Company Number : 01860181

IMPERIAL TOBACCO LIMITED

Annual Report and Financial Statements

For the year ended 30 September 2022

IMPERIAL TOBACCO LIMITED

Company Information

Directors	J M Downing L J Paravicini D M Tillekeratne
Company Secretary	D P Bevan
Registered Number	01860181
Registered Office	121 Winterstoke Road Bristol BS3 2LL
Independent Auditors	Ernst and Young LLP 1 More London Place London SE1 2AF United Kingdom

IMPERIAL TOBACCO LIMITED

Strategic Report

The Directors present their Strategic Report together with the Directors' Report and audited financial statements of Imperial Tobacco Limited (the Company) for the year ended 30 September 2022.

Review of the business

The principal activity of the Company is the marketing, distribution and sale of tobacco, tobacco-related and next generation products. The Company is also a holding company and intermediate parent company for the majority of the operating subsidiaries of the Imperial Brands PLC Group (the Group).

The Company is a wholly owned indirect subsidiary of Imperial Brands PLC, which is the ultimate parent company within the Group. The Company results incorporate both the UK trading of the Group and the head office functions, with key performance indicators being focussed on the UK market trading. Key performance indicators used by management to monitor the UK trading element only are detailed below.

	2022	2021	Movement
Market share (%)	**41.6%**	40.7%	87bps
Net revenue (£m)	**547**	660	-17%
Operating profit (£m)	**364**	465	-22%

Year on year volumes decreased 1.8 billion (-11%) stick equivalents. The main driver of the decline in volumes was the unwind of Covid-19 upside seen over the last couple of years including the easing of travel restrictions. Pricing increases in the year also drove a decrease in sales volumes. The volume decreases were partially offset by Brexit border control volume. The decline in net revenue and operating profit delivery were also affected by tactical price repositioning and the impact from minimum excise tax absorption, essential to ensure our sub-economy brands

Net revenue comprises tobacco revenue less duty and similar items, excluding peripheral products. In addition to the UK trading revenue of £4,263 million (2021: £4,465 million), the Company recognised £461 million (2021: £593 million) licence fee and brand management fee income and £23 million (2021: £26 million) revenue from NGP products.

In addition to tobacco operating profit of £364 million (2021: £465 million) for the UK trading business, the Company recognised operating income in respect of licence fees, brand management fees and head office royalties and an operating loss in the NGP business of £2 million (2021: £2 million profit). These are additional to an impairment of £385 million (2021: impairment of £6,978 million).

The principal risks and uncertainties of the Company, are considered to be the following:-

- Failure to manage the impacts of product regulatory change;
- Failure to develop commercially sustainable NGP categories;
- Inability to develop, execute and communicate an effective ESG strategy in line with expectations of relevant stakeholders;
- Pricing, excise or other product tax outcomes not in line with business plan assumptiond or expectations;
- Product portfolio and/or interaction approach not aligned to consumer preferences;
- Failure to ensure expected benefits of strategic transformation programme;
- Major incident result from cyber or similar technology risk;
- Failure to appropriately manage litigation and investigation results in adverse judgements and/or related costs;
- Management of liquidity and financing requirements;
- Product supply fails to meet market demands (stock issues in market);
- Inability to attract, retain and develop required people and/or provide a safe, healthy working environment;

Strategic Report

Review of the business (continued)

These risks, and mitigating actions taken by the Company, are detailed on pages 82-93 of the Group's Annual Report which does not form part of this report. In the normal course of business, the Group is also exposed to market, liquidity and credit risk. The Group's financial risk management policy is discussed in the Financial Risk Factors section of the Group's Annual Report, which does not form part of this report. The Group's Annual report is available at www.imperialbrandsplc.com.

The operating subsidiaries of the Company are shown in note 28. The Company operates an overseas branch in France.

