

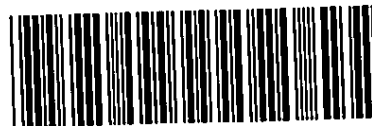
Weston Investment Company Limited

Registered Number 00179244

Directors' report and financial statements

For the year ended 31 December 2013

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Strategic report

The Directors present their strategic report on the Company for the year ended 31 December 2013

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 (the "Group")

Review of the year ended 31 December 2013

The profit for the financial year attributable to Weston Investment Company Limited shareholders after deduction of all charges and the provision of tax amounted to £2,236,169,000 (2012 £2,655,951,000)

The Directors expect the Company's activities to continue on a similar basis in the foreseeable future

Key performance indicators

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

Principal risks and uncertainties

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

By Order of the Board



S Ellis
Secretary

27 May 2014

Directors' report

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2013

Dividends

The Directors do not recommend the payment of a dividend for the year (2012 £1,000,000,000)

Post Balance Sheet Events

Subsequent to the year end the Company provided a five year term loan facility drawable in tranches of ZAR 7,920,000,000 to a fellow Group undertaking. In February 2014 the facility was drawn to a value of £334,267,000 (ZAR 6,124,600,000). The Company funded the loan using cash on held deposit with a fellow Group undertaking.

In April 2014 the Company sold its investment in British American Tobacco Holdings (Malaysia) B V to a fellow Group undertaking for a consideration of £235,828,000, recognising a gain on disposal of £102,523,000.

Financial risk management

The Company's operations expose it to a currency risk as income from shares in Group undertakings is denominated in foreign currencies other than Sterling. The exposure is hedged with forward foreign exchange contracts.

Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 2013 to the date of this report are as follows:

Robert James Casey
Kenneth John Hardman
John Benedict Stevens
Neil Robert Withington
John Patrick Daly

Resigned

06 April 2014

Directors' indemnities

Throughout the period 1 January 2013 to the date of this report, a qualifying third party indemnity has been in force under which Messrs J B Stevens and J P Daly, as Directors of the Company, are, to the extent permitted by law, indemnified by British American Tobacco plc, the ultimate parent undertaking, in respect of all costs, charges, expenses or liabilities which they may have incurred in or about the execution of their duties to the Company or as a result of things done by them as Directors on behalf of the Company.

Directors' report

Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Directors' declaration in relation to relevant audit information

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

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

By Order of the Board



S Ellis
Secretary

27 May 2014

Independent auditors' report to the members of Weston Investment Company Limited

Report on the financial statements

Our opinion

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say below

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by Weston Investment Company Limited, comprise

- the Profit and loss account,
- the Statement of total recognised gains and losses,
- the Balance sheet, and
- the related notes

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the Directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Independent auditors' report to the members of Weston Investment Company Limited

Opinion on matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of Directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing



Sotiris Kroustis (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

27 May 2014

Profit and loss account for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Continuing operations			
Other operating income	2	2,873	2,076
Other operating charges	3	65,868	(20,876)
Operating profit/(loss)		68,741	(18,800)
Income from shares in Group undertakings		2,498,581	2,846,489
Interest receivable and similar income	4	22,197	11,327
Interest payable and similar charges	5	(13,769)	(10,634)
Amounts written off investments		(339,569)	(172,392)
Profit on ordinary activities before taxation		2,236,181	2,655,990
Tax on profit on ordinary activities	6	(12)	(39)
Profit for the financial year	11	2,236,169	2,655,951

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

Statement of total recognised gains and losses for the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Profit for the financial year		2,236,169	2,655,951
Exchange gain/(loss) on revaluation of Euro investment	11	9,162	(10,615)
Exchange (loss)/gain on revaluation of Euro borrowing	11	(9,162)	10,615
Total recognised gains relating to the financial year		2,236,169	2,655,951

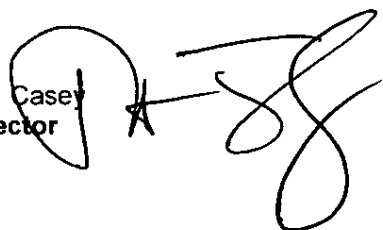
The accompanying notes are an integral part of the financial statements

