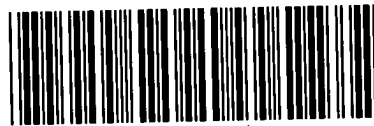


NICOCIGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

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Nicocigs Limited
Annual Report and Financial Statements

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Nicocigs Limited
Annual Report and Financial Statements

Directors and advisers

Executive directors

S. Bauer
P. Nixon
H. Modabber

Registered office

10 Hammersmith Grove
London
W6 7AP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

Bankers

HSBC BANK PLC
City of London Corporate Office
PO Box 125
27-32 Poultry
London
EC2P 2BX

LLOYDS BANK PLC
25 Gresham Street
London
EC2V 7HN

Nicocigs Limited

Annual Report and Financial Statements

Directors' report

For the year ended 31 December 2019

The directors present their annual report and the audited financial statements of Nicocigs Limited ("the company") for the year ended 31 December 2019 (the "Annual Report and Financial Statements").

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies, including an exemption from preparing a strategic report and section 172 statement.

The company is a wholly owned subsidiary of Philip Morris Holland Holdings B.V., a company incorporated in the Netherlands. The company is limited by shares and incorporated in the UK. Its registered office is 10 Hammersmith Grove, London W6 7AP.

Principal activities

The company's principal activity during the year continued to be that of the supply of electronic cigarettes.

Business review and future developments

The company distributes electronic cigarettes through its fellow group company, Philip Morris Limited.

The principal activity is not anticipated to change in the foreseeable future. The results for the year are in line with expectations.

Principal risks and uncertainties

The business environment in which the company operates continues to be challenging as the company is subject to consumers' spending patterns and their disposable incomes. Competition is the major risk as the market becomes saturated with a large number of suppliers. In addition to this the company is subject to exchange rate fluctuations on its purchases. The company views these fluctuations as short-term in nature and accordingly does not take out forward exchange contracts or any other type of financial instrument to mitigate the effect of currency fluctuations.

The Directors of the Philip Morris International Inc.'s Group manage the Group's risks at a Group level. These are discussed in the Group's annual report and financial statements (which does not form part of this report) available as per note 11.

The UK left the European Union on 31 January 2020. A transition period immediately kicked in from 1 February 2020 to 31 December 2020, during which the UK remains bound by EU law and part of the EU Customs Union. The transition period is intended to allow the UK and EU to conduct trade negotiations with a view to agreeing a permanent trading arrangement. Management has assessed and identified the business' Brexit related risks and have put in place risk management and mitigation processes to minimise any impact on the business.

Results and dividends

The profit for the financial year amounted to £1,442,000 (2018: loss £1,977,000). The company is in a net liability position amounting to £12,169,000 as at 31 December 2019 (2018: £13,611,000).

The company declared and paid no dividends during the financial year (2018: nil).

Nicocigs Limited

Annual Report and Financial Statements

Directors' report

For the year ended 31 December 2019 (continued)

Going concern

The directors plan to wind up the company's operation during 2020 and to place the company into liquidation. Accordingly, the financial statements have been prepared on a basis other than going concern, under the historical cost convention and in accordance with the Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and with the Companies Act 2006 for the financial year ended 31 December 2019. No adjustments were needed in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from this decision.

The Covid-19 outbreak has developed rapidly in 2020. We have taken a number of measures to monitor and prevent the effects of Covid-19, and we have implemented stringent policies and measures to minimize risks. The directors have considered the impact the Covid-19 pandemic has had on its business to date and its potential impact in its future cash flows and liquidity position. Having conducted their review, noting the limited impact on our business and results, the directors consider the adoption of the going concern basis in preparing these financial statements to be appropriate.

Post balance sheets events

The Company has evaluated events occurring subsequent to December 31, 2019 for potential recognition or disclosure in the financial statements and concluded there were no subsequent events that required recognition or disclosure other than the impact of Covid-19 (non-adjusting post balance sheet event), further discussed in Going Concern note.