Financial results

The overall results for the Company include both the activities of the UK trading entity and the income and costs of head office corporate functions. These will include additional items such as the impact of impairments. The results for the Company show profit for the financial year of £7,299 million (2021: £1,030 million), operating profit of £57 million (2021: loss of £6,307 million) and revenue of £4,747 million (2021: £5,084 million). Total equity at 30 September 2022 is £19,425 million (2021: £15,535 million).

The Directors do not propose a final dividend (2021: £nil). The aggregate dividends on the ordinary shares recognised as a charge to the Statement of Changes in Equity during the year amounts to £3,400 million (2021: £1,000 million).

Future developments

The Company believes it is well placed to continue in its market leading position in the UK due to its broad product and brand portfolio and the initiatives in the value and economy cigarette, fine cut tobacco and next generation product (NGP) sectors. This, along with the Company's continued commitment to drive sales growth by ensuring that the Company's brand and products evolve in line with changing consumer dynamics, should provide further opportunities to grow operating profits. The Company holds investments in the Group's trading entities, providing substantial dividend income annually.

Statement on Section 172 of the Companies Act 2006

The ongoing sustainable success of the business is dependent on our relationship with a wide range of stakeholders, including consumers, employees, suppliers, retailers, governments and non-governmental organisations.

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Building and maintaining trust with our stakeholders underpins the success and reputation of the Company. Through stakeholder collaboration we aim to develop the Company, minimise our environmental impact, make a positive social contribution and uphold high standards of governance. The output of our stakeholder engagement activities is shared with the Board and taken into consideration when making business decisions.

The Company is involved in Group wide stakeholder focused initiatives to consider the needs of stakeholders. These include appointing a dedicated workforce engagement director sitting on the Group board, supply chain strategy reviews to mitigate human rights abuses, customer visits and market deep dives.

Strategic Report

Statement on Section 172 of the Companies Act 2006 (continued)

This section of the report provides an overview of the dialogue Imperial Brands PLC Group had with its key stakeholders during the year. The company acts as the head office company of the group and therefore the group activities are relevant.

Stakeholder	How the board considers this stakeholder	How stakeholder were consulted/considered in key decisions for the year
Colleagues	• Collective responsibility for workforce engagement has been embedded into the Board's governance framework in the remit of the redefined People and Governance Committee. • The Board held four Meet the Board events with groups of colleagues during the year. These events gave the Board the opportunity to hear colleagues' perspectives as part of our overall engagement strategy. • The Board met to consider the implications of the Russian invasion of Ukraine. The long-term interests of our colleagues in Ukraine were a key factor in this discussion.	• During the year, following extensive consultation we launched "Connections", our new purpose, vision and behaviours through our global all-staff conference. All colleagues have experienced training to enhance their understanding of these behaviours, and what they mean for them in their role. • We continued to hold CEO and leadership town hall meetings, in person and virtually, providing opportunities for colleagues to give feedback directly to the ELT. • Feedback from our four ERGs, focusing on gender, ethnicity, LGBTQ+ and disability, has helped us to understand how better to co-create strategies and policies for including underrepresented groups.
Customers	• The Board has participated in store visits in the UK, Spain and the US over the last year. These visits provide the opportunity to talk directly to retailers. • Our CEO meets with customers regularly throughout the year.	• Our market cluster leadership teams engage with our customers to understand how to improve the effectiveness of their sales forces. • We work closely with our distributors to understand how we can best manage our relationships, and have a dedicated team to support distributor sales and build best practice in distributor management across the Company. • We use key account management practices to engage with our largest customers to better understand their needs and to create strong commercial partnerships to help our businesses create value together.
Consumers	• The Board participated in a number of consumer immersion events over the course of the year, in the UK, Spain and the US. These afforded Board members the opportunity to get closer to the consumer by hearing directly from them about their habits, likes and dislikes. • A tour of our Greensboro factory during the Board visit to the US also helped Board members understand the full life-cycle of the products our consumers enjoy.	• Consumer roundtables and focus groups are held – virtually where COVID-19 restricted face-to-face meetings – to understand consumers' specific requirements and changing preferences. • Feedback from these focus groups is used in our decision-making for investments in brand refreshes and marketing. • The Global Consumer Office, headed by the Chief Consumer Officer, leads consumer-listening initiatives across the Group.