Balance sheet at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed Assets			
Investments	7	10,716,773	11,035,034
		10,716,773	11,035,034
Current Assets			
Debtors amounts falling due within one year	8	3,982,639	2,540,777
Debtors amounts falling due after one year	8	187,873	26,124
Cash at bank and in hand		489	978
Creditors amounts falling due within one year	9	(3,572,467)	(5,523,775)
Net current assets/(liabilities)		598,534	(2,955,896)
Total assets less current liabilities		11,315,307	8,079,138
Creditors amounts falling due after more than one year	9	(1,000,000)	-
Net assets		10,315,307	8,079,138
Capital and reserves			
Called up share capital	10	1,733,574	1,733,574
Share premium account	11	1,549,032	1,549,032
Profit and loss account	11	7,032,701	4,796,532
Total shareholders' funds	12	10,315,307	8,079,138

The financial statements on pages 7 to 19 were approved by the Directors on 27 May 2014 and signed on behalf of the Board

R J Casey
Director



Registered number
00179244

The accompanying notes are an integral part of the financial statements

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The principal accounting policies have been applied consistently throughout the year and a summary is set out below

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

Cash flow statement

The Company is a wholly owned subsidiary of British American Tobacco p l c. The cash flows of the Company are included in the consolidated cash flow statement of British American Tobacco p l c which is publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (Revised 1996) 'Cash flow statements'

Foreign currencies

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. Exchange differences arising on the revaluation of the Euro investment in British American Tobacco International (Holdings) B V and the Euro borrowing used to finance the investment, are taken directly to reserves. All other exchange differences are taken to the profit and loss account in the year.

Accounting for income

Income is included in the profit and loss account when all contractual or other applicable conditions for recognition have been met. Provisions are made for bad and doubtful debts where there is an expectation that all or a portion of the amount due will not be recovered.

Notes to the financial statements for the year ended 31 December 2013

Accounting policies (continued)

Taxation

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

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more taxation in the future or a right to pay less taxation in the future have occurred at the balance sheet date

A net deferred taxation asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward taxation losses and from which the future reversal of underlying timing differences can be deducted

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

Fixed asset investments

Fixed asset investments are stated at cost less provisions for any impairment in value. Any impairment is recognised in the profit and loss account in the period in which it arises

Dividends

Dividends payable that are unapproved at the year end are not recognised as a liability. Similarly, dividend income is recognised at the same time as the paying company recognises the liability to pay a dividend

Future changes to accounting policies

On 22 November 2012, the Financial Reporting Council issued FRS 100 Application of Financial Reporting Requirements and FRS 101 Reduced Disclosure Framework. These were followed on 14 March 2013 by the publication of FRS 102 The Financial Reporting Standard applicable in the UK and Ireland. These standards will be applicable to all companies and entities in the UK and Republic of Ireland, other than listed groups, for accounting periods beginning on or after 1 January 2015. Early adoption is permissible

FRS 100 sets out the overall financial reporting framework for companies in the UK and Ireland. FRS 101 applies to the individual financial statements of subsidiaries and ultimate parents, allowing them to apply the same accounting policies as in their listed group accounts, but with fewer disclosures. FRS 102 is a single financial reporting standard that applies to the financial statements of entities that are not applying EU-adopted IFRS, FRS 101 or the FRSE. The primary statements of entities applying FRS 101 or FRS 102 would continue to follow the requirements of the Companies Act 2006

The Directors are evaluating the impact of these requirements for the Company, and are likely to adopt the accounting requirements of the reduced disclosure framework under FRS 101 in the Company's reporting for 2015, but do not currently anticipate any material impact from doing so

Notes to the financial statements for the year ended 31 December 2013

2 Other operating income

Other operating income primarily comprises guarantee fees

3 Other operating charges

	2013 £'000	2012 £'000
Other operating charges comprise:		
Release of provision	(91,310)	-
Exchange losses	22,776	122
Other expenses	2,666	20,754
	(65,868)	20,876

The release of provision relates to a provision taken against a long term loan provided to a fellow Group undertaking where there was an expectation that all or a portion of the amount due would not have been recovered. The loan was repaid in full during the 2013 financial year.

There were no employees (2012: none) and no staff costs during the year (2012: £nil).

Auditors' fees of £2,500 were borne by a fellow Group undertaking (2012: £2,500).

None of the Directors received any remuneration in respect of their services during the year (2012: £nil).

