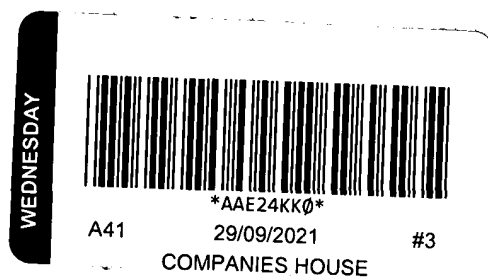


**British American Tobacco (Corby) Limited**

**Registered Number 08909757**

**Annual report and financial statements**

**For the year ended 31 December 2020**



**British American Tobacco (Corby) Limited**  
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## **British American Tobacco (Corby) Limited**

### **Strategic report**

The Directors present their strategic report on British American Tobacco (Corby) Limited ("the Company") for the year ended 31 December 2020.

### **Principal activities**

Until 20 August 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. During the year ended 31 December 2020, the Company's principal activity was the provision of warehousing services to a fellow subsidiary of the Group. This service has ceased in May 2021. The company is now pending the sale of the site.

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

### **Review of the year ended 31 December 2020**

The profit for the financial year attributable to the Company's shareholders after deduction of all charges and the provision of taxation amounted to £71,000. (2019: loss of £501,000)

### **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 for the year ended 31 December 2020 was the provision of warehousing services to a fellow subsidiary of the Group.

Under section 172(1) of the UK Companies Act 2006 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 assessments throughout the year.

The Company's key stakeholders are employees (the Company had 2 employees based in the UK), Group undertakings and the Company's shareholder. The Company does not have any 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.

**British American Tobacco (Corby) Limited**

## **Strategic Report (continued)**

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

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.

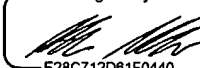
Throughout the COVID-19 pandemic, the Group's priority has been to safeguard the welfare of Group company employees while ensuring that the Group continues to operate effectively. A range of dynamic internal communications were facilitated during the year to help Group company employees feel connected and supported during the pandemic. The primary engagement channels for Group company employees (including the Company's employees) include town hall sessions, employee council meetings, the 'Your Voice' employee survey and webcasts implemented as appropriate for the location of employees. In view of restrictions in place as a result of the COVID-19 pandemic, engagement sessions were held through virtual forums for the majority of the year. The Group's 'Speak Up' channels are also available to all Company employees (as set out on page 57 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 on 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 on 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, 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, including on directors' duties under Section 172 of the Companies Act. Director training is provided through the Company Secretary.

By Order of the Board

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Mr. P. McCormack  
**Secretary**  
27 September 2021

**British American Tobacco (Corby) 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**

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

### **Board of Directors**

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

Bernd Meyer	(resigned 11 May 2021)
Volkan Oruk	(appointed 12 May 2021)
Gary Kevin Wright	
Christopher Richard York	(resigned 30 June 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 2 (2019: 36).

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. The Company is committed to ensuring 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*.

**British American Tobacco (Corby) Limited**

## **Directors' report (continued)**

### **Statement of Directors' responsibilities (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).

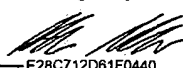
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

- (a) to the best of his knowledge and belief, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) he has taken all steps that a Director might reasonably be expected to have taken in order to make himself aware of relevant audit information and to establish that the Company's auditor is aware of that information.

By Order of the Board

DocuSigned by:  
  
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Mr. P. McCormack  
**Secretary**  
27 September 2021

## **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 2020 which comprise the Profit and Loss Account, Balance sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter – non-going concern basis of preparation**

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

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud that apply to this group company as well 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 and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no complex revenue transactions. The recognition criteria for income from warehousing services is not considered complex and no material estimation or manual intervention is required. We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included users who only posted one entry for the fiscal year and those posted with an unusual combination.

*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 potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, 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.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery and corruption, employment law, data privacy and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*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. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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



## **Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on pages 4-5, 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](http://www.frc.org.uk/auditorsresponsibilities).

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

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

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

27 September 2021

## British American Tobacco (Corby) Limited

## Profit and loss account

		2020	2019
Continuing operations	Note	£'000	£'000
Income	2	1,194	13,854
Cost of sales	3	(1,194)	(13,354)
<b>Gross Profit</b>		-	500
Interest receivable and similar income		6	28
Exchange losses - Financing		(2)	(1)
<b>Profit before taxation</b>		4	527
Tax on profit	4	67	(1,028)
<b>Profit/(loss) for the financial year</b>		71	(501)

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.