Statement on Section 172 of the Companies Act 2006 (continued)

Stakeholder	How the board considers this stakeholder	How we engage
Government and regulators	• Our new corporate strategy includes a commitment to building a next generation product (NGP) portfolio of potentially reduced harm products • The Board approves our Modern Slavery Statement annually. • The Chief Legal & Corporate Affairs Officer has presented to the Board both on the US regulatory environment and on the Group's key regulatory risks and our corporate affairs strategy to manage these risks.	• We monitor changing regulations in our markets and assess the impact on our existing portfolio and innovations • We assess regulation impact on pack design and marketing support around brand launches • This monitoring allows the Board to take relevant legislation and regulation into account when making its decisions
Investors	• Our CEO, CFO and Chair have regular meetings with our major investors to update them on our performance, hear their views directly and consult with them. • The Board receives a report at every meeting on investor engagement, as well as a feedback report following all investor events. • During the year, the Board commissioned an investor perception study to gather feedback on our strategy, performance and communications. • Our AGM provides an opportunity for the Board to meet with investors.	• Our Annual and Interim results presentations inform investors how the business is performing. • We maintain a programme of active dialogue with our key financial stakeholders, including institutional shareholders, potential investors, holders of our bonds and sell-side research analysts. • Our CEO hosted two webinars during the year for investors and analysts. In March, the US management team presented on how Imperial Brands' consumer centric strategy is gaining traction in the US market. In September, the Global ESG Director together with senior management outlined how we have refreshed our approach to our ESG agenda to further support our strategy.
Suppliers	• The Board approves our Modern Slavery Statement annually. • Suppliers within our supply chain are included as part of the Board's ESG considerations. • During the year we reviewed the risk posed to suppliers, including in respect of logistics arising from COVID-19, as well as other economic and geopolitical influences. • Factory and site visits help the Board understand the complexities of our global supply chain.	• Our Supplier Qualification Programme is a screening process for all new NTM and NGP suppliers, requiring completion of a selfassessment on business conduct, environmental management, and labour practices such as discrimination, child and forced labour, freedom of association, remuneration, working hours, and health and safety. • All our leaf suppliers are expected to participate in the Sustainable Tobacco Programme (STP). • Through our leaf partnership projects we support communities in tobacco-growing countries identified as having the most need.

Strategic Report

Consumers
Millions of adults worldwide choose to enjoy our tobacco and NGP products. Meeting their expectations of quality and understanding their evolving needs is vital for the long-term sustainable growth of our business. Engagement with consumers this year has continued to inform brand and product investment decisions.

The Board is briefed regularly on our product portfolio in both NGP and tobacco and how these meet adult consumer expectations. Together with market deep dives these assist the Board in understanding how its decisions impact consumer satisfaction and post purchase experiences.

Employees
The Company's employment policies aim to attract, retain, train and motivate the very best people, recognising that this can be achieved only through offering equal opportunities and giving fair consideration to applications for employment, career development and promotion without having regard to an employee's gender, race, religion, age or disability. These policies also cover the continuation of employment and appropriate training for employees who become disabled during their employment.

To ensure employees can share in our success, the Company offers competitive pay and benefit packages linked, wherever possible, to performance. Employees are encouraged to build an ownership stake in Imperial Brands PLC shares, with a number of employee share plans offered during the year.

The Company is committed to providing an environment that encourages the continuous development of all its employees through skills enhancement and training programmes.

Employees are kept aware of the financial and economic factors affecting the performance of the Company. The Company provides employees systematically with information on matters of concern to them, and consults employees or representatives on a regular basis so views of employees are taken into account when making decisions.

Information concerning employees and their remuneration is given in note 6 to the financial statements.

