	7b	297,851	439,571
		1,215,689	1,191,739
Creditors: amounts falling due within one year	8a	(20,533)	(23,992)
Net current assets		1,195,156	1,167,747
Total assets less current liabilities		1,230,516	1,203,107
Creditors: amounts falling due after more than one year	8b	(309,013)	(448,778)
Net assets		921,503	754,329
Capital and reserves			
Called up share capital	9	271,520	100,000
Profit and loss account		649,983	654,329
Total shareholders' funds		921,503	754,329

The financial statements on pages 9 to 17 were approved by the Directors on 21 July 2021 and signed on behalf of the Board.

DocuSigned by:

 8A4FAA2FD450458...
 Ms. C Wiegand
 Director

Registered number
 03835524

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

Precis (1814) Limited

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 advantage of certain disclosure exemptions available under FRS 101 have been taken.

The Directors have at the time of approving these financial statements 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.

The most significant items include the review of asset values and impairment testing of non-financial assets 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 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.

Other operating expenses

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

Taxation

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

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

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

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

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

Precis (1814) Limited**Notes to the financial statements for the year ended 31 December 2020****1 Accounting policies (continued)**

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.

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.

As a UK resident wholly-owned subsidiary of 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.

Investments in Group undertakings

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) but some assets (typically investments) are held for investment potential.

With the exception of investments in Group undertakings and derivative financial instruments, financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions. Such assets and liabilities are classified as current if they are expected to be realised or settled within 12 months after the balance sheet date. If not, they are classified as non-current.

Financial instruments are initially recognised at fair value plus directly attributable transaction costs where applicable, with subsequent measurement set out below. The Company's loans and receivable, Amounts owed by Group undertakings and Other debtors are non-derivative financial assets with fixed or determinable payments that are held in order to collect contractual cash flows and are subsequently carried at amortised cost. Non-derivative financial liabilities, including creditors, are subsequently carried at amortised cost using the effective interest method.

Redeemable preference shares are classified as creditors in accordance with the substance of the contractual arrangement which represents an obligation to pay cash in respect of both the principle and the dividends due.

Derivative financial assets and liabilities are initially recognised, and subsequently measured, at fair value, which includes accrued interest receivable and payable where relevant. Changes in their values are recognised in profit and loss.

LIBOR

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.

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. In addition, assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognised to the extent that the carrying value exceeds the recoverable amount which is the higher of the asset's fair value less costs to sell and its value in use.

Precis (1814) Limited

Notes to the financial statements for the year ended 31 December 2020**1 Accounting policies (continued)****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.

2 Other operating expenses

	2020	2019
	£'000	£'000
Exchange losses/ (gains)	82	101
Expected credit loss allowance	2,073	9,511
	2,155	9,612

Auditors' fees of £2,740 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 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 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 Directors overall management responsibilities within the Group.

3 Interest receivable and similar income

	2020	2019
	£'000	£'000
Interest receivable from Group undertakings	36,702	53,287
Exchange gain	1,051	-
	37,753	53,287

4 Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest payable to Group undertakings	2	4
Exchange loss	-	1,424
Fair value loss	852	29
Preference share dividend paid	32,052	44,795
	32,906	46,252

Precis (1814) Limited

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

5 Taxation

(a) Recognised in the Profit and loss account

	2020 £'000	£'000	2019 £'000	£'000
<i>UK corporation tax</i>				
Current tax on income for the period	2,923		4,583	
Adjustment in respect of prior years	238		(11)	
		3,161		4,572
<i>Deferred Tax</i>				
Origination and reversal of timing differences	3,877		4,457	
		3,877		4,457
Total income tax expense (note 5b)		7,038		9,029

(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%. The deferred tax liability at 31 December 2020 has been calculated at 19% (2019: 19%). 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 £'000	2019 £'000
Loss for the year	(4,346)	(11,606)
Total tax expense	7,038	9,029
Profit /(loss) excluding taxation	2,692	(2,577)
Tax using the UK corporation tax rate of 19% (2019: 19%)	511	(490)
Adjustments in respect of prior years	242	(21)
Non-deductible expenses	6,294	10,616
Transfer pricing adjustments	(9)	(11)
Tax rate changes	-	(1,065)
Total tax charge for the period (note 5a)	7,038	9,029

(c) Recognised deferred tax assets:

Deferred tax (assets)/liabilities are attributable to the following:

