

British American Tobacco (Corby) Limited

Registered Number 08909757

Annual report and financial statements

For the year ended 31 December 2019



Contents

Strategic report	2
Directors' report	4
Independent auditor's report to the members of British American Tobacco (Corby) Limited	6
Profit and loss account	8
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Strategic report

The Directors present their strategic report on British American Tobacco (Corby) Limited ("the Company") for the year ended 31 December 2019.

Principal activities

Until 20 Aug 2019 the Company's principal activity was production of dry ice expanded tobacco ("DIET") under the toll manufacturing agreement with a fellow subsidiary of the British American Tobacco p.l.c. group of companies (the "Group"). However, on 21 August 2019, the Directors took the decision to cease operations following the receipt of formal notice that the DIET toll manufacturing volumes supplied by the Company would be reallocated to another DIET facility, not owned by the Company.

On the basis that the Directors decided to cease trading these financial statements are not prepared on a going concern basis.

Review of the year ended 31 December 2019

The loss for the financial year attributable to the Company's shareholders after deduction of all charges and the provision of taxation amounted to £501,000. (2018: profit of £208,000)

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 2019 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 above in the Company's Strategic Report, until 20 August 2019 the Company's principal activity was the production of DIET under the toll manufacturing agreement with a fellow subsidiary of the Group. However, on 21 August 2019, the Directors took the decision to cease operations.

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 the interests of the Company's employees, 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 direct and indirect suppliers to the Company (including leaf suppliers, product materials suppliers and goods and services suppliers), customers of the Company (including distributors, wholesalers and retailers), employees (the Company has around 36 employees with the majority based in the UK), and its shareholder.

Strategic Report (continued)

Primary ways in which the Company engages directly or indirectly, as part of the Group, with its key stakeholders are summarised at pages 26 to 27 of the BAT Annual Report. 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.

The primary engagement channels for BAT Group company employees based in the UK (including the Company's employees) include town hall sessions, employee council meetings, the 'Your Voice' employee survey and webcasts. The BAT Group's 'Speak Up' channels are also available to all Company employees (as set out on page 32 of the BAT Annual Report).

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 pages 28 to 32 of the BAT Annual Report. As a Group company, the Company acts in accordance with the BAT Group's policies in relation the safeguarding of human rights and community relationships, which are set out at pages 30 to 31 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, employees' interests, 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. Director training is provided through the Company Secretary. Focus areas for Directors' training during 2019 included a recap on directors' duties under Section 172 of the UK Companies Act.

By Order of the Board



Mr. P. McCormack
Secretary

16 October 2020

Directors' report

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2019.

Dividends

The Directors do not recommend the payment of a dividend for the year (2018: £nil).

Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 2019 to the date of this report are as follows:

Bernd Meyer	
Gary Kevin Wright	(appointed 24 May 2019)
Jeroen Abraham Johannes Dees	(resigned 31 December 2019)
Hugo James Norman	(resigned 31 December 2019)
Christopher Richard York	(resigned 30 June 2020)
Sandeep H P.G.N.D. De Alwis	(resigned 1 April 2019)

Research and development

No research and development expenditure has been incurred during the year (2018: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2018: £nil).

Employees

The average number of employees employed by the Company during the year was 36 (2018: 38).

The Company utilises a range of initiatives to actively encourage employee involvement in the Group's business including individual discussions, team briefings, employee surveys, publications and regular meetings with employee representatives.

The Company actively encourages employee share ownership through participation in the employee share plans, such as the Share Reward Scheme.

The Company has Employment Policies which are committed to providing a work environment that is free from harassment, bullying and discrimination – these policies are available to all staff on the Company's intranet. There is no discrimination against people with disabilities who apply to join the Company and anyone within the Company with disability is awarded the same opportunities for promotion, training and career development as other staff. We aim to establish and maintain a safe working environment for all staff, including those with disabilities.

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*.

Directors' report (continued)

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 (refer to Strategic Report).