Directors

The directors of the company who held office during the year and up to the date of signing of the financial statements were:

S. Bauer	(Appointed 01 October 2019)
F. Vroemen	(Resigned 01 October 2019)
P. Nixon	
H. Modabber	

Qualifying indemnity provision

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Nicocigs Limited
Annual Report and Financial Statements

Directors' report
For the year ended 31 December 2019 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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. The directors 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.

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Hamed Modabber
Hamed Modabber (Sep 4, 2020 12:42 GMT+1)

On behalf of the Board
H. Modabber
Director
Date: September 4, 2020

Independent auditors' report to the members of Nicocigs Limited

Report on the audit of the financial statements

Opinion

In our opinion, Nicocigs Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Independent auditors' report to the members of Nicocigs Limited (continued)

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Emma Sowerby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
7 September 2020

Nicocigs Limited
Annual Report and Financial Statements

Statement of comprehensive income
For the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Revenue	3	3,307	3,917
Cost of sales		(1,226)	(3,563)
Gross profit		2,081	354
Sales and distribution expenses		(537)	(2,092)
Administrative expenses		(2)	(97)
Operating profit/(loss)	4	1,542	(1,835)
Profit/(Loss) before interest and taxation		1,542	(1,835)
Finance income	5	24	-
Finance costs	5	(124)	(142)
Finance costs - net		(100)	(142)
Profit/(Loss) before taxation		1,442	(1,977)
Tax on profit/(loss)	6	-	-
Profit/(Loss) for the financial year		1,442	(1,977)

There was no other comprehensive income for 2019 (2018: Nil).

All activities relate to continuing operations.

Nicocigs Limited
Annual Report and Financial Statements

Statement of Financial Position
As at 31 December 2019

	Notes	2019 £'000	2018 £'000
Current assets			
Inventories	7	45	237
Trade and other receivables	8	1,329	2,375
Cash and cash equivalents		158	455
		<u>1,532</u>	<u>3,067</u>
Creditors: amounts falling due within one year	9	(13,701)	(16,678)
Net current liabilities		<u>(12,169)</u>	<u>(13,611)</u>
Total assets less current liabilities		(12,169)	(13,611)
Net liabilities		<u>(12,169)</u>	<u>(13,611)</u>
Equity			
Called up share capital	10	0	0
Share premium account	10	102	102
Accumulated losses		(12,271)	(13,713)
Total shareholders' deficit		<u>(12,169)</u>	<u>(13,611)</u>

The notes on pages 10 to 16 are an integral part of these financial statements.

The financial statements on pages 7 to 16 were approved by the board of directors on September 4, 2020 and were signed on its behalf by:

Hamed Modabber

Hamed Modabber (Sep 4, 2020 12:42 GMT+1)

H. Modabber

Director

Company registration number 06622136

Nicocigs Limited
Annual Report and Financial Statements

Statement of changes in equity
For the year ended 31 December 2019

	Called up share capital £'000	Share premium account £'000	Accumulated losses £'000	Total shareholders' deficit £'000
As at 1 January 2018	0	102	(11,735)	(11,634)
Loss for the financial year	-	-	(1,977)	(1,977)
Total comprehensive loss for the year	-	-	(1,977)	(1,977)
At 31 December 2018	0	102	(13,713)	(13,611)
As at 1 January 2019	0	102	(13,713)	(13,611)
Profit for the financial year	-	-	1,442	1,442
Total comprehensive income for the year	-	-	1,442	1,442
At 31 December 2019	0	102	(12,271)	(12,169)

Nicocigs Limited Annual Report and Financial Statements

Notes to the financial statements For the year ended 31 December 2019

1. General information

Nicocigs Limited ("the company") distributes electronic cigarettes through its fellow group company, Philip Morris Limited.

The company is a wholly owned subsidiary of Philip Morris Holland Holdings B.V., a company incorporated in the Netherlands. The company is limited by shares and incorporated in the UK. It's registered office is 10 Hammersmith Grove, London W6 7AP.