	2020 £'000	2019 £'000
At 1 January	(14,104)	(18,561)
Credited to profit and loss	3,877	4,457
At 31 December	(10,227)	(14,104)
	2020 £'000	2019 £'000
Represented by:		
Losses	(10,227)	(14,104)
Deferred tax assets	(10,227)	(14,104)

Precis (1814) Limited

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

6 Investments

(a) Shares in Group undertakings

Company	Share Class	Direct interest %	Subsidiary Interest %	Attributable Interest %
Guernsey				
<i>St Martin's House, Le Bordage, St. Peter's Port, GY1 4AU, Guernsey</i>				
Belaire Insurance Company Limited	Ordinary	100.00	0.00	100.00
Ukraine				
<i>21 Nezalezhnosti Str, Pryluky, Chernihiv Region, 17502 Ukraine</i>				
PJSC "A/T B.A.T.- Prilucky Tobacco Company"	Ordinary	100.00	0.00	100.00

(b) Investments in Group undertakings

	Investments in Group Undertakings £'000
Cost	
1 January 2020	308,937
31 December 2020	308,937
Impairment	
1 January 2020	(273,577)
31 December 2020	(273,577)
Net book value	
1 January 2020	35,360
31 December 2020	35,360

- (c) 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.

7 Debtors

(a) Amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed by Group undertakings - gross	908,033	738,367
Expected credit loss allowance	(422)	(303)
Amounts owed by Group undertakings - net of allowances	907,611	738,064
Deferred tax	10,227	14,104
	917,838	752,168

Included within amounts owed by Group undertakings is an amount of £893,163,000 (2019: £733,203,000) which is unsecured, interest bearing and repayable at 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.

Other amounts owed to Group undertakings in amount of £14,870,000 represent interest receivable related to amounts owed by Group undertakings. These amounts are interest free and repayable on demand.

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

Precis (1814) Limited

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

7 Debtors

(b) Amounts falling due after one year

	2020 £'000	2019 £'000
Amounts owed by Group undertakings – gross	309,013	448,779
Expected credit loss allowance	(11,162)	(9,208)
Amounts owed by Group undertakings	297,851	439,571

Amounts owed by Group undertakings as at 31 December 2020 represents a balance of £309,013,000 (ZAR 6,204,600,000) (2019: £334,938,000 (ZAR 6,204,600,000)) which are due in 2023. Balance of amounts owed by Group Undertakings in 2019 also includes RUB 9,367,031,700 (£113,841,000) which was repaid during the year.

The movements in the allowance accounts are as follows:

	Amounts due within one year £'000	Amounts due after more than one year £'000	Total £'000
1 January 2020	303	9,208	9,511
Increase in the year	119	1,954	2,073
31 December 2020	422	11,162	11,584

8 Creditors

(a) Amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to Group undertakings	19,619	11,402
Tax related creditors	914	12,590
	20,533	23,992

Amounts owed to Group undertakings represent preference share dividends payable in respect of amounts owed to Group undertakings.

Precis (1814) Limited

Notes to the financial statements for the year ended 31 December 2020**8 Creditors (continued)****(b) Amounts falling due after one year**

	2020 £'000	2019 £'000
Amount owed to Group undertakings	309,013	448,778

Amounts owed to Group undertakings represent redeemable preference shares issued to its parent Weston of ZAR 6,204,600,000 (£309,013,000) (2019: £334,938,000) redeemable in 2022. The interest rates are based on 6 month ZAR JIBAR.

Balance of amounts owed to Group Undertakings in 2019 also included RUB 9,367,031,700 (£113,841,000) which was repaid during the year.

9 Called up share capital

Ordinary shares of £1 each	2020	2019
Allotted, called up and fully paid		
- value	£271,520,472	£100,000,000
- number	271,520,472	100,000,000
Issue of shares	Ordinary shares of £1 each	Called up share capital
Allotted, called up and fully paid		
1 January 2020	100,000,000	£100,000,000
Issue of shares	171,520,472	£171,520,472
31 December 2020	271,520,472	£271,520,472

During 2020 the Company issued to the Company parent, Weston Investment Company Limited new ordinary shares totalling RUB 17,367,031,700 (£171,520,472) GBP equivalent. The Company utilised the new share capital to redeem the two issues of preference shares ("RPS") totalling RUB 17,367,031,700 (£171,520,472) held by Weston Investment Company Limited.

10 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.

11 Parent undertakings

The Company's ultimate parent undertaking and ultimate controlling party is British American Tobacco p.l.c. being incorporated in the United Kingdom and registered in England and Wales. The Company's immediate parent undertaking is Weston Investment Company 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