4 Interest receivable and similar income

	2013 £'000	2012 £'000
Interest receivable from Group undertakings	22,197	11,327

5 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable to Group undertakings	13,769	10,634

6 Tax on profit on ordinary activities

(a) Summary of taxation on profit on ordinary activities

	2013 £'000	2012 £'000
Current taxation:		
UK corporation taxation on profit of the year		
Comprising		
- current taxation at 23.25% (2012: 24.5%)	-	-
- double taxation relief	-	-
	-	-
Overseas taxation	12	39
Total current taxation note 6(b)	12	39

Notes to the financial statements for the year ended 31 December 2013

Tax on profit on ordinary activities (continued)

(b) Factors affecting the taxation charge

The standard rate of corporation taxation in the UK changed from 24 0% to 23 0% with effect from 1 April 2013. Accordingly the Company's profit for this accounting period is taxed at an effective rate of 23 25%.

The current taxation charge differs from the standard 23 25% (2012 24 5%) rate of corporation taxation in the UK. The major causes of this difference are listed below.

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	2,236,181	2,655,990
Corporation taxation at 23 25% (2012 24 5%) on profit on ordinary activities	519,912	650,718
Factors affecting the taxation rate:		
Permanent differences	50,954	32,837
Utilisation of brought forward losses	-	(19,377)
Current year losses for which no deferred taxation asset has been recognised	16,048	17,228
Group loss relief (claimed)/surrendered at less than full consideration	(5,994)	15,984
Overseas taxation	12	39
Corporate income taxation relief on intra-group dividends	(580,920)	(697,390)
Total current taxation charge note 6(a)	12	39

An amount of £64,882,000 (2012 £137,526,000) (taxation amount of £15,085,000 (2012 £33,694,000)) included in permanent differences above represents taxation adjustments in respect of UK to UK transfer pricing.

At the balance sheet date the company has unused taxation losses of £221,216,000 (2012 £103,329,000) which have no expiry date. No recognition has been made for deferred taxation in respect of these items as their future recoverability remains uncertain.

Notes to the financial statements for the year ended 31 December 2013

7 Investments

(1) Shares in Group undertakings

Unlisted – registered in England and Wales

% equity shares held

British American Tobacco Korea (Investments) Limited	100
2 ordinary shares of £1 00 each	
British American Tobacco China Holdings Limited ♦	100
194,264,938 ordinary shares of £1 00 each	
British American Tobacco Peru Holdings Limited	100
56,000,002 ordinary shares of £1 00 each	
B A T (Westminster House) Limited	100
1,875,999 ordinary shares of £1 00 each	
Precis (1789) Limited	100
140,804 ordinary shares of £1 00 each	
Precis (1790) Limited	100
1 ordinary share of £1 00 each	
Precis (1814) Limited	100
58,958 ordinary shares of £1 00 each	
British American Tobacco UK Limited	100
1,000,001 ordinary shares of £1 00 each	
Rothmans (UK) Trading Limited	100
2 ordinary shares of £1 00 each	
British American Ventures Limited	100
2 ordinary shares of £1 00 each	
Lord Extra Limited	100
25,000,002 ordinary shares of £1 00 each	
British American Tobacco Brands (Luxembourg) Limited *	100
103,946 ordinary shares of £1 00 each	
British American Tobacco Investments (Central & Eastern Europe) Limited	100
260,108,338 ordinary shares of £1 00 each	
British American Tobacco International Holdings (UK) Limited	100
370,007,500 ordinary shares of £1 00 each	
British American Tobacco (Serbia) Limited	100
2 ordinary shares of £1 00 each	

Notes to the financial statements for the year ended 31 December 2013**Investments (continued)****Unlisted - registered in Netherlands****% equity shares held**

British American Tobacco International (Holdings) B V	100
392,939 ordinary shares of €450 00 each	
British American Tobacco Group Investments B V	100
250 ordinary shares of €450 00 each	
British American Tobacco Holdings (Caricom) B V	100
40 ordinary shares of €450 00 each	
British American Tobacco Holdings (Hong Kong) B V	100
102 ordinary shares of €450 00 each	
British American Tobacco Holdings (Malaysia) B V ◊	15 066
105,463 ordinary shares of €450 00 each	
Rothmans Tobacco Enterprises B V	100
135 ordinary shares of €450 00 each	
Rothmans UK Holdings B V	100
1,000 ordinary shares of €450 00 each	
British American Tobacco (Hungaria) B V	100
42 ordinary shares of €450 00 each	

Unlisted - registered in St. Lucia

Carisma Marketing Services Limited	100
100 ordinary shares of US\$1 00	

Unlisted – registered in Austria

British American Tobacco (Austria) GmbH	100
1 trade share of €100,000 00	

Unlisted - registered in Belgium

British American Tobacco Holdings Belgium N V ◊	99 999
78,112 shares of nominal value €1,000 00	
British American Tobacco Belgium S A	
4,114,690 shares of no par value	100

