

**British-American Tobacco (Holdings) Limited**

**Registered Number 00262254**

**Annual report and financial statements**

**For the year ended 31 December 2018**



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## Strategic Report

The Directors present their strategic report on British-American Tobacco (Holdings) Limited (the "Company") for the year ended 31 December 2018.

### Principal activities

The Company acts as an investment holding company in subsidiary undertakings of the British American Tobacco p.l.c. Group (the "Group") which are active in the tobacco industry and in addition acts as the principal Group Head Office operating company.

### Review of the year ended 31 December 2018

The profit for the financial year attributable to British-American Tobacco (Holdings) Limited shareholders after deduction of all charges and the provision of taxation amounted to £3,229,761,000 (2017: £1,840,431,000).

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

### Post balance sheet event

On 13 September 2019, British American Tobacco Group announced that, following a strategic review, certain employees roles would potentially be substantially changed, relocated or were no longer required. The employees affected are therefore subject to the UK requirements of Information and Consultation on the future proposed organisational structure. It is intended that the proposals, if accepted, will be substantially enacted by the first quarter of 2020.

### 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



Ms J. Haynes  
Assistant Secretary

25 September 2019

## **Directors' Report**

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2018.

### **Dividends**

During the year the Company paid dividends amounting to £2,900,000,000 (2017: £2,020,000,000).

### **Board of Directors**

The names of the persons who served as Directors of the Company during the period 1 January 2018 to the date of this report are as follows:

Nicandro Durante	(Resigned 1 April 2019)
John Benedict Stevens	(Resigned 5 August 2019)
Jerome Bruce Abelman	
Jack Bowles	
Alan Davy	
Giovanni Giordano	(Resigned 31 March 2019)
Andrew MacLachlan Gray	(Resigned 1 January 2019)
Tadeu Luiz Marroco	
David O'Reilly	
Ricardo Cesar de Almeida Oberlander	
Naresh Kumar Sethi	(Resigned 31 March 2019)
Johan Maurice Vandermeulen	
Kingsley Wheaton	
Marina Fagundes Bellini	(Appointed 1 January 2019)
Luciano Comin	(Appointed 1 January 2019)
Hae In Kim	(Appointed 1 January 2019)
Paul Rutger Lageweg	(Appointed 1 January 2019)
Guy Andrew Meldrum	(Appointed 1 January 2019)

### **Directors' indemnities**

Throughout the period 1 January 2018 to the date of this report, a qualifying third party indemnity has been in force under which Messrs J.B. Stevens and N. Durante, as Directors of the Company, are, to the extent permitted by law, indemnified by British American Tobacco p.l.c., the ultimate parent undertaking, in respect of all costs, charges, expenses or liabilities which they may incur 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.

### **Research and development**

No research and development expenditure has been incurred during the year (2017: £nil).

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2017: £nil).

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

## Directors' Report (continued)

### Employees

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

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

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

### Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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' Report (continued)

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

By Order of the Board



Ms J. Haynes  
**Assistant Secretary**

25 September 2019

## **Independent Auditor's Report to the members of British-American Tobacco (Holdings) Limited**

### **Opinion**

We have audited the financial statements of British-American Tobacco (Holdings) Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and loss account, Statement of other comprehensive income, Statement of changes in equity, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

# **Independent Auditor's Report to the members of British-American Tobacco (Holdings) Limited (continued)**

## **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 3 to 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.



**Christopher Hearn (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

15 Canada Square  
London. E14 5GL  
27 September 2019

**Profit and loss account for the year ended 31 December**

		2018	Revised 2017
	Note	£'000	£'000
<b>Continuing operations</b>			
Other operating income	2	1,253,666	1,200,719
Other operating expenses	3	(988,110)	(912,326)
<b>Operating profit</b>		<b>265,556</b>	<b>288,393</b>
Income from shares in Group undertakings	4	2,997,073	1,511,294
Interest receivable and similar income	5	5,648	375
Interest payable and similar expenses	6	(25)	(865)
<b>Profit before taxation</b>		<b>3,268,252</b>	<b>1,799,197</b>
Tax on profit	7	(38,491)	41,234
<b>Profit for the financial year</b>		<b>3,229,761</b>	<b>1,840,431</b>

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

**Statement of other comprehensive income for the year ended 31 December**

		2018	2017
	Note	£'000	£'000
<b>Profit for the financial year</b>		<b>3,229,761</b>	<b>1,840,431</b>
Actuarial gain arising on defined benefit pension scheme	17	16,929	13,880
Effective portion of changes in fair value of cash flow hedges	19	(18,119)	15,466
Deferred tax on actuarial gain		(2,878)	17,284
<b>Total recognised gains relating to the financial year</b>		<b>3,225,693</b>	<b>1,887,061</b>

**Statement of changes in equity for the year ended 31 December**


	Called up share capital	Share premium account	Profit and loss account	Cash flow hedge reserve	Total Equity
	£'000	£'000	£'000	£'000	£'000
<b>1 January 2017</b>	<b>84,630</b>	<b>744</b>	<b>2,080,973</b>	<b>(6,714)</b>	<b>2,159,633</b>
<b>Total comprehensive income</b>					
Profit for the financial year	-	-	1,840,431	-	1,840,431
Other comprehensive income (see above)	-	-	31,164	15,466	46,630
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,871,595</b>	<b>15,466</b>	<b>1,887,061</b>
<i>Transactions with owners, recorded directly in equity</i>					
Equity share scheme income	-	-	20,523	-	20,523
Exercise of equity-settled share options	-	-	2,721	-	2,721
Issue of shares	40,268	23,183,166	-	-	23,223,434
Dividends paid	-	-	(2,020,000)	-	(2,020,000)
<b>31 December 2017</b>	<b>124,898</b>	<b>23,183,910</b>	<b>1,955,812</b>	<b>8,752</b>	<b>25,273,372</b>
<b>Total comprehensive income</b>					
Profit for the financial period	-	-	3,229,761	-	3,229,761
Other comprehensive income (see above)	-	-	14,051	(18,119)	(4,068)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>3,243,812</b>	<b>(18,119)</b>	<b>3,225,693</b>
<i>Transactions with owners, recorded directly in equity</i>					
Equity share scheme income	-	-	27,643	-	27,643
Exercise of equity-settled share options	-	-	2,080	-	2,080
Dividends paid	-	-	(2,900,000)	-	(2,900,000)
<b>31 December 2018</b>	<b>124,898</b>	<b>23,183,910</b>	<b>2,329,347</b>	<b>(9,367)</b>	<b>25,628,788</b>

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

**Balance sheet as at 31 December**

		<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Intangible assets	8	358,196	390,793
Tangible assets	9	22,116	25,991
Investments in Group undertakings	10	23,392,864	23,392,864
		<b>23,773,176</b>	<b>23,809,648</b>
<b>Current assets</b>			
Debtors: amounts falling due after one year		549	1,416
Stocks	12	311,488	377,567
Debtors: amounts falling due within one year	11	1,945,718	1,583,435
Deferred tax asset	15	106,783	120,132
Derivative financial instruments- assets	19	1,583	12,589
Cash at bank and in hand		123,539	13,404
		<b>2,489,660</b>	<b>2,108,543</b>
Creditors: amounts falling due within one year	13a	(348,505)	(367,153)
Derivative financial instruments - liabilities	19	(11,967)	(3,693)
<b>Net current assets</b>		<b>2,129,188</b>	<b>1,737,697</b>
<b>Total assets less current liabilities</b>		<b>25,902,364</b>	<b>25,547,345</b>
Creditors: amounts falling due after one year	13b	(952)	(952)
Provisions for liabilities	14	(15,552)	(22,294)
Retirement benefit scheme liabilities	17	(255,882)	(250,708)
Derivative financial instruments – liabilities falling due after one year	19	(1,190)	(19)
<b>Net assets</b>		<b>25,628,788</b>	<b>25,273,372</b>
<b>Capital and reserves</b>			
Called up share capital	16	124,898	124,898
Share premium account	16	23,183,910	23,183,910
Profit and loss account		2,329,347	1,955,812
Cash flow hedge reserve		(9,367)	8,752
<b>Total shareholders' funds</b>		<b>25,628,788</b>	<b>25,273,372</b>

The financial statements on pages 10 to 35 were approved by the Directors on 25 September 2019 and signed on behalf of the Board.