Governments & wider society
We are transparent about the way we operate and seek to work together with a broad range of authorities and non-governmental organisations to address challenges and realise opportunities. Throughout the year, we continued to engage on regulatory issues and other areas of shared interest. During the coronavirus lockdown we increased engagement with a multitude of societal stakeholders to better understand how we could provide support.

The Board receive regular updates covering anti-illicit trade activities, the status of engagement with taxation authorities, excise matters, litigation and evolving product regulation in respect of both tobacco and NGP.

Streamlined Energy and Carbon Reporting (SECR)
The Company is exempt from the UK Streamlined Energy and Carbon Reporting (SECR) regulations. The performance of the Imperial Brands PLC Group in respect of these regulations can be found in the Group's annual report on pages 42 & 43.

Strategic Report

Retailers

We seek to develop partnerships that recognise the commercial objectives of retailers and the importance of responsible sales practices. We work closely with distributors, wholesalers and retailers to ensure our products are available to adult consumers in a diverse range of outlets.

Suppliers

The Company is supplied by entities from within the Imperial Brands Group and also external suppliers. We maintain strong relationships with our tobacco, non-tobacco and NGP external suppliers to ensure sustainable supply and business continuity. We seek to work with external suppliers to identify and action opportunities to improve our collective impact on society. Working in partnership with our suppliers ensures we have the right resources in place to respond with agility to global challenges, and supports our growth.

The Board reviews our supply chain strategies, including actions to mitigate supply disruption. The Board reviews the Modern Slavery Statement and activities to eliminate child labour to address the risk of human rights issues across our supply chain.

Climate change

The Group have a designated a programme to manage and mitigate climate related risks. The effect of climate change is not considered to have a material effect on the estimates in the financial statements. Governmental and societal responses to climate change risks are still developing and consequently financial statements cannot capture all possible future outcomes as these are not yet known or do not have sufficient certainty to be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted international accounting standards.

Global economic situation

The Directors recognise that the current environment brings uncertainty due to global economic challenges including those caused by the situation in Russia and Ukraine, in addition to the UK market volatility at the end of the fiscal year caused by political decision making uncertainty. However, the Group has effectively managed operations across the world, and has proved it has an established mechanism to operate efficiently despite the uncertainty caused. The Group has a strong focus on cash generation supported by robust governance processes.

On behalf of the Board

David Tillekeratne (Jan 20, 2023 13:44 GMT)

D M Tillekeratne
Director
20 January 2023

IMPERIAL TOBACCO LIMITED

Directors' Report

The Directors submit their report together with the Strategic Report and audited financial statements of the Company for the year to 30 September 2022.

Future developments and going concern
Future developments are set out in the Strategic Report.

The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period to 20 January 2024. The Company has net current liabilities of £8,166 million as at 30 September 2022, including £7,642 million relating to intra-group payables and receivables. The Directors of the Company have assurances of unconditional committed financial support from Imperial Brands PLC, the ultimate parent company, and that this will continue for a period to 20 January 2024. Imperial Brands Plc has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 170 of the Imperial Brands Plc Annual Report for the year ended 30 September 2022. The Directors, having made inquiries are satisfied that there has been no deterioration in the ability of the Group to provide financial support since this date. Therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

Financial risk management policy
Financial risk management policies are detailed in the Strategic Report.

Share capital
Details of the Company's share capital are shown in note 21 to the financial statements.

Dividends
As set out in the Strategic Report, the Directors do not propose a final dividend (2021: £nil). Interim dividends totalling £3,400 million have been paid during the year (2021: £1,000 million).

Qualifying third party indemnity provisions
Imperial Brands PLC has purchased Directors' and Officers' liability insurance that has been in force during the financial year and is currently in force at the date of approval of these financial statements. The Directors of the Company have the benefit of this insurance, which is a qualifying third party indemnity provision as defined by the Companies Act 2006.

Directors
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J M Downing
L J Paravicini
D M Tillekeratne (appointed 18 February 2022)
M A Wall (resigned 18 February 2022)

Employees
The Company's policy on involving UK employees in its affairs is set out in the Strategic Report.