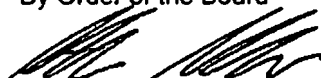
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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



Mr P. McCormack

Secretary

16 October 2020

Independent Auditor's Report to the members of British American Tobacco (Corby) Limited

Opinion

We have audited the financial statements of British American Tobacco (Corby) Limited ("the company") for the year ended 31 December 2019 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 2019 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.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

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 the directors' report;
- in our opinion the information given in those reports for the financial year are consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 4 and 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of British American Tobacco (Corby) Limited (continued)

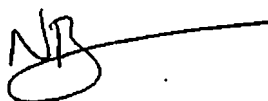
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Natalia Bottomley, Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London. E14 5GL

22 October 2020

Profit and loss account

	Note	2019 £'000	2018 £'000
Continuing operations			
Income	2	13,854	6,802
Cost of sales	3	(13,354)	(6,205)
Gross Profit		500	597
Interest receivable and similar income		28	18
Exchange losses - Financing		(1)	(3)
Profit before taxation		527	612
Tax on profit	4	(1,028)	(404)
Profit/(loss) for the financial year		(501)	208

There is no difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

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

The notes on page 10 -18 are an integral part of the financial statements.

Balance sheet

	Note	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	5	1,994	6,167
Current assets			
Stock	6	16	167
Debtors: amounts falling due within one year	7	15,603	7,623
Deferred tax		-	961
		15,619	8,751
Creditors: amounts falling due within one year	8	(4,377)	(1,251)
Deferred tax liability	4	(67)	-
Net current assets		11,175	7,500
Net assets		13,169	13,667
Capital and reserves			
Called up share capital	9	10,000	10,000
Profit and loss account		3,169	3,667
Total shareholders' funds		13,169	13,667

Statement of changes in equity

	Called up share capital	Profit and loss account	Total Equity
	£'000	£'000	£'000
31 December 2018	10,000	3,670	13,670
Loss for the financial year	-	(501)	(501)
31 December 2019	10,000	3,169	13,169

The notes on page 10 to 18 are an integral part of the financial statements

The financial statements on pages 8 to 18 were approved by Directors on 16 October 2020 and signed on behalf of the Board



Mr. G. Wright
Director

Registered number: 08909757

Notes to the financial statements

1 Accounting policies

Basis of accounting

These financial statements are not prepared on a going concern basis as the Directors of the Company have decided during the year to cease operations from 1 April 2020 following the receipt of formal notice that the DIET toll manufacturing volumes supplied by the Company would be reallocated to another DIET facility, not owned by the Company. The directors therefore concluded that the Company's assets and liabilities should be presented on the liquidation basis of accounting, under the historical cost convention, 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 Financial Reporting Standards as adopted by the EU ("IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and where advantage of disclosure exemptions available under FRS 101 have been taken.

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 costs necessary in closing the whole DIET facility.

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

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 FRS 101.

Notes to the financial statements

1 Accounting policies (continued)

Functional and presentational currency

The functional currency of the Company is sterling. Transactions arising in currencies other than sterling are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities expressed in currencies other than sterling are translated at rates of exchange ruling at the end of the financial year. All exchange differences are taken to the profit and loss account in the year except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

Income

Income comprises of toll fee from the production of dry ice expanded tobacco under the toll manufacturing agreement and one off closure costs with a fellow subsidiary of the Group.

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

Operating expenses

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

Provisions

Provisions are recognized when either a legal or constructive obligation as a result of a past event exists at the balance sheet date, it is probable that an outflow of economic resources will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation

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.

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.

Notes to the financial statements

1 Accounting policies (continued)

Stock

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

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated on a straight-line basis to write off the cost of tangible assets over their useful lives. The estimated useful lives are as follows:

	years
Land and buildings	40
Plant and equipment	20
Computer equipment	5

Impairment of non-financial assets

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 higher of the asset's fair value less costs to sell and its value in use.

Financial instruments

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.

Loans and receivables: These are non derivative financial assets with fixed or determine 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 include trade and other receivables and are measured at amortised cost, using the effective rate method, and stated net of allowances for credit losses

Cash and cash equivalents: Cash and cash equivalent include cash in hand and deposit held on call, together with other short-term highly liquid investments including investments in certain money market funds. Cash equivalents normally comprise instruments with maturities of three months or less at date of acquisition. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in the liabilities section of balance sheet.