**British American Tobacco (Corby) Limited**

**Statement of changes in equity**

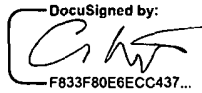
	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total Equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>31 December 2019</b>	<b>10,000</b>	<b>3,169</b>	<b>13,169</b>
Profit for the financial year	-	71	71
<b>31 December 2020</b>	<b>10,000</b>	<b>3,240</b>	<b>13,240</b>

The notes on page 12 to 20 are an integral part of the financial statements.

**British American Tobacco (Corby) Limited****Balance sheet as at 31<sup>st</sup> December**

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	5	1,054	1,994
<b>Current assets</b>			
Stock	6	-	16
Debtors: amounts falling due within one year	7	13,370	15,603
		13,370	15,619
Creditors: amounts falling due within one year	8	(1,184)	(4,377)
Deferred tax liability	4	-	(67)
<b>Net current assets</b>		12,186	11,175
<b>Net assets</b>		13,240	13,169
<b>Capital and reserves</b>			
Called up share capital	9	10,000	10,000
Profit and loss account		3,240	3,169
<b>Total shareholders' funds</b>		13,240	13,169

The financial statements on pages 9 to 11 were approved by the Directors on 27 September 2021 and signed on behalf of the Board.

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Mr. G. Wright  
Director

Registered number: 08909757

The notes on page 12 to 20 are an integral part of the financial statements.

**British American Tobacco (Corby) Limited**

## **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 in 2019 to cease operations from 30 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 Company operated a warehousing service for the Group during 2020 to 2021 with warehousing operations ceasing in May 2021. 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 accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has 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. These costs were accrued in 2019 and taken to the P&L. The ongoing closure costs incurred since then have been offset against this provision. The Company incurred further costs in the year relating to the warehousing services operating on site, but these costs were all recharged onto the Group.

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.

#### **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.

#### **Income**

Income comprises recharging of all costs for warehousing services to the Group.

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

**British American Tobacco (Corby) Limited**

## **Notes to the Financial Statements**

### **1 Accounting policies (continued)**

#### **Operating expenses**

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

#### **Retirement Benefits**

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.

#### **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.

#### **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 previously, disclosures in regard to these costs are included in the consolidated financial statements of the Company's ultimate parent.

#### **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.

**British American Tobacco (Corby) Limited****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**

Allowances for expected credit losses on financial assets which are held at amortised cost are recognised on the initial recognition of the underlying asset, if material. Allowances in respect of loans and other receivables (debtors) are initially recognised at an amount equal to 12-month expected credit losses, where applicable. 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.

## British American Tobacco (Corby) Limited

## Notes to the Financial Statements

**2 Income**

	2020 £'000	2019 £'000
Toll Fee Income	-	4,307
Recharges from Other Group entities	1,194	9,547
	<b>1,194</b>	<b>13,854</b>

The revenue arises wholly within the United Kingdom.

**3 Operating expenses**

	2020 £'000	2019 £'000
Staff costs	17	4,532
Depreciation of tangible assets	28	530
Impairment of tangible assets	557	3,717
Utilities Costs	87	1,837
Maintenance Costs	88	268
Facilities Costs	83	956
Auditor's remuneration for the audit of these financial statements	30	30
Other operating expenses	304	1,484
	<b>1,194</b>	<b>13,354</b>

	2020 £'000	2019 £'000
<b>Staff costs:</b>		
Wages and salaries	10	1,698
Social security costs	6	214
Defined benefit scheme	-	237
Defined contribution pension costs	2	96
Share-based payments	36	163
	<b>54</b>	<b>2,408</b>

**Redundancy Costs:**

Wages and salaries	(37)	2,127
Social security costs	-	15
	<b>(37)</b>	<b>2,142</b>

The average monthly number of persons (including Directors) employed by the Company during the year was 2 (2019: 36).