  
Mr T. L. Marroco  
Director

Registered number  
00262254

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

## Notes to the financial statements for the year ended 31 December 2018

### 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 Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and where advantage of disclosure exemptions available under FRS 101, such as the preparation of a cash flow statement or disclosures regarding financial instruments, transactions with related parties, and certain disclosures regarding share-based payments have been taken. The Directors have at the time of approving these financial statements a reasonable expectation that the company has adequate resources to continue in operational existence for 12 months following the signing of these accounts.

With effect from 1 January 2018, the Company has adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments*. On adopting IFRS 15, the Company revised the presentation of royalties income to present it within other operating income rather than being netted off within other operating costs. The adoption of IFRS 9 had no material effect on the accounts.

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 preparation of the financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. The key estimates and assumptions are set out in the accounting policies below, together with the related notes to the accounts.

The most significant items include:

- the review of asset values and impairment testing of financial and non-financial assets; and
- the estimation of and accounting for retirement benefits costs.

Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgment at the date of the financial statements. In the future, actual experience may deviate from these estimates and assumptions, which could affect the financial statements as the original estimates and assumptions are modified, as appropriate, in the year in which the circumstances change.

#### Foreign currencies

The functional currency of the Company is sterling. Transactions arising in currencies other than sterling are translated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities expressed in currencies other than sterling are translated at rates of exchange ruling at the end of the financial year.

#### Income

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

## Notes to the financial statements for the year ended 31 December 2018

### 1 Accounting policies (continued)

#### 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.

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.

#### Intangible assets

The intangible assets shown on the Company balance sheet consist mainly of computer software.

Computer software is carried at cost less accumulated amortisation and impairment, and, with the exception of global software solutions, is amortised on a straight-line basis over periods ranging from three years to ten years. Global software solutions are software assets designed to be implemented on a global basis and used as a standard solution by all of the operating companies in the Group. These assets are amortised on a straight-line basis over periods not exceeding ten years. Assets in the course of construction are not amortised until brought into operational use.

#### Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis to write off the assets over their useful economic life. No depreciation is provided on freehold land or assets classified as held for sale. Freehold and leasehold property are depreciated at rates between 2.5 per cent and 4 per cent per annum, and plant and equipment at rates between 5 per cent and 25 per cent per annum. Assets in the course of construction are not depreciated until brought into operational use.

#### Investments in Group undertakings

Investments in Group undertakings are stated at cost, together with subsequent capital contributions, less provisions for any impairment in value, where appropriate.

#### Operating leases

The annual payments under operating leases are charged to the Profit and loss account on a straight line basis over the length of the lease term.

## Notes to the financial statements for the year ended 31 December 2018

### 1 Accounting policies (continued)

#### Employee share schemes

The Company has equity-settled share-based compensation plans.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of awards that will eventually vest. For plans where vesting conditions are based on total shareholder returns, the fair value at the date of grant reflects these conditions, whereas earnings per share vesting conditions are reflected in the calculation of awards that will eventually vest over the vesting period.

Fair value is measured by the use of the Black-Scholes option pricing model, except where vesting is dependent on market conditions when the Monte-Carlo option pricing model is used. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

#### Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid.

#### Stocks

The Company acts as a service provider for certain global solutions and accounts for the cost of the services for which the entity has not recognised the related revenue as work in progress stock, in accordance with IAS 2.

#### Retirement benefits

The Company operates and participates in both defined benefit and defined contribution schemes. The net deficit or surplus for each defined benefit pension scheme is calculated in accordance with IAS 19 Employee Benefits, based on the present value of the defined benefit obligation at the balance sheet date less the fair value of the scheme assets adjusted, where appropriate, for any surplus restrictions or the effect of minimum funding requirements.

Actuarial gains and losses, changes in unrecognised scheme surpluses and minimum funding requirements are recognised in full through other comprehensive income. Past service costs or credits resulting from amendments to benefits are recognised immediately.

For defined benefit schemes, the actuarial cost charged to profit from operations consists of current service cost, net interest on the net defined benefit liability or asset, past service cost and the impact of any settlements.

Some benefits are provided through defined contribution schemes and payments to these are charged as an expense as they fall due.

## Notes to the financial statements for the year ended 31 December 2018

### 1 Accounting policies (continued)

#### Financial instruments

The Company's business model for managing financial assets is set out in the BAT Group Treasury Manual which notes that the primary objective with regard to the management of cash and investments is to protect against the loss of principal. The majority of financial assets are held in order to collect contractual cash flows (typically cash and cash equivalents and loans and other receivables) but some assets (typically investments) are held for investment potential.

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.

Financial assets and financial liabilities are initially recognised at fair value, plus directly attributable transaction costs where applicable, with subsequent measurement as set out below.

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

- for derivatives that are designated as cash flow hedges, the changes in their fair values are recognised directly in other comprehensive income, to the extent that they are effective, with the ineffective portion being recognised in the profit and loss account. Where the hedged item results in a non-financial asset, the accumulated gains and losses, previously recognised in other comprehensive income, are included in the initial carrying value of the asset (basis adjustment) and recognised in the profit and loss account in the same periods as the hedged item. Where the underlying transaction does not result in such an asset, the accumulated gains and losses are reclassified to the profit and loss account in the same periods as the hedged item;
- for derivatives that do not qualify for hedge accounting or are not designated as hedges, the changes in their fair values are recognised in the profit and loss account in the period in which they arise.

In order to qualify for hedge accounting, the Company is required to document prospectively the relationship between the item being hedged and the hedging instrument. The Company is also required to demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an on-going basis. This effectiveness testing is re-performed periodically to ensure that the hedge has remained, and is expected to remain, highly effective.

Hedge accounting is discontinued when a hedging instrument is derecognised (e.g. through expiry or disposal), or no longer qualifies for hedge accounting (e.g. when the transaction being hedged is no longer highly probable). Where the previously hedged item is still expected to occur, the related gains and losses remain in equity until the transaction takes place, when they are reclassified to the profit and loss account in the same manner as for cash flow hedges as described above. When a hedged future transaction is no longer expected to occur, any related gains and losses, previously recognised in other comprehensive income, are immediately reclassified to the profit and loss account.

All of the Company's hedging relationships at the end of 2017 are considered to be continuing hedge relationships on the adoption of IFRS 9.

Derivative fair value changes recognised in the profit and loss account are either reflected in arriving at profit from operations (if the hedged item is similarly reflected) or in finance costs.

Non-derivative financial assets are classified on initial recognition in accordance in the Group's business model as investments or loans and receivables. Loans and receivables include Amounts owed by Group undertakings and Other debtors, which are non-derivative financial assets with fixed or determinable 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 are measured at amortised cost, using the effective interest rate method, and stated net of allowances for credit losses.