Unlisted – registered in the Democratic Republic of the Congo

BAT Services Congo Sarl	99
99 ordinary shares of \$50 00 each	

Unlisted - registered in Luxembourg

British American Tobacco Brands (Switzerland) Limited	100
187 ordinary shares of CHF 1,000 each registered	

Unlisted - registered in Jersey

BAT (CI) Holdings Limited	100
98,221,850 ordinary shares of £1 00 each	

Unlisted - registered in Hungary

BAT Pcsi Dohnygyr Kft ◊	0 003
1 business share of HUF100,000	

Unlisted - registered in Peru

British American Tobacco Del Peru, S A C	0 004
4 ordinary shares of PEN1 00 each	

Notes to the financial statements for the year ended 31 December 2013**Investments (continued)****Unlisted - registered in Romania**

British-American Tobacco (Romania) Investments S R L	100
230,338 social parts of ROL380 50 each	

Unlisted - registered in Serbia

British American Tobacco South-East Europe d o o	100
1 quota share of RSD1,381,638,845 32	

Unlisted - registered in Slovakia

British American Tobacco (Slovakia) Spol s r o	100
1 trade share of €670,600	

Unlisted – registered in Slovenia

British American Tobacco d o o	
1 business share of € 48,614 59	100

◊ The total holdings by the British American Tobacco Group in British American Tobacco China Holdings Limited, British American Tobacco Holdings (Malaysia) B V , British American Tobacco Holdings Belgium N V, and BAT Pecsí Dohánygyr Kft is 100%

* Liquidated on 4 February 2014

The subsidiary undertakings that principally affect the Company's financial position are British American Tobacco International (Holdings) B V and BAT (CI) Holdings Limited The principal activities of these undertakings are investment holding companies

(2) Shareholdings at cost less provisions

	Shareholdings at cost less provisions £'000
Cost	
1 January 2013	11,207,426
Additions	812,543
Return of investment	(800,397)
Exchange gain on revaluation of Euro investment (note 12)	9,162
31 December 2013	11,228,734
Impairment provisions	
1 January 2013	(172,392)
Charge in the year	(339,569)
31 December 2013	(511,961)
Net book value	
1 January 2013	11,035,034
31 December 2013	10,716,773

Notes to the financial statements for the year ended 31 December 2013

Investments (continued)

During the year the Company subscribed for 370,000,000 ordinary £1 shares in British American Tobacco International Holdings (UK) Limited, 97,000,000 ordinary £1 shares in British American Tobacco China Holdings Limited, 56,000,000 ordinary £1 shares in British American Tobacco Peru Holdings Limited, 25,000,000 ordinary £1 shares in Lord Extra Limited, and 1,000,000 ordinary £1 shares in British American Tobacco Investments (Central & Eastern Europe) Limited

The Company acquired British American Tobacco Belgium S A and Tabcofina –Vander Elst N V for a consideration of € 265,314,000 (£222,006,000). Subsequent to the acquisition Tabcofina – Vander Elst N V, was sold to British American Tobacco Belgium S A for a share consideration of 1,426,205

The Company invested £1,980,000 to become a member of a newly incorporated Dutch resident co-op, British American Tobacco Financial Holdings Cooperatief W A ("Dutch Co-op"). In addition, the Company provided the Dutch co-op with a RUB 9,271,974,000 five year term loan

The balance of additions during the year relate to other smaller investments in fellow Group undertakings

The Company performed a share for share exchange to the value of £156,624,000 whereby shares in Tobacco Holdings Limited were disposed of in exchange for shares in BAT (CI) Holdings Limited

The Company's wholly owned subsidiary, Precis (1790) Limited performed a share capital and share premium reduction under section 642 of the Companies Act 2006 through the cancellation of 350,312 ordinary shares which created additional distributable reserves of £800,397,354. A dividend was subsequently paid out of these distributable reserves to the Company's parent, Weston Investment Company Limited

The charge in the year resulted from an impairment exercise assessing the carrying value of investments against their recoverable amount

- (3) The Directors are of the opinion that the individual investments in the subsidiary undertakings have a value not less than the amount at which they are shown in the balance sheet

8 Debtors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed by Group undertakings	3,972,273	2,530,196
Other debtors	10,366	10,581
	3,982,639	2,540,777