2. Accounting policies

Basis of preparation

These financial statements of Nicocigs Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The presentation of financial statement in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the progress of applying the company's accounting policies. The directors believe that there are no areas involving a high degree of judgement or complexity, or areas where assumptions are estimates which are significant to the financial statements.

The accounting policies, which have been consistently applied, are set out below.

Going concern

The directors plan to wind up the company's operation during 2020 and to place the company into liquidation. Accordingly, the financial statements have been prepared on a basis other than going concern, under the historical cost convention and in accordance with the Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101) and with the Companies Act 2006 for the financial year ended 31 December 2019. No adjustments were needed in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from this decision.

The Covid-19 outbreak has developed rapidly in 2020. We have taken a number of measures to monitor and prevent the effects of Covid-19, and we have implemented stringent policies and measures to minimize risks. The directors have considered the impact the Covid-19 pandemic has had on its business to date and its potential impact in its future cash flows and liquidity position. Having conducted their review, noting the limited impact on our business and results, the directors consider the adoption of the going concern basis in preparing these financial statements to be appropriate.

Revenue

Revenue comprises sales to its fellow group company, Philip Morris Limited. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods have transferred to Philip Morris Limited and the latter has control of these.

Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase including freight and import duty on a first in, first out basis.

Nicocigs Limited

Annual Report and Financial Statements

Notes to the financial statements

For the year ended 31 December 2019 (continued)

2. Accounting policies (continued)

Trade and other receivables

The amounts included within trade receivables represent amounts owed by group undertakings. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Share capital

Ordinary shares are classified as equity (note 10).

Trade creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and amounts owed to group undertakings. If payment is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current creditors. If not, they are presented as non-current creditors.

Consolidation

The company is a wholly owned subsidiary of Philip Morris Holland Holdings B.V. and of its ultimate parent, Philip Morris International Inc. It is included in the consolidated financial statements of Philip Morris International Inc. which are publicly available.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange ruling at the date of transaction. Monetary assets and liabilities are translated into sterling at rates ruling at the statement of financial position date.

- **Functional and presentation currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

- **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the group income statement and balance sheet exchange rates. These are set by the group treasury and are updated monthly.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement within 'Finance Costs'.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Nicocigs Limited
Annual Report and Financial Statements

Notes to the financial statements
For the year ended 31 December 2019 (continued)

2. Accounting policies (continued)

Amounts owed to and from group undertakings

Amounts owed to and from group undertakings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for any impairment.

Financial assets and liabilities

The only financial assets and liabilities relate to amounts owed to / from group undertakings.

New standards, amendments and IFRIC interpretations

There are no new standards, amendments or IFRIC interpretations that are effective for the year ended 31 December 2019 and had any impact on the company's financial statements.

Exemptions applied

The disclosure exemptions that are available under FRS 101 and are relevant to Nicocigs Limited are:

1. Reduced disclosures on financial instruments: the requirements of IFRS 7 are not required if the disclosures are made in the group financial statements.
2. Cash flow statement: under FRS 101, provided the group financial statements include the consolidated cash-flow statement, the subsidiary can exclude the disclosures required for a Cash flow statement (under IAS 7).
3. Intra-group related party transactions: under FRS 101, related party transactions (IAS 24) between members of a group are not required to be disclosed for a wholly owned subsidiary.
4. Reconciliation of beginning and end balances of fixed and intangible assets: under FRS 101, an exemption of this disclosure is available.

Nicocigs Limited
Annual Report and Financial Statements

Notes to the financial statements
For the year ended 31 December 2019 (continued)

3. Revenue

Revenue by geographic destination

	2019 £'000	2018 £'000
UK	<u>3,307</u>	<u>3,917</u>
	<u>3,307</u>	<u>3,917</u>

All revenue is derived from principal activities. The origin of the revenue is entirely in the UK.

The Directors consider that the company operates in one business segment and as such no further analysis is required.