# Notes to the financial statements for the year ended 31 December 2018

## 1 Accounting policies (continued)

### Impairment of financial assets held at amortised cost

Financial assets are reviewed at each balance sheet date, or whenever events indicate that the carrying amount may not be recoverable. With effect from 1 January 2018, loss allowances for expected credit losses on financial assets which are held at amortised cost are recognised on the initial recognition of the underlying asset. Allowances in respect of loans and other receivables (debtors) are initially recognised at an amount equal to 12-month expected credit losses. Where the credit risk on the receivables has increased significantly since initial recognition, allowances are measured at an amount equal to the lifetime expected credit loss. Prior to 1 January 2018, financial assets were reviewed for impairment at each balance sheet date, or whenever events indicated that the carrying amount might not be recoverable.

### Impairment of non-financial assets and investments in Group undertakings

Assets are reviewed for impairment whenever events indicate that the carrying amount of an asset may not be recoverable. In addition, assets that have indefinite useful lives are tested annually for impairment. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less costs to sell and its value in use.

### Other operating expenses

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

## 2 Other operating income

Other operating income predominantly comprises royalties, technical and advisory fees and IT recharges from fellow Group undertakings. The Company has taken advantage of the implementation of IFRS 15 to revise the presentation of royalty income charged to fellow subsidiaries such that these amounts are now shown within other operating income rather than being netted off within other operating costs. The Directors consider this to be a better presentation of the income and expenses of the Company.

	2018	Revised 2017
	£'000	£'000
<b>Other operating income</b>		
Royalties	678,158	684,760
Technical and advisory fees	312,050	266,802
IT recharges	248,007	234,517
Other income	15,451	14,640
	<b>1,253,666</b>	<b>1,200,719</b>

## Notes to the financial statements for the year ended 31 December 2018

## 3 Other operating expenses

	2018	Revised 2017
	£'000	£'000
<b>Other operating expenses comprise:</b>		
Staff costs	278,627	224,677
Depreciation of tangible assets	6,806	7,413
Amortisation of intangibles	72,647	71,364
Impairment of tangible assets	934	545
Tangible asset write-off	17	-
Impairment of intangible assets	-	39,430
Impairment of intangible assets – capitalised	-	(18,585)
<b>Impairment of intangible assets – net</b>	-	20,845
Gain on disposal of tangible assets	(542)	(658)
Operating lease charges:		
- buildings – gross	19,847	19,242
- buildings - amounts capitalised to work in progress	(9)	(26)
<b>- buildings – net</b>	19,838	19,216
Auditor's remuneration:		
- For the audit of the financial statements of the ultimate parent undertaking	8,645	13,285
- For the audit of the financial statements of the Company	50	50
Taxation advisory services	17,104	4,046
Other advisory services	24,583	31,769
Taxation advisory services - capitalised	(811)	(2,307)
<b>Advisory services - net</b>	40,876	33,508
Exchange losses	3,185	2,965
Exceptional operating expense	44,579	43,207
Royalty expense*	215,928	217,275
Other operating expense	220,215	215,663
Cost of sales	93,159	81,578
Total other operating expense capitalised to work in progress	(16,854)	(38,607)
	<b>988,110</b>	<b>912,326</b>

\*The Company has taken advantage of the implementation of IFRS 15 to revise the presentation of royalties which represents income collected on behalf of other entities, with the expense representing the transfer to the fellow Group company, such that these amounts are now presented gross rather than being netted off within other operating costs. Corresponding notes have been revised to reflect the current presentation.

## Notes to the financial statements for the year ended 31 December 2018

## 3 Other operating expenses (continued)

Impairment of intangibles in 2017 amounting £39,430,000 relate to various projects undertaken for the implementation of a new operating model.

	2018 £'000	2017 £'000
<b>Staff costs:</b>		
Wages and salaries	179,359	153,101
Social security costs	21,167	19,863
Unfunded defined benefit scheme pension costs (note 17)	26,857	33,048
Defined contribution scheme pension cost (note 17)	7,507	6,857
Other pension costs	213	170
Pension recharge (note 17)	2,789	4,494
Share-based payments (note 18)	104,323	98,146
Contributions from other Group undertakings to share based payments	(54,182)	(70,549)
Total staff costs capitalised to work in progress	(9,406)	(20,453)
<b>Total</b>	<b>278,627</b>	<b>224,677</b>

The Company acts as contractual employer and recharges the costs as appropriate to other Group undertakings where its employees perform work on behalf of other Group undertakings. Additionally the Company is recharged for work performed for the Company by employees employed by other Group undertakings.

The average monthly number of persons (including Directors) employed by the Company by activity during the year was:

	2018 Number	2017 Number
Administration	868	776

The aggregate emoluments of the Directors payable by the Company or its subsidiary undertakings in respect of their services to those companies while Directors of the Company were:

	2018 £'000	2017 £'000
Aggregate emoluments	14,898	18,389
	<b>2018 Number</b>	<b>2017 Number</b>
Directors exercising share options during the year	11	11
Directors entitled to receive shares under a long term incentive scheme	11	12
Directors retirement benefits accruing under a defined benefit scheme	8	8
Directors retirement benefits accruing under a defined contribution scheme	3	4

**Highest paid Director**

	2018 £'000	2017 £'000
Aggregate emoluments	2,019	7,020

Defined contribution pension scheme:

Accrued pension at the end of year	-	-
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## Notes to the financial statements for the year ended 31 December 2018

### 3 Other operating expenses (continued)

The above figures do not include Messrs N. Durante and J.B Stevens who receive remuneration in respect of their services as Directors of the British American Tobacco p.l.c. Group and do not receive any remuneration in their capacity as Directors of the Company. Their remuneration is disclosed in the Annual Report of British American Tobacco p.l.c..

At 31 December, the Company had commitments in respect of non-cancellable operating leases expiring as follows:

#### Land and buildings

	2018 £'000	2017 £'000
Within 1 year	10,682	10,865
Between 1-5 years	41,264	41,630
Beyond 5 years	10,316	20,632

Commitments in respect of non-cancellable operating leases are related to the rental of the Harbour Exchange and Globe House buildings.

### 4 Income from shares in Group undertakings

	2018 £'000	2017 £'000
Income receivable from Group undertakings	2,997,073	1,511,294

Income receivable from Group undertakings mainly represents dividends received from Louisville Securities Limited and British American Tobacco Western Europe Commercial Trading Limited.

### 5 Interest receivable and similar income

	2018 £'000	2017 £'000
Exchange gains	1,964	-
Interest receivable from Group undertakings	3,684	365
Other interest receivable	-	10
	5,648	375

### 6 Interest payable and similar expenses

	2018 £'000	2017 £'000
Exchange losses	-	826
Interest payable to Group undertakings	25	39
	25	865

## Notes to the financial statements for the year ended 31 December 2018

## 7 Taxation

## (a) Recognised in the Profit and loss account

	2018 £'000	£'000	2017 £'000	£'000
<i>UK corporation tax</i>				
Current tax on income for the period	22,510		46,772	
Adjustments in respect of prior periods	(6,740)		-	
Double taxation relief	(14,421)		(15,133)	
<i>Foreign tax</i>				
Current tax on income for the period	26,671		22,696	
<b>Total current tax</b>		<b>28,020</b>		<b>54,335</b>
<i>Deferred tax</i>				
Origination and reversal of temporary differences	10,818		(95,569)	
Adjustments in respect of prior periods	(347)		-	
<b>Total deferred tax</b>		<b>10,471</b>		<b>(95,569)</b>
<b>Total income tax expense</b>		<b>38,491</b>		<b>(41,234)</b>

## (b) Factors affecting the taxation charge

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantially enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