Included within amounts owed by Group undertakings is an amount of £3,958,801,000 (2012 £2,500,579,000) which is unsecured, interest bearing and repayable on demand. The interest rate is based on LIBOR. Other amounts owed by Group undertakings are unsecured, interest free and repayable on demand

Notes to the financial statements for the year ended 31 December 2013

Debtors: amounts falling due within one year (continued)

Amounts falling due after one year

	2013 £'000	2012 £'000
Amounts owed by Group undertakings	187,873	26,124

Amounts receivables at 31 December 2012 have been repaid during the year

Included within amounts owed by Group undertakings is an amount of £170,364,000 (RUB 9,271,974,000) (2012 £nil (RUB nil)) which is unsecured, interest bearing and payable in 2018. The interest rate is based on MOSPRIME.

In addition, there is an amount of £17,509,000 (2012 £nil) which is unsecured, interest bearing and repayable in 2015. The interest rate is based on USD LIBOR.

9 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to Group undertakings	3,572,363	5,523,695
Taxation and social security	104	80
	3,572,467	5,523,775

Included in amounts owed to Group undertakings is an amount of £364,809,000 (EUR 438,489,000) (2012 £355,647,000 (EUR 438,489,000)) which is unsecured, interest bearing and repayable in 2014. The interest rate is based on EUR LIBOR. In addition, there is an amount of £3,200,000,000 which is unsecured, interest bearing and repayable in 2014. The interest rate is based on GBP LIBOR. All other amounts are unsecured, interest free and repayable on demand.

Creditors: amounts falling due after more than one year

	2013 £'000	2012 £'000
Amounts owed to Group undertakings	1,000,000	-

Amounts owed to Group undertakings of £1,000,000,000 (2012 £nil) are unsecured, interest bearing and repayable in 2016. The interest rate is based on GBP LIBOR.

10 Called up share capital

Ordinary shares of £1 each	2013	2012
Allotted, called up and fully paid		
- value	£1,733,574,183	£1,733,574,183
- number	1,733,574,183	1,733,574,183

Notes to the financial statements for the year ended 31 December 2013

11 Reserves

	Share premium account £'000	Profit and loss account £'000
1 January 2013	1,549,032	4,796,532
Profit for the financial year	-	2,236,169
Exchange gain on revaluation of Euro investment (note 7)	-	9,162
Exchange loss on revaluation of Euro borrowing	-	(9,162)
31 December 2013	1,549,032	7,032,701

12 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	2,236,169	2,655,951
Exchange gain/(loss) on revaluation of Euro investment (note 7)	9,162	(10,615)
Exchange (loss)/gain on revaluation of Euro borrowing	(9,162)	10,615
Dividends paid	-	(1,000,000)
Net movement in shareholders' funds	2,236,169	1,655,951
Opening shareholders' funds	8,079,138	6,423,187
Closing shareholders' funds	10,315,307	8,079,138

13 Related party disclosures

As a wholly owned subsidiary the Company has taken advantage of the exemption under paragraph 3(c) of FRS 8 'Related party disclosures' from disclosing transactions with other subsidiary undertakings of the British American Tobacco p l c Group

14 Financial instruments

The Company's operations expose it to currency risk as income from shares in Group undertakings is denominated in foreign currencies other than Sterling. The exposure is hedged with forward foreign exchange contracts. The fair value of the instruments at 31 December 2013 was a loss of £879,268 (31 December 2012 loss of £880,000). Subsequent to the year end, the Company's financial position was not materially affected by the instruments reaching their maturity dates.

15 Contingent liabilities

The Company provides guarantees to third parties in the normal course of business and at 31 December 2013 had guaranteed borrowing facilities, including short term credit facilities relating to export and excise commitments, by Group undertakings and certain key suppliers of up to £1,222,106,000 (2012 £1,080,230,000). The Company does not expect these guarantees to materially affect its financial position.

Notes to the financial statements for the year ended 31 December 2013

16 Post Balance Sheet Events

Subsequent to the year end the Company provided a five year term loan facility drawable in tranches of ZAR 7,920,000,000 to a fellow Group undertaking. In February 2014 the facility was drawn to a value of £334,267,000 (ZAR 6,124,600,000). The Company funded the loan using cash held on deposit with a fellow Group undertaking.

In April 2014 the Company sold its investment in British American Tobacco Holdings (Malaysia) B V to a fellow Group undertaking for a consideration of £235,828,000, recognising a gain on disposal of £102,523,000.

17 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 (2009) Limited. Group financial statements are prepared only at the British American Tobacco p l c level and may be obtained from

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