Suppliers, customers and others
The Company's need to foster business relationships with suppliers, customers and others is set out in the Strategic Report.

IMPERIAL TOBACCO LIMITED

Directors' Report

Statement of Corporate Governance Arrangements
Imperial Brands PLC Group is compliant with the 2018 UK Corporate Governance Code for the year ending 30 September 2022. The details can be found in the Group's annual report on page 100 which do not form a part of these financial statements, but is available at www.imperialbrandsplc.com.

Branches outside the UK
The Company operates an overseas branch in France.

Post balance sheet events

Logista acquisitions
In October 2022, the company's subsidiary Logista completed the acquisition of Carbó Collbatellé, S.L. and Transportes El Mosca.

Statement of Directors' responsibilities in respect of the financial statements
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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and 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;
- provide additional disclosures when compliance with the specific requirements in FRS 101 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.

Directors' Report

Statement of Directors' responsibilities in respect of the financial statements (continued)

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.

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.

Disclosure of information to Auditors
In the case of each Director in office at the date the Directors' Report is approved:

- so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- they have each 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.

Independent Auditors
In the absence of a notice proposing that the appointment of Ernst & Young LLP as Auditors of the Company should be brought to an end, the Auditors will be deemed to be re-appointed for the next financial year.

On behalf of the Board

David Tillekeratne (Jan 20, 2023 13:44 GMT)

D M Tillekeratne
Director
20 January 2023

IMPERIAL TOBACCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

Opinion

We have audited the financial statements of Imperial Tobacco Limited for the year ended 30 September 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 28, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included

- confirming our understanding of the directors' going concern assessment process, including discussion with management to ensure all key factors were taken into account.
- assessing the appropriateness of the duration of the going concern assessment over a period of 12 months from when the financial statements were authorised for issue and considering the existence of any significant events or conditions beyond this period based on our procedures on the Company's business plan, cash flow forecasts and from knowledge arising from other areas of the audit.
- as the directors' going concern assessment includes reliance on a letter of support provided by Imperial Brands PLC ("the Group"), our evaluation of the ability of the group to provide the support included the following procedures:
    - verifying inputs against the board-approved business plan, cash flow forecasts and debt facility terms, and reconciling the opening liquidity position to the prior year end;
    - reviewing borrowing facilities to confirm both their availability to the Group and the forecast debt repayments through the going concern assessment period and to validate that there are only two financial covenants in relation to the revolving credit facility;
    - evaluating management's historical forecasting accuracy and the consistency of the going concern assessment with information obtained from other areas of the audit, such as our audit procedures on the business plan and cash flow forecasts;
    - testing the assessment, including forecast liquidity under base and downside scenarios, for clerical accuracy;

Conclusions relating to going concern (continued)

- assessing whether assumptions made were reasonable and in the case of downside scenarios, appropriately severe, in light of the Group's relevant principal risks and uncertainties and our own independent assessment of those risks;
- assessing Group's management considerations related to material climate change impacts in the going concern period;
- evaluating the amount and timing of identified mitigating actions available to respond to a severe downside scenario, and whether those actions are feasible and within the Group's control;
- performing reverse stress testing on management's base case scenario to understand how severe conditions would have to be to breach liquidity or financial covenants and whether the reduction in EBITDA has no more than a remote possibility of occurring; and,
- performing independent stress testing on management's assumptions including applying incremental adverse cash flow sensitivities. Our sensitivities included the impact of certain severe but plausible scenarios, identified in other areas of our audit, including litigation and tax, materialising within the going concern period.

• assessing the appropriateness of the going concern disclosure.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period 20 January 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

• the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 9 and 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS101 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom.