The current taxation charge differs from the standard 19% (2017: 19.25%) rate of corporation taxation in the UK. The major causes of this difference are listed below:

	2018 £'000	2017 £'000
Profit for the year	3,229,761	1,840,431
Total tax expense	38,491	(41,234)
Profit excluding taxation	3,268,252	1,799,197
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	620,968	346,345
Adjustments in respect of prior periods	(7,087)	-
Non-deductible expenses	14,401	(6,478)
Tax exempt revenues	(590,421)	(292,866)
Transfer pricing adjustments	-	2,308
Tax rate changes	(823)	12,761
Group relief claimed for nil consideration	(9,205)	-
Temporary differences not previously recognised	-	(94,541)
Effects of overseas tax rates	10,658	(8,763)
<b>Total tax charge</b>	<b>38,491</b>	<b>(41,234)</b>

## Notes to the financial statements for the year ended 31 December 2018

## 8 Intangible assets

	Computer software £'000	Under development £'000	Total £'000
<b>Cost</b>			
1 January 2018	656,848	42,703	699,551
Additions	-	40,050	40,050
Reallocation	63,311	(63,311)	-
Disposal	(35,800)		(35,800)
<b>31 December 2018</b>	<b>684,359</b>	<b>19,442</b>	<b>703,801</b>
<b>Accumulated amortisation</b>			
1 January 2018	(308,758)	-	(308,758)
Charge for the year	(72,647)	-	(72,647)
Disposals	35,800	-	35,800
<b>31 December 2018</b>	<b>(345,605)</b>	<b>-</b>	<b>(345,605)</b>
<b>Net book value</b>			
1 January 2018	348,090	42,703	390,793
<b>31 December 2018</b>	<b>338,754</b>	<b>19,442</b>	<b>358,196</b>

## 9 Tangible assets

	Freehold property £'000	Plant and equipment £'000	Under development £'000	Total £'000
<b>Cost</b>				
1 January 2018	43,448	65,329	3,691	112,468
Additions	364	2,132	1,480	3,976
Reallocation	2,405	1,200	(3,605)	-
Disposals	-	(1,555)	-	(1,555)
<b>31 December 2018</b>	<b>46,217</b>	<b>67,106</b>	<b>1,566</b>	<b>114,889</b>
<b>Accumulated amortisation</b>				
1 January 2018	(37,692)	(48,785)	-	(86,477)
Charge for the year	(581)	(6,225)	-	(6,806)
Impairment charge	(38)	(896)	-	(934)
Disposals	-	1,444	-	1,444
<b>31 December 2018</b>	<b>(38,311)</b>	<b>(54,462)</b>	<b>-</b>	<b>(92,773)</b>
<b>Net book value</b>				
1 January 2018	5,756	16,544	3,691	25,991
<b>31 December 2018</b>	<b>7,906</b>	<b>12,644</b>	<b>1,566</b>	<b>22,116</b>

## Notes to the financial statements for the year ended 31 December 2018

## 10 Investments in Group undertakings

## (1) Shares in Group Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>Bahrain</b>				
<i>Unit 1, Building 2126, Road 1734, Block 117, Hidd Town, Bahrain</i>				
British American Tobacco Middle East S.P.C.	Ordinary	0.00	100.00	100.00
<b>Benin</b>				
<i>Cotonou, Lot Numero H19, Quartiers Les Cocotiers, 01 BP 2520, Benin</i>				
British American Tobacco Benin SA	Issued	0.00	100.00	100.00
<b>Bosnia and Herzegovina</b>				
<i>ul. Kralja Petra I Karadordevica br. 82, 78000 Banja Luka, Bosnia and Herzegovina</i>				
FDBL-B d.o.o. Banja Luka	Ordinary	0.00	100.00	100.00
<i>Blajburških žrtava br. 62, Mostar, Bosnia and Herzegovina</i>				
TOBACCO PRESS d.o.o. Mostar	Ordinary	0.00	100.00	100.00
<b>Bulgaria</b>				
<i>425, Tsarigradsko Shose Blvd., Warehouse Base 2, Warehouse (205-208 - (219-222), Pancharevo Municipality, 1000, Sofia, Bulgaria</i>				
Express Logistics and Distribution EOOD	Ordinary	0.00	100.00	100.00
<b>Cambodia</b>				
<i>1121 National Road 2, Prek Tanou Village, Sangkat Chak Ang Re Leu, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia</i>				
British American Tobacco (Cambodia) Limited	Ordinary	0.00	71.00	71.00
<i>No. 33, Street No. 294 (Corner of Street No. 29), Sangat Tonie Bassac, Khan Cham Karmon, Phnom Penh, Cambodia</i>				
British American Tobacco (Cambodge) International Limited	Ordinary	0.00	100.00	100.00
<b>Cayman Islands</b>				
<i>Trident Trust Company (Cayman) Ltd., One Capital Place, PO Box 847, Grand Cayman, KY1-1103, Cayman Islands</i>				
R.J. Reynolds Tobacco (CI), Co.	Ordinary	0.00	100.00	100.00
<b>Chile</b>				
<i>Isidora Goyenechea 3000, piso 19, Las Codes, Chile</i>				
BAT Chile S.A.	Ordinary	0.00	100.00	49.78
Inversiones Casablanca S.A.	Ordinary	0.00	99.98	99.98
British American Tobacco Chile Operaciones S.A.	Ordinary	0.00	49.75	49.75
<b>Cyprus</b>				
<i>Photiades Business Centre, 5th Floor, 8 Stasinou Avenue, Nicosia, CY-1060, Cyprus</i>				
<b>Denmark</b>				
<i>Vester Farimagsgade 16, 1606 Copenhagen, Denmark</i>				
British American Tobacco Denmark A/S (House of Prince A/S)	Ordinary	0.00	100.00	100.00
Precis (1789) Denmark A/S	Ordinary	0.00	100.00	100.00
X-International ApS	Ordinary	0.00	100.00	100.00
<b>Egypt</b>				
<i>10 Omar Ibn El Khattab St. City Stars Complex, Star Capital Towers 4A, 8th floor, Heliopolis, Cairo, Egypt</i>				
BETCO for General Services and Marketing LLC	Ordinary	0.00	100.00	100.00
BETCO for Trade and Distribution LLC	Ordinary	0.00	100.00	100.00