Impairment of financial assets

Financial assets are reviewed at each balance sheet date or whenever events indicate that the carrying amount may not be recoverable.

With effect from 1 January 2018, 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. Prior to 1 January 2018, financial assets

Notes to the financial statements

1 Accounting policies (continued)

Impairment of financial assets (continued)

were reviewed for impairment at each balance sheet date, or whenever events indicated that the carrying amount might not be recoverable.

Employee share schemes

The Company is recharged by British-American Tobacco (Holdings) Limited, a fellow Group undertaking, for the cost of share schemes to which its employees belong. This recharge is expensed in the year incurred. The fellow Group company, which administers the share schemes on behalf of other Group undertakings and calculates and reflects the charge for the share schemes, provides the relevant disclosures required under IFRS 2. As noted above, disclosures in regard to these costs are included in the consolidated financial statements of the Company's ultimate parent.

Retirement benefits

The Company operates and participates in both defined benefit and defined contribution schemes. The costs and liabilities of the defined benefit schemes are accounted for by the principal employer of the arrangement, and the Company recognises its contributions to the costs of these schemes as an expense when they fall due. Some benefits are provided through defined contribution schemes and payments to these are charged as an expense as they fall due.

2 Income

	2019	2018
	£'000	£'000
Toll Fee Income	4,307	6,802
Recharges from Other Group entities	9,547	-
	13,854	6,802

The revenue arises wholly within the United Kingdom.

3 Operating expenses

	2019	2018
	£'000	£'000
Staff costs	4,532	2,636
Depreciation of tangible assets	530	520
Impairment of tangible assets	3,717	-
Utilities Costs	1,837	1,459
Maintenance Costs	268	510
Facilities Costs	956	421
Auditor's remuneration for the audit of these financial statements	30	25
Other operating expenses	1,484	634
	13,354	6,205

Notes to the financial statements

	2019 £'000	2018 £'000
Staff costs:		
Wages and salaries	1,698	1,899
Social security costs	214	226
Defined benefit scheme	237	279
Defined contribution pension costs	96	94
Share-based payments	163	138
	2,408	2,636

Redundancy costs:		
Wages and salaries	2,127	-
Social security costs	15	-
	2,142	-

The average monthly number of persons (including Directors) employed by the Company during the year was 36 (2018: 38).

One of the Directors received remuneration in respect of their services as a Director of the Company during the year.

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

	2019 £'000	2018 £'000
Aggregate emoluments	204	183

	2019 Number	2018 Number
Directors exercising share options during the period	1	1
Directors entitled to receive shares under a long term incentive scheme	-	-
Directors retirement benefits accruing under a defined benefit scheme	1	1
Directors retirement benefits accruing under a defined contributions retirement scheme	-	-

Highest paid director

	2019 £'000	2018 £'000
Aggregate emoluments	204	183
Accrued pension at end of year	70	68

Notes to Financial Statements

4 Taxation

a) Recognised in the Profit and loss account

	2019 £'000	2018 £'000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of temporary differences	1,148	293
Effect of changes in tax rates	(120)	111
Total deferred tax	1,028	404
Total income tax expense/(credit)	1,028	404

b) A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge.

The taxation charge for the year differs from the charge that would be expected based on the statutory 19% (2018: 19%) rate of corporation taxation in the UK. The major causes of this difference are listed below:

	2019 £'000	2018 £'000
Profit/(loss) on ordinary activities	(501)	208
Total tax expense	1,028	404
Profit before tax	527	612
Tax using the UK corporation tax rate of 19.00% (2018: 19%)	100	116
Adjustment in respect of prior years	11	-
Non-deductible expenses	349	55
Tax rate changes	(120)	111
Group relief surrendered for nil consideration	688	122
Total tax charge for the period	1,028	404

Notes to Financial Statements

(c) Recognised deferred tax assets:

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

	2019 £'000	2018 £'000
At 1 January	(961)	(1,365)
Credited/Charged to profit and loss	1,028	404
Credited/Charged to OCI		
At 31 December	67	(961)
	2019 £'000	2018 £'000
Represented by:		
PPE	71	(961)
Provisions	(4)	-
Deferred tax (asset)/liability	67	(961)