## British American Tobacco (Corby) Limited

## Notes to the Financial Statements

**3 Operating expenses (continued)**

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:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<b>102</b>	<b>204</b>

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Directors exercising share options during the period	<b>1</b>	<b>1</b>
Directors entitled to receive shares under a long term incentive scheme	<b>-</b>	<b>-</b>
Directors retirement benefits accruing under a defined benefit scheme	<b>1</b>	<b>1</b>
Directors retirement benefits accruing under a defined contributions retirement scheme	<b>-</b>	<b>-</b>

**Highest paid director**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	<b>102</b>	<b>204</b>
Accrued pension at end of year	<b>18</b>	<b>70</b>

## British American Tobacco (Corby) Limited

## Notes to the Financial Statements

## 4 Taxation

## a) Recognised in the Profit and loss account

	2020 £'000	2019 £'000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(75)	1,148
Effect of changes in tax rates	8	(120)
<b>Total deferred tax</b>	<b>(67)</b>	<b>1,028</b>
<b>Total income tax expense/(credit)</b>	<b>(67)</b>	<b>1,028</b>

## 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: 17%). An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, after the balance sheet date. This will increase the company's future current tax charge accordingly.

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

	2020 £'000	2019 £'000
Profit/(loss) on ordinary activities	71	(501)
Total tax expense / (credit)	(67)	1,028
Profit before tax	4	527
Tax using the UK corporation tax rate of 19.00% (2019: 19%)	1	100
Adjustment in respect of prior years	4	11
Non-deductible expenses	37	349
Income not taxable	(109)	-
Tax rate changes	8	(120)
Group relief surrendered for nil consideration	(8)	688
<b>Total tax charge for the period</b>	<b>(67)</b>	<b>1,028</b>

## British American Tobacco (Corby) Limited

## Notes to the Financial Statements

## 4 Taxation (Continued)

## (c) Recognised deferred tax assets and liabilities:

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

	2020 £'000	2019 £'000
At 1 January	67	(961)
(Credited)/Charged to profit and loss	(67)	1,028
At 31 December	-	67
	2020 £'000	2019 £'000
Represented by:		
PPE	-	71
Provisions	-	(4)
Deferred tax (asset)/liability	-	67

## 5 Tangible assets

	Land & Buildings £'000	Plant and equipment £'000	Computer equipment £'000	Under construction £'000	Total £'000
<b>Cost</b>					
31 December 2019	2,601	7,538	40	-	10,179
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
Transfers	-	(1,681)	-	-	(1,681)
<b>31 December 2020</b>	<b>2,601</b>	<b>5,857</b>	<b>40</b>	<b>-</b>	<b>8,498</b>
<b>Accumulated depreciation and impairment</b>					
31 December 2019	1,575	6,570	40	-	8,185
Charge for the year	-	28	-	-	28
Transfers	-	(1,326)	-	-	(1,326)
Impairments	-	557	-	-	557
<b>31 December 2020</b>	<b>1,575</b>	<b>5,829</b>	<b>40</b>	<b>-</b>	<b>7,444</b>
<b>Net book value</b>					
31 December 2019	1,026	968	-	-	1,994
<b>31 December 2020</b>	<b>1,026</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>1,054</b>

The net book value of land & buildings includes freehold land and buildings of £1,026,000 (2019: £1,026,000)

The provision of DIET production and warehousing activity have now ceased and all equipment related to these services has either been transferred to a fellow group company or been impaired to zero pending sale of the site.

## 6 Stock

	2020 £'000	2019 £'000
Machinery Spare Parts	-	16

## British American Tobacco (Corby) Limited

## Notes to the Financial Statements

## 7 Debtors

## Amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed by Group undertakings - gross	13,240	15,554
Trade debtors	130	49
	<b>13,370</b>	<b>15,603</b>

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

	2020 £'000	2019 £'000
Trade creditors	-	229
Amounts owed to Group undertakings	90	356
Accruals and deferred income	1,094	3,792
	<b>1,184</b>	<b>4,377</b>

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

## 9 Called up share capital

Ordinary shares of £1 each	2020	2019
Allotted, called up and fully paid		
- value	£10,000,001	£10,000,001
- number	10,000,001	10,000,001

## 10 Pension

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.

The last full triennial actuarial valuation of the British American Tobacco UK Pension Fund was carried out as at 31 March 2020 by a qualified independent actuary. The valuation showed that the fund had a surplus of £139,000,000 (2017: deficit of £23,000,000). 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 £0 (2019: £237,000) for the year.

**British American Tobacco (Corby) Limited**

## **Notes to the Financial Statements**

### **10 Pension (continued)**

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 £2,000 (2019: £96,000)

### **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 Subsequent Events**

Operations at the site have ceased and the closure of the Company is pending the sale of the site.

### **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