## Notes to the financial statements for the year ended 31 December 2018

## 10 Investments in Group undertakings

## (1) Shares in Group Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>Egypt</b> <i>City Stars Complex, Star Capital 4A, 10th Floor, Omar Ibn El Khattab St., Heliopolis, Cairo, Egypt</i>				
British American Tobacco Egypt LLC	Ordinary	0.00	100.00	100.00
<b>Fiji</b> <i>Lady Maria Road, Nabua, Suva, Fiji</i>				
British American Tobacco (Fiji) Limited	Ordinary	0.00	50.00	50.00
<b>Hong Kong</b> <i>Units 2501 and 2506 to 2510, 25/F Island Place Tower, Island Place 510, King's Road, Hong Kong</i>				
American Cigarette Company Limited	Ordinary	0.00	100.00	100.00
<b>Hong Kong</b> <i>Units 2501 and 2506 to 2510, 25/F Island Place Tower, Island Place 510, King's Road, Hong Kong</i>				
British Cigarette Company (1964) Limited	Ordinary	0.00	100.00	100.00
<i>LEHMAN, LEE &amp; XU CORPORATE SERVICES, Suite 3313, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong</i>				
Reynolds Asia-Pacific Limited	Ordinary	0.00	100.00	100.00
<b>Iran, Islamic Republic of</b> <i>No. 2 Saba Boulevard with Africa Boulevard, Tehran, 19667, Islamic Republic of Iran</i>				
B.A.T. Pars Company (Private Joint Stock)	Ordinary	0.00	99.90	99.90
<b>Iraq</b> <i>Enkawa, Erbil, Kurdistan Region of Iraq</i>				
B.A.T. Iraqia Company for Tobacco Trading Limited	Ordinary	0.00	100.00	100.00
<b>Isle of Man</b> <i>2nd Floor, St Mary's Court, 20 Hill Street, Douglas, IM1 1EU, Isle of Man</i>				
Abbey Investment Company Limited	Ordinary	0.00	100.00	100.00
<b>Japan</b> <i>Atago Mori Tower 21F, 2-5-1 Arago, Minato-Ku, Tokyo, 105-622, Japan</i>				
British American Tobacco Japan, Ltd.	Ownership Interest	0.00	100.00	100.00
<b>Kenya</b> <i>9 Likoni Road, Industrial Area, P.O. Box 30000-00100, Nairobi, Kenya</i>				
British American Tobacco Area Limited	Ordinary	0.00	50.00	50.00
<b>Korea, Republic of</b> <i>Gangnam Finance Center, 152 Teheran-ro, Gangnam-gu, Seoul, Republic of Korea</i>				
British American Tobacco Korea Limited	Common	0.00	100.00	100.00
<b>Malaysia</b> <i>Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301, Petaling Jaya, Selangor Darul Ehsan, Malaysia</i>				
British American Tobacco GSD (Kuala Lumpur) Sdn Bhd	Ordinary	0.00	100.00	100.00
<b>Mali</b> <i>Hippodrome, Rue Djelibougou à Bamako - BP 2065, Mali</i>				
British American Tobacco (Mali) sarl	Ordinary	0.00	100.00	100.00
<b>Netherlands</b> <i>Parktoeren, 6th Floor, VanHeuven Goedhartlaan 11a, 1181 LE Amstelveen, The Netherlands</i>				
R.J. Reynolds Tobacco B.V.	Ordinary	0.00	100.00	100.00

## Notes to the financial statements for the year ended 31 December 2018

## 10 Investments in Group undertakings

## (1) Shares in Group Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>Netherlands</b>				
R.J. Reynolds Tobacco C.V.	Partnership: General Partner – R. J. Reynolds Global Products, Inc. (10%); Limited Partner – R.J. Reynolds Tobacco Co. (DE) (90%);	0.00	100.00	100.00
Reynolds International Holdings B.V.	Ordinary	0.00	100.00	100.00
<b>Niger</b>				
C/O Niger Briques SARL, Grand, Marché Niamey BP2401, Niamey-Niger				
British American Tobacco Niger	Ordinary	0.00	100.00	100.00
<b>Norway</b>				
Klaus Torgårdsvej 3, 0372 Oslo, Norway				
British American Tobacco Norway AS	Ordinary	0.00	100.00	100.00
<b>Pakistan</b>				
Serena Business Complex. Khayaban-e-Suhrwardy, Islamabad, Pakistan				
Pakistan Tobacco Company Limited	Ordinary	0.00	94.35	94.35
Phoenix (Private) Limited	Ordinary	0.00	97.00	91.52
<b>Poland</b>				
Ul. Tytoniowa 16, 16-300, Augustow, Poland				
British-American Tobacco Polska S.A.	Ordinary	0.00	34.64	34.64
British American Tobacco Polska Trading sp. z o.o.	Ordinary	0.00	100.00	34.64
<b>Qatar</b>				
P O Box 6689, 41 Floor, Tornado Tower, West Bay, Doha, Qatar				
British American Tobacco Q LLC	Ordinary	0.00	100.00	100.00
<b>Romania</b>				
319 Splaiul Independentei, Sema Parc "City Buiding", 1st Floor, 6th Sector, Bucharest, Romania				
British American Shared Services (Europe) S.R.L.	Ordinary	0.00	100.00	100.00
<b>Senegal</b>				
Almadies, Route Hôtel Méridien en Face Club Med, Dakar, Senegal				
Tobacco Marketing Consultant TMC S.A.R.L	Ordinary	0.00	100.00	100.00
<b>Solomon Islands</b>				
Kukum Highway, Ranadi, Honiara, Honiara, Solomon Islands				
Solomon Islands Tobacco Company Limited	Ordinary	0.00	50.00	50.00
<b>South Africa</b>				
Waterway House South, 3 Dock Road, V&A Waterfront, Cape Town 8000, South Africa				
British American Shared Services Africa Middle East (Pty) Limited	Ordinary	0.00	100.00	100.00
<b>Sudan</b>				
Gomhoreya Street, Khartoum, Sudan, PO Box 1381				
Blue Nile Cigarette Company Limited	Ordinary	0.00	100.00	100.00
<b>Sweden</b>				
Västra Trädgårdsgatan 15, 111 53 Stockholm, Sweden				
British American Tobacco Sweden AB	Ordinary	0.00	100.00	100.00
British American Tobacco Sweden Holding AB	Ordinary	0.00	100.00	100.00
Stenåldersgatan 23, 213 76 Malmö, Sweden				

## Notes to the financial statements for the year ended 31 December 2018

## 10 Investments in Group undertakings

## (1) Shares in Group Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>Sweden</b>				
<i>Sweden Stationsvagen 11, 523 74 Hokerum, Sweden</i>				
Winnington AB	Ordinary	0.00	100.00	100.00
Winnington Holding Ab	Ordinary	0.00	100.00	100.00
Winds Global AB	Ordinary	0.00	100.00	100.00
Fiedler & Lundgren AB	Ordinary	0.00	100.00	100.00
<i>Stre Jämvägsgratan 13, 4 fl. SE-252 24 Helsingborg, Sweden</i>				
Niconovum AB	Ordinary	0.00	100.00	100.00
<b>Switzerland</b>				
<i>Route de France 17, 2926 Boncourt, Switzerland</i>				
British American Tobacco Switzerland S.A.	Registered	0.00	100.00	100.00
British American Tobacco Switzerland Vending SA	Ordinary	0.00	100.00	100.00
<i>Route de la Glâne 107, c/o NBA Fiduciaire S.A. 1752 Villars-sur-Glâne, Switzerland</i>				
Intertab S.A.	Registered	0.00	50.00	50.00
<b>Tanzania, United Republic of</b>				
<i>Acacia Estate Building, Kinondoni Rd, P.O. Box 72484, Dar es Salaam, Tanzania</i>				
British American Tobacco (Tanzania) Limited	Ordinary	0.00	100.00	100.00
International Cigarette Distributors Limited (TZA) (ceased trading)	Issued	0.00	99.00	99.00
Zanzibar Distribution Company Limited (In liquidation)	Issued	0.00	99.00	99.00
<b>Trinidad and Tobago</b>				
<i>Corner Eastern Main Road and Mt. D'or Road, Champs Fleurs, Trinidad and Tobago</i>				
The West Indian Tobacco Company Limited	Ordinary	0.00	50.13	50.13
<b>Uganda</b>				
<i>7th Floor TWED Towers, Plot 10, Kafu Road, Nakasero, P.O. Box 7100, Kampala, Uganda</i>				
British American Tobacco Uganda Limited	Ordinary	0.00	70.00	70.00
<b>United Arab Emirates</b>				
<i>Jumeriah Business Centre 3, 37th Floor, Jumeirah Lake Towers, Dubai, P.O. Box 337222, United Arab Emirates</i>				
British American Tobacco GCC DMCC	Ordinary	0.00	100.00	100.00
British American Tobacco ME DMCC	Ordinary	0.00	100.00	100.00
<b>United Kingdom</b>				
<i>Globe House, 4 Temple Place, London, WC2R 2PG, United Kingdom</i>				
B.A.T Additional Retirement Benefit Scheme Trustee Limited	Ordinary	0.00	100.00	100.00
British American Global Shared Services Limited	Issued	100.00	0.00	100.00
CG Ventures Limited	Ordinary	0.00	100.00	100.00
Louisville Securities Limited	Ordinary	100.00	0.00	100.00
Louisville Securities Limited	Redeemable Preference	100.00	0.00	0.00
South Western Nominees Limited	Ordinary GBP	100.00	0.00	100.00
South Western Nominees Limited	Ordinary USD	100.00	0.00	100.00
<i>212-218 Upper Newtownards Road, Belfast, BT4 3ET, Northern Ireland</i>				
Murray, Sons & Company, Limited	Ordinary	0.00	100.00	100.00