5 Tangible assets

	Land & Buildings £'000	Plant and equipment £'000	Computer equipment £'000	Under construction £'000	Total £'000
Cost					
31 December 2018	2,601	7,308	40	156	10,105
Additions	-	87	-	-	87
Disposal	-	-	-	(13)	(13)
Transfers	-	143	-	(143)	-
31 December 2019	2,601	7,538	40	-	10,179
Accumulated depreciation and impairment					
31 December 2018	(588)	(3,310)	(40)	-	(3,938)
Charge for the year	(132)	(398)	-	-	(530)
Impairment charge	(855)	(2,862)	-	-	(3,717)
Reallocations	-	-	-	-	-
31 December 2019	(1,575)	(6,570)	(40)	-	(8,185)
Net book value					
31 December 2018	2,013	3,998	-	156	6,167
31 December 2019	1,026	968	-	-	1,994

The net book value of land & buildings includes freehold land and buildings of £1,025,000 (2018: £2,013,000)

6 Stock

	2019 £'000	2018 £'000
Machinery Spare Parts	16	167

Notes to the financial statements

7 Debtors

Amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed by Group undertakings - gross	15,554	7,429
Expected credit loss (calculated on CB of debtors accounts)	-	(3)
Amounts owed by Group undertakings – netted of ECL	15,554	7,426
Trade debtors	49	197
	15,603	7,623

Amounts owed by Group undertakings are unsecured, interest bearing and repayable on demand. The interest rate is based on LIBOR.

8 Creditors

Amounts falling due within one year

	2018 £'000	2018 £'000
Trade creditors	229	473
Amounts owed to Group undertakings	356	142
Accruals and deferred income	3,792	636
	4,377	1,251

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

9 Called up share capital

Ordinary shares of £1 each	2019	2018
Allotted, called up and fully paid		
- value	£10,000,001	£10,000,001
- number	10,000,001	10,000,001

10 Pensions

The Company participates in the British American Tobacco UK Pension Fund, which is a multi-employer funded scheme. Under FRS 101, where more than one employer participates in a defined benefit scheme, if there is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to individual group entities, then the net defined benefit cost shall be recognised in the accounts of the group entity that is legally the sponsoring employer. British American Tobacco (Investments) Limited is the sponsoring employer, with the other participating employers recognising costs equal to their contributions to those liabilities.

Details of the latest actuarial valuation of this defined benefit scheme are contained in the financial statements of British American Tobacco (Investments) Limited.

Notes to the financial statements

The last full triennial actuarial valuation of the British American Tobacco UK Pension Fund was carried out as at 31 March 2017 by a qualified independent actuary. The valuation showed that the fund had a deficit of £23,000,000 (2014: £264,000,000).

The Company only participates in multi-employer schemes and the Company is unable to identify its share of the underlying assets and liabilities of the schemes.

The defined benefit pension scheme cost was £237,000 (2018: £278,736) for the year.

The Company also participates in a defined contribution scheme. Payments in respect of defined contribution schemes are charged as an expense as they fall due. The defined contribution pension cost for the company was £96,000 (2018: £93,731).

11 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.

12 Contingent liabilities

The Company's ultimate parent, British American Tobacco p.l.c., has guaranteed the liabilities of the British American Tobacco UK Pension Fund, on behalf of the Company and the other participating employers of the scheme. In addition, all of the participating employers have cross guaranteed the contributions due to the scheme. The fund had a deficit, according to the last triennial actuarial valuation in March 2017, of £23,000,000. As at 31 December 2019, the valuation of the surplus on an IAS 19 basis was £326,000,000 (2018: £1,062,842,000).

13 Subsequent Events

The Directors of the Company have decided during the year to cease operations from 1 April 2020 following the receipt of formal notice that the DIET toll manufacturing volumes supplied by the Company would be reallocated to another DIET facility, not owned by the Company. Transferring of volumes to Bayreuth and Indonesia was completed end of December 2019.

14 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