- We understood how Imperial Tobacco Limited is complying with those frameworks by reading internal policies and codes of conduct and assessing the entity level control environment, including the level of oversight of the directors. We understood any controls put in place by management to reduce opportunities for fraudulent transactions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through making enquiries of senior management. Through these procedures we determined there to be fraud risks related to revenue recognition, including management override of controls, overstatement of cash balances and inappropriate valuation of restructuring provisions.
  - In relation to revenue recognition we identified there is a risk that management may override controls to intentionally misstate revenue transactions by recording fictitious manual journals to revenue (e.g. by inappropriate rebate accounting.) To address this risk, on a sample basis, we obtained third party confirmations for rebates or performed alternative procedures where confirmations were not received, including reviewing contracts and recalculating rebates, validating the inputs of management's calculation, and tracing rebate amounts to post year-end settlements. We also performed targeted journal entry testing obtaining supporting evidence for manual journals that did not meet our expectations based upon specific criteria.
  - In relation to overstatement of cash we obtained bank confirmation letters directly from the bank for all accounts held by Imperial Tobacco Limited. We traced all reconciling items above a set threshold to supporting documentation and checked that the cash payments and receipts are recorded in the correct period.
  - In relation to restructuring provisions we tested a sample of restructuring costs to perform detailed testing, including ensuring that provisions met the criteria of IAS 37 and obtaining evidence to support that the costs related to restructuring activities.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of key management and legal counsel, reviewing key policies, inspecting legal registers and reading key management meeting minutes. We also completed procedures to conclude on the compliance of significant disclosures in the Annual Report and Financial Statements with the requirements of the relevant accounting standards and UK legislation.

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

Use of our report

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.

Ernst & Young LLP

Marcus Butler (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditors
London
20 January 2023

IMPERIAL TOBACCO LIMITED

Income Statement

For the year ended 30 September

(In £ million)	Note	2022	2021
Revenue	4	**4,747**	5,084
Duty and similar items		**(3,715)**	(3,872)
Other cost of sales		**(126)**	(138)
Cost of sales		**(3,841)**	(4,010)
Gross profit		**906**	1,074
Distribution, advertising and selling costs		**(153)**	(151)
Impairment of investments	5	**(385)**	(6,978)
Amortisation of Acquired Intangibles	5	**(9)**	(11)
Restructuring costs	5	**(51)**	(25)
Other administrative expenses		**(251)**	(216)
Administrative and other expenses		**(302)**	(241)
Operating profit/(loss)	5	**57**	(6,307)
Income from shares in group undertakings		**7,513**	7,650
Finance income	7	**576**	682
Finance costs	8	**(688)**	(910)
Other finance income - pensions	20	**21**	16
Net finance costs		**(91)**	(212)
Profit before taxation		**7,479**	1,131
Tax on profit	9	**(180)**	(101)
Profit for the financial year		**7,299**	1,030

IMPERIAL TOBACCO LIMITED

Statement of Comprehensive Income

For the year ended 30 September

(In £ million)	Note	2022	2021
Profit for the financial year		**7,299**	1,030
Other comprehensive income			
Exchange movements		**195**	(209)
Items that may be reclassified to profit and loss		**195**	(209)
Actuarial (loss)/gain on pension scheme	20	**(305)**	43
Current tax relating to actuarial movement on pension scheme		**10**	-
Deferred tax relating to actuarial movement on pension scheme		**64**	(39)
Items that will not be reclassified to profit and loss		**(231)**	4
Other comprehensive expense for the year, net of tax		**(36)**	(205)
Total comprehensive income for the year		**7,263**	825