## Notes to the financial statements for the year ended 31 December 2018

## 10 Investments in Group undertakings

## (1) Shares in Group Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>United Kingdom</b>				
<i>Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom</i>				
Advanced Technologies (Cambridge) Limited	Ordinary	0.00	100.00	100.00
B.A.T (U.K. and Export) Limited	Ordinary	0.00	100.00	100.00
B.A.T Cambodia (Investments) Limited	Ordinary	0.00	100.00	100.00
B.A.T Portugal Limited	Ordinary	0.00	100.00	100.00
B.A.T Services Limited	Ordinary	0.00	100.00	100.00
B.A.T Uzbekistan (Investments) Limited	Ordinary	0.00	100.00	100.00
B.A.T Vietnam Limited	Ordinary	0.00	100.00	100.00
BATUS Limited	Ordinary	0.00	100.00	100.00
British American Shared Services (GSD) Limited	Ordinary	0.00	100.00	100.00
British American Shared Services Limited	Ordinary	0.00	100.00	100.00
British American Tobacco (AIT) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco (Investments) Limited	Ordinary	100.00	0.00	100.00
British American Tobacco (Philippines) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco (South America) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Georgia Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Global Travel Retail Limited	Ordinary	100.00	0.00	100.00
British American Tobacco Western Europe Commercial Trading Limited	Ordinary Euro	100.00	0.00	100.00
British American Tobacco Western Europe Commercial Trading Limited	Ordinary Pound Sterling	100.00	0.00	100.00
British-American Tobacco (Mauritius) p.l.c.	Ordinary	0.00	100.00	100.00
Carreras Rothmans Limited	6% first preference shares	0.00	100.00	100.00
Carreras Rothmans Limited	6% second preference shares	0.00	100.00	100.00
Carreras Rothmans Limited	Ordinary	0.00	100.00	100.00
East African Tobacco Company (U.K.) Limited	Ordinary	0.00	99.00	99.00
Powhattan Limited	Ordinary	0.00	100.00	100.00
Rothmans Exports Limited	Ordinary	0.00	100.00	100.00
Rothmans International Tobacco (UK) Limited	Ordinary	0.00	100.00	100.00
Rothmans of Pall Mall (Overseas) Limited	Ordinary	0.00	100.00	100.00
Ryservs (1995) Limited	Ordinary	0.00	100.00	100.00
Ryservs (No.3) Limited	Ordinary	0.00	100.00	100.00
Tobacco Exporters International Limited	Ordinary	0.00	100.00	100.00
Tobacco Marketing Consultants Limited	Ordinary	0.00	100.00	100.00
<i>Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom</i>				
Westanley Trading & Investment Company Limited	Ordinary	0.00	100.00	100.00
Westminster Tobacco Company Limited	Ordinary	0.00	100.00	100.00
<b>United States</b>				
<i>251 Little Falls Drive, Wilmington, DE 19808, United States</i>				
B.A.T Capital Corporation	of Common Stock of \$1	0.00	100.00	100.00
BATUS Holdings Inc.	Common Stock	0.00	100.00	100.00
BATUS JAPAN, INC.	Common Stock	0.00	100.00	100.00
BATUS Retail Services, Inc.	Common Stock	0.00	100.00	100.00

## Notes to the financial statements for the year ended 31 December 2018

## 10 Investments in Group undertakings

## (1) Shares in Group Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>United States</b>				
251 Little Falls Drive, Wilmington, DE 19808, United States				
British American Tobacco (Brands) Inc.	Common	0.00	100.00	100.00
Brown & Williamson Holdings, Inc.	Common Stock	0.00	100.00	100.00
Louisville Corporate Services, Inc.	Common Stock of no par value	0.00	100.00	100.00
<i>401 N. Main Street, Winston-Salem, NC 27101, United States</i>				
Reynolds American Inc.	Common Stock	0.00	100.00	100.00
CF Vapor Company, LLC	Membership Interest	0.00	100.00	100.00
Conwood Holdings, Inc.	Common Stock	0.00	100.00	100.00
EXP Homes, LLC	Membership Interest	0.00	100.00	100.00
LOEC, Inc.	Common Stock	0.00	100.00	100.00
Lorillard Holdings Company, Inc.	Common Stock	0.00	100.00	100.00
	Membership Interest	0.00	100.00	100.00
Lorillard Licensing Company LLC	Interest			
Lorillard Q-Tech, Inc.	Common Stock	0.00	100.00	100.00
Lorillard Technologies, Inc.	Common Stock	0.00	100.00	100.00
	Membership Interest	0.00	100.00	100.00
Lorillard, LLC	Interest			
Niconovum USA, Inc.	Common Stock	0.00	100.00	100.00
Northern Brands International, Inc.	Common Stock	0.00	100.00	100.00
One Park Media Services, Inc.	Common Stock	0.00	100.00	100.00
R. J. Reynolds Global Products, Inc.	Common Stock	0.00	100.00	100.00
R. J. Reynolds Tobacco Company	Common Stock	0.00	100.00	100.00
R. J. Reynolds Tobacco International, Inc.	Common Stock	0.00	100.00	100.00
R. J. Reynolds Vapor Company	Common Stock	0.00	100.00	100.00
R.J. Reynolds Tobacco Co.	Common Stock	0.00	100.00	100.00
R.J. Reynolds Tobacco Holdings, Inc.	Common Stock	0.00	100.00	100.00
RAI Innovations Company	Common Stock	0.00	100.00	100.00
RAI International, Inc.	Common Stock	0.00	100.00	100.00
RAI Services Company	Common Stock	0.00	100.00	100.00
RAI Strategic Holdings, Inc.	Common Stock	0.00	100.00	100.00
RAI Trade Marketing Services Company	Common Stock	0.00	100.00	100.00
Reynolds Brands Inc.	Common Stock	0.00	100.00	100.00
Reynolds Technologies, Inc.	Common Stock	0.00	100.00	100.00
RJR Realty Relocation Services, Inc.	Common Stock	0.00	100.00	100.00
	Membership Interest	0.00	100.00	100.00
RJR Vapor Co., LLC	Interest			
	Membership Interest	0.00	100.00	100.00
Rosswil LLC	Interest			
S.F. Imports, Inc.	Common Stock	0.00	100.00	100.00
3220 Knotts Grove Rd., Oxford, NC 27565				
Santa Fe Natural Tobacco Company, Inc.	Common Stock	0.00	100.00	100.00
Spot You More, Inc.	Common Stock	0.00	100.00	100.00
3700 Airpark Dr. Owensboro, KY 42301				
Kentucky BioProcessing, Inc.	Common Stock	0.00	100.00	100.00
Farmers Bank Building, Suite 1402, 301 N. Market Street, Wilmington, DE 19801				
Reynolds Finance Company	Common Stock	0.00	100.00	100.00
5106 Tradeport Dr., Memphis, TN 38141				
American Snuff Company, LLC	Membership Interest	0.00	100.00	100.00