4. Operating profit/(loss)

	2019 £'000	2018 £'000
Operating loss is stated after charging/(crediting):		
Operating lease charges	-	5
Provision for doubtful amounts	(4)	(7)
Net foreign currency exchange differences	(24)	37
Auditors' remuneration:		
Fees payable for the audit	10	12
Fees payable for services relating to tax	-	4

5. Finance costs

	2019 £'000	2018 £'000
Finance income		
Finance income	<u>24</u>	<u>0</u>
Total finance income	<u>24</u>	<u>0</u>
Finance costs		
Finance costs	<u>(124)</u>	<u>(142)</u>
Total finance costs	<u>(124)</u>	<u>(142)</u>
Net finance costs	<u><u>(100)</u></u>	<u><u>(142)</u></u>

Nicocigs Limited
Annual Report and Financial Statements

Notes to the financial statements
For the year ended 31 December 2019 (continued)

6. Tax on profit/(loss)

	2019	2018
	£'000	£'000
Current tax on profit for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Tax on profit/(loss)	<u>-</u>	<u>-</u>

The tax assessed for the year varied (2018: varied) from the amount computed by applying the corporation tax standard rate to profit/(loss) before taxation. The difference was attributable to the following factors:

	2019	2018
	£'000	£'000
Profit/(Loss) before taxation	1,442	(1,977)
Profit/(Loss) before taxation multiplied by standard rate of 19% (2018: 19%)	274	(376)
Effects of:		
Taxable losses offset from other group companies	(274)	-
Tax losses surrendered to group undertakings	-	376
Total tax charge for the year	<u>-</u>	<u>-</u>

The tax rate for the current year is 19% (2018: 19%).

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. The cancellation has been subsequently enacted following Finance Bill 2020.

Nicocigs Limited
Annual Report and Financial Statements

Notes to the financial statements
For the year ended 31 December 2019 (continued)

7. Inventories

	2019 £'000	2018 £'000
Finished goods in transit	<u>45</u>	<u>237</u>

The cost of inventories recognised as an expense during the year and included within cost of sales was £1,209,637 (2018: £3,610,598).

8. Trade and other receivables

	2019 £'000	2018 £'000
Trade receivables	12	14
Amounts owed by group undertakings	1,299	2,178
Other receivables	18	174
Prepayments	-	9
	<u>1,329</u>	<u>2,375</u>

The amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

Trade receivables are stated net of a provision of £70,521 (2018: £103,759).

9. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	189	755
Amounts owed to group undertakings	13,368	15,696
Taxation and social security	-	39
Accruals	144	188
	<u>13,701</u>	<u>16,678</u>

The amounts owed to group undertakings are unsecured and repayable on demand. An amount of £13,046,818 accrues interest (Note 5) at rates ranging from 0.91% to 0.93% and the balance of £321,345 is interest free (2018: amount of £13,870,007 accrues interest at rates ranging from 0.70% to 0.96% and the balance of £1,826,507 is interest free).

Nicocigs Limited
Annual Report and Financial Statements

Notes to the financial statements
For the year ended 31 December 2019 (continued)

10. Called up share capital

	2019 £'000	2018 £'000
Alloted, called up and fully paid		
100 Ordinary A Class shares of £1 each	0	0
41 Ordinary B Class shares of £1 each	0	0
	<u>0</u>	<u>0</u>

Share premium account represents the difference between the consideration paid and the nominal value on ordinary shares issued.

11. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Philip Morris Holland Holdings B.V., a company incorporated in the Netherlands. The company's ultimate parent undertaking and controlling party is Philip Morris International Inc., a company incorporated in the United States of America which is the parent of the largest group to consolidate these financial statements. The consolidated financial statements of Philip Morris International, Inc available from The Secretary Philip Morris International, Inc., 120 Park Avenue, New York, 10017, USA.

12. Post balance sheets events

The Company has evaluated events occurring subsequent to December 31, 2019 for potential recognition or disclosure in the financial statements and concluded there were no subsequent events that required recognition or disclosure other than the impact of Covid-19 (non-adjusting post balance sheet event), further discussed in Going Concern note.