IMPERIAL TOBACCO LIMITED

Balance Sheet

At 30 September

(In £ million)	Note	2022	Restated 2021
Non-current assets			
Intangible assets	11	**96**	53
Investments	12	**26,907**	26,465
Property, plant and equipment	13	**32**	22
Right of use assets	14	**37**	35
Retirement benefit assets	20	**729**	982
Deferred tax assets	19	**11**	8
		27,812	27,565
Current assets			
Inventories	15	**53**	46
Debtors: amounts falling due within one year	16	**294**	392
Current tax assets	9	**144**	125
Cash at bank and in hand		**11**	39
		502	602
Current liabilities			
Provisions for liabilities	18	**(25)**	(6)
Lease liabilities	14	**(4)**	(3)
Creditors: amounts falling due within one year	17	**(8,523)**	(12,258)
Current tax liabilities	9	**(116)**	(91)
Net current liabilities		**(8,166)**	(11,756)
Total assets less current liabilities		**19,646**	15,809
Non current liabilities			
Provisions for liabilities	18	**(9)**	(1)
Deferred tax liabilities	19	**(171)**	(239)
Lease liabilities	14	**(41)**	(34)
Net assets		**19,425**	15,535
Equity			
Called up share capital	21	**19**	19
Share premium account		**11,643**	11,643
Retained earnings		**7,763**	3,873
Total equity		**19,425**	15,535

See note 2 for details regarding the restatement.

The notes on pages 19 to 64 are an integral part of these financial statements.

The financial statements on pages 15 to 64 were approved by the Board of Directors on 20 January 2023 and signed on its behalf by:

David Tillekeratne (Jan 20, 2023 13:44 GMT)

D M Tillekeratne
Director

IMPERIAL TOBACCO LIMITED

Statement of Changes in Equity

For the year ended 30 September

(In £ million)	Called up share capital	Share premium account	Retained earnings	Total equity
At 1 October 2021	**19**	**11,643**	**3,873**	**15,535**
Profit for the financial year	-	-	**7,299**	**7,299**
Exchange movements	-	-	**195**	**195**
Actuarial loss on pension scheme	-	-	**(305)**	**(305)**
Current tax relating to actuarial movement on pension scheme			**10**	**10**
Deferred tax relating to actuarial movement on pension scheme	-	-	**64**	**64**
Other comprehensive expense	-	-	**(36)**	**(36)**
Total comprehensive income	-	-	**7,263**	**7,263**
Transactions with owners				
Gross costs of employees' services compensated by share schemes (prior to recharge out to fellow subsidiaries)	-	-	**27**	**27**
Dividends paid	-	-	**(3,400)**	**(3,400)**
At 30 September 2022	**19**	**11,643**	**7,763**	**19,425**
At 1 October 2020	19	11,643	4,023	15,685
Premium on issuing shares	-	-	-	-
Profit for the financial year	-	-	1,030	1,030
Exchange movements	-	-	(209)	(209)
Actuarial gain on pension scheme	-	-	43	43
Deferred tax relating to actuarial movement on pension scheme	-	-	(39)	(39)
Other comprehensive expense	-	-	(205)	(205)
Total comprehensive income	-	-	825	825
Transactions with owners				
Gross costs of employees' services compensated by share schemes (prior to recharge out to fellow subsidiaries)	-	-	25	25
Dividends paid	-	-	(1,000)	(1,000)
At 30 September 2021	19	11,643	3,873	15,535

Notes to the Financial Statements

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the year ended 30 September 2022 were authorised for issue by the board of directors on 20 January 2023, and the balance sheet was signed on the board's behalf by D M Tillekeratne. Imperial Tobacco Limited is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales.

These financial statements were prepared in accordance with the Companies Act 2006, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest million pounds (£m) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Imperial Brands PLC, registered in the United Kingdom. The results of the Company are included in the consolidated financial statements of Imperial Brands PLC which are available from 121 Winterstoke Road, Bristol, BS3 2LL or on its website www.imperialbrandsplc.com.

Going concern

The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period to 20 January 2024. The Company has net current liabilities of £8,166 million as at 30 September 2022, including £7,642 million relating to intra-group payables and receivables. The Directors of the Company have assurances of unconditional committed financial support from Imperial Brands PLC, the ultimate parent company, and that this will continue for a period to 20 January 2024. Imperial Brands Plc has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 170 of the Imperial Brands Plc Annual Report for the year ended 30 September 2022. The Directors, having made inquiries are satisfied that there has