## Notes to the financial statements for the year ended 31 December 2018

## 10 Investments in Group undertakings

## (1) Shares in Group Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>Uzbekistan</b>				
<i>77 Minor Passage, Tashkent, 100084, Uzbekistan</i>				
JSC JV "UZZBAT A.O."	Ordinary	0.00	97.38	97.38

## (2) Investments in Associated Undertakings

Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
<b>India</b>				
<b>Nepal</b>				
<i>Shree Bal Sadan, Gha 2-513, Kantipath, Kathmandu, Nepal</i>				
Surya Nepal Pvt. Limited	Ordinary	0.00	2.00	2.00
<b>Yemen</b>				
<i>P.O. Box 14, Sana, Yemen</i>				
Kamaram Industry and Investment Company	Ordinary	0.00	31.00	31.00
<b>Fiji</b>				
<i>Lady Maria Road, Nabua, Suva, Fiji</i>				
Central Manufacturing Company Limited	Ordinary	0.00	15.00	15.00

## (3) Investments in Group undertakings

	Investment in Group undertakings £'000
<b>Cost</b>	
1 January 2018	23,865,620
<b>31 December 2018</b>	<b>23,865,620</b>
<b>Impairment provisions</b>	
1 January 2018	(472,756)
<b>31 December 2018</b>	<b>(472,756)</b>
<b>Net book value</b>	
1 January 2018	23,392,864
<b>31 December 2018</b>	<b>23,392,864</b>

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

## Notes to the financial statements for the year ended 31 December 2018

**11 Debtors:****Amounts falling due within one year**

	2018 £'000	2017 £'000~
Amounts due from Group undertakings – gross	1,525,445	1,163,501
Allowances	(30,225)	-
Amounts due from Group undertakings – net	1,495,220	1,163,501
Other debtors	23,833	46,247
Prepayments and accrued income	403,519	353,347
Government levies	23,146	20,340
	1,945,718	1,583,435

Included within amounts owed by Group undertakings is an amount of £1,297,205,000 (2017: £923,819,000) which is unsecured and interest bearing and repayable at demand. The interest rate is based on LIBOR. Other amounts owed by Group undertakings are unsecured, interest free and repayable at demand.

The movement in allowance accounts are as follows:

	2018 £'000
1 January 2018	-
Provided	30,225
31 December 2018	30,225

**12 Stocks**

	2018 £'000
Work in progress	
1 January 2018	377,567
Capitalised project costs	27,080
Cost of sales	(93,159)
31 December 2018	311,488

Amounts included in work in progress are project costs to be recovered from fellow Group undertakings up to 2023, as per internal contracts.

**13 Creditors:****(a) Amounts falling due within one year**

	2018 £'000	2017 £'000
Trade creditors	65,827	54,979
Amounts owed to Group undertakings	150,798	166,237
Taxation and social security	37,429	34,443
Other creditors	90	42
Accruals and deferred income	94,361	111,452
	348,505	367,153

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand. Accruals and deferred income mainly represent bonus accrual.

## Notes to the financial statements for the year ended 31 December 2018

## 13 Creditors:

## (b) Amounts falling due after one year

	2018 £'000	2017 £'000
Deferred income	952	952
	<b>952</b>	<b>952</b>

Deferred income represents the portion of the receipt related to the Franked Investment Income Global Litigation Order ("FIIGLO") allocated to British-American Tobacco (Holdings) Limited. The total gross amount received from HM Revenue and Customs ("HMRC") by the Group was £1,225,244,000 in three separate payments. HMRC held back £261,000,000 on the second payment received by the Group, contending that it represents a new 45% tax on the interest component of restitution claims against HMRC. The total cash allocated to the Company was £952,000, after an apportioned deduction of £327,000 representing the 45% tax described previously.

Actions challenging the legality of the 45% tax have been lodged by both the Group and other participants in FIIGLO.

The payments made by HMRC have been made without any admission of liability and are subject to refund were HMRC to succeed on appeal.

Due to the uncertainty of the amount and eventual outcome the Company has not recognised this receipt in the Profit and loss account in the current or prior period.

## 14 Provisions for liabilities

	Share schemes £'000
1 January 2018	22,294
Released in the year	(628)
Utilised during the year	(6,114)
<b>31 December 2018</b>	<b>15,552</b>

## 15 Deferred tax asset

	1 January 2018 £'000	Recognised in income £'000	Recognised in equity £'000	December 2018 £'000
ACA's	59,604	(10,810)	-	48,794
Pensions	42,620	3,758	(2,878)	43,500
Provisions	513	181	-	694
Shares	17,395	(3,600)	-	13,795
<b>Total</b>	<b>120,132</b>	<b>(10,471)</b>	<b>(2,878)</b>	<b>106,783</b>
	1 January 2017 £'000	Recognised in income £'000	Recognised in equity £'000	December 2017 £'000
ACA's	7,279	52,325	-	59,604
Pensions	-	25,336	17,284	42,620
Provisions	-	513	-	513
Shares	-	17,395	-	17,395
<b>Total</b>	<b>7,279</b>	<b>95,569</b>	<b>17,284</b>	<b>120,132</b>

## Notes to the financial statements for the year ended 31 December 2018

**16 Called up share capital**

Ordinary shares of £1 each	2018	2017
Allotted, called up and fully paid		
- value	<b>£124,897,643</b>	£124,897,643
- number	<b>124,897,643</b>	124,897,643

**Share premium account**

	2018	2017
- value	<b>£23,183,909,490</b>	£23,183,909,490

**17 Retirement Benefit Scheme Liabilities**

The Company participates in several retirement benefit schemes, the largest of which is the British American Tobacco UK Pension Fund (UKPF). 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 of the scheme, with the other participating employers recognising costs equal to their contributions to those liabilities. British American Tobacco (Investments) Limited is the Principal Employer and sponsoring employer under IAS 19 of the scheme. The cost recognised by the Company in respect of this scheme was £2,789,000 (2017: £4,494,000) for the year (note 3).

The last full triennial actuarial valuation of the British American Tobacco UK Pension Fund was carried out as at 31 March 2017 by a qualified independent actuary. The valuation showed that the fund had a deficit of £23,000,000 (2014: £264,000,000). Details of the latest actuarial valuation of this defined benefit scheme are contained in the financial statements of British American Tobacco (Investments) Limited.

On 1 April 2005, the UK defined benefit schemes were closed to new employees; employees joining since that date have been eligible to join a defined contribution pension scheme.

**Notes to the financial statements for the year ended 31 December 2018**

17

**Retirement Benefit Scheme Liabilities**

The Company operates the Employee Benevolent Fund (EBF), which is an unfunded scheme. The scheme is formally valued annually by a qualified independent actuary. The amounts recognised in the balance sheet are determined as follows:

	2018 £'000	2017 £'000
Present value of unfunded scheme liabilities	(255,882)	(250,708)
	<b>(255,882)</b>	<b>(250,708)</b>
The above net liability is recognised in the Balance Sheet as follows:		
– retirement benefit scheme liabilities	(255,882)	(250,708)
	<b>(255,882)</b>	<b>(250,708)</b>

The amounts recognised in the income statement for the defined benefit scheme are as follows:

	2018 £'000	2017 £'000
Defined benefit schemes		
Service cost		
– current service cost	20,136	24,155
– past service cost	502	2,734
– interest on scheme liabilities	6,219	6,159
Total amount recognised in the income statement (note 3)	<b>26,857</b>	<b>33,048</b>

The amounts recognised in other comprehensive income in respect of actuarial gains and losses of the Company are as follows:

	2018 £'000	2017 £'000
Actuarial gains on scheme liabilities	<b>16,929</b>	<b>13,880</b>

The movements in scheme liabilities are as follows:

	2018 £'000	2017 £'000
Present value at 1 January	250,708	236,160
Current service cost	20,136	24,155
Past service costs	502	2,734
Interest on scheme liabilities	6,219	6,159
Benefits paid (cash outflow)	(4,754)	(4,620)
Actuarial gains	(16,929)	(13,880)
Present value at 31 December	<b>255,882</b>	<b>250,708</b>

## Notes to the financial statements for the year ended 31 December 2018

## 17 Retirement benefits scheme liabilities (continued)

Scheme liabilities by scheme membership:

	2018 £'000	2017 £'000
Active members	129,793	134,828
Deferred members	6,257	5,399
Retired members	119,832	110,481
Present value at 31 December	255,882	250,708

Scheme liabilities by benefits earned to date:

	2018 £'000	2017 £'000
Guaranteed benefits	226,376	209,051
Future salary increases	29,506	41,657
Present value at 31 December	255,882	250,708

Actuarial gains shown above can be analysed as follows:

	2018 £'000	2017 £'000
Actuarial gains:		
- arising from changes in financial assumptions	(19,617)	(16,828)
Experience losses	2,688	2,948
Total	(16,929)	(13,880)

Changes in financial assumptions principally relate to discount rate and inflation rate movements.

The principal actuarial assumptions used, weighted to reflect individual scheme differences are shown below. In both years, discount rates are determined by reference to normal yields on high quality corporate bonds at the balance sheet date.

**Assumptions**

	2018 %	2017 %
Rate of increase in salaries	3.20%	3.20%
Rate of increase in pensions in payment	3.20%	3.20%
Rate of increase in deferred pensions	2.20%	2.20%
Discount rate	2.85%	2.51%
General inflation	3.20%	3.20%

	2018 Years	2017 Years
Weighted average duration of liabilities	19.56	20.61

## Notes to the financial statements for the year ended 31 December 2018

## 17 Retirement benefits scheme liabilities (continued)

Mortality assumptions are subject to regular review. The following table has been used for 2018: S2PA (YOB) with the CMI (2017) improvement model with a 1.25% long term improvement rate (2017: S2PA (YOB) with the CMI (2016) improvement model with a 1.25% long term improvement rate.

Based on the above, the weighted average life expectancy, in years, for mortality tables used to determine benefit obligations is as follows:

	2018 Years	2017 Years
Member age 65 (current life expectancy)		
- male	22.60	22.73
- female	24.10	24.18
Member age 45 (life expectancy at age 65)		
- male	24.17	24.31
- female	25.41	25.48

Valuation of retirement benefit schemes involves judgements about uncertain future events. Sensitivities in respect of the key assumptions used to measure the principal pension schemes as at 31 December 2018 are set out below. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation, with the exception of the sensitivity to inflation which incorporates the impact of certain correlating assumptions such as salary increases. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation, while asset values also change, and the impacts may offset to some extent.

	1 year increase	1 year decrease	0.25 percentage point increase	0.25 percentage point decrease
	£'000	£'000	£'000	£'000
Average life expectancy – increase/(decrease) of scheme liabilities	9,501	(9,387)		
Rate of inflation – increase/(decrease) of scheme liabilities			12,519	(11,752)
Discount rate – (decrease)/increase of scheme liabilities			(11,973)	12,846

**Defined Contribution Scheme Costs**

On 1 April 2005, the UK defined benefit schemes were closed to new employees, and new members since then have joined the defined contribution scheme. The cost to the Company was:

	2018 £'000	2017 £'000
Defined contribution schemes recognised in the income statement gross (note 3)	7,507	6,857
Capitalised costs	-	(588)
Defined contribution schemes recognised in the income statement	7,507	6,269

## Notes to the financial statements for the year ended 31 December 2018

### 18 Share-based payments

Employees of the Company participate in the British American Tobacco share schemes arrangements. The group operates a number of share-based payment arrangements of which the two principal ones are:

#### Long-Term Incentive plan (LTIP)

Nil-cost options exercisable after three years from date of grant with a contractual life of ten years. Payout is subject to performance conditions based on earnings per share (40% of grant), operating cash flow (20% of grant), total shareholder return (20% of grant) and net turnover (20% of grant). Total shareholder return combines the share price and dividend performance of the Company by reference to one comparator group. Participants are not entitled to dividends prior to the exercise of the options. A cash equivalent dividend accrues through the vesting period and is paid on vesting. LTIPs were granted in March.

#### Deferred Share Bonus Scheme (DSBS)

Free ordinary shares released three years from date of grant and may be subject to forfeit if participant leaves employment before the end of the three year holding period. Participants receive a separate payment equivalent to a proportion of the dividend payment during the holding period. DSBS are granted in March each year.

The Group also has a number of other arrangements which are not material for the Group and these are as follows:

#### Share Reward Scheme (SRS) and International Share Reward Scheme (ISRS)

Free shares granted in April each year (maximum £3,600 in any year) under the equity-settled scheme are subject to a three year holding period. Participants receive dividends during the holding period which are reinvested to buy further shares.

#### Share-based payment expense

Please refer to the Annual Report of British American Tobacco p.l.c. for full disclosures under IFRS 2.

The weighted average share price on exercise of LTIP shares in 2018 was £38.90 (2017: £51.95).

The weighted average share price on exercise of DSBS shares in 2018 was £40.00 (2017: £52.52).

The outstanding shares for the year ended 31 December 2018 had an exercise price range of £26.23 - £49.46 (2017: £48.43 - £52.52). The weighted average remaining contractual life are 8.1 years (2017: 8.1 years) for the LTIP shares and are 1.3 years (2017: 1.3 years) for the DSBS shares.

### 19 Derivative financial instruments

	2018	2018	2017	2017
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Cash flow hedges				
- Forward foreign currency contracts	1,583	(13,157)	12,589	3,712
Current		(11,967)	12,589	3,693
Non-current		(1,190)	-	19

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 total cash flow hedge movement for the year was a loss of £18,119,000 (2017: gain of £15,466,000).

## Notes to the financial statements for the year ended 31 December 2018

### 20 Related party disclosures

As a wholly owned subsidiary the Company has taken advantage of the exemption under paragraph 3(c) of FRS 101 'Related party disclosures' from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. Group.

### 21 Contingent liabilities

The Company's ultimate parent British American Tobacco p.l.c. has guaranteed the liabilities of the British American Tobacco UK Pension Fund, on behalf of the Company and the other participating employers of the scheme. In addition all of the participating employers have cross guaranteed the contributions due to the scheme. The fund had a deficit according to the last triennial actuarial valuation in March 2017, of £23,000,000. As at 31 December 2018 the valuation of the surplus on an IAS 19 basis was £1,062,842,000 (2017: £995,473,000).

### 22 Post balance sheet event

On 13 September 2019, British American Tobacco Group announced that, following a strategic review, certain employees roles would potentially be substantially changed, relocated or were no longer required. The employees affected are therefore subject to the UK requirements of Information and Consultation on the future proposed organisational structure. It is intended that the proposals, if accepted, will be substantially enacted by the first quarter of 2020.

### 23 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 B.A.T Industries p.l.c.. 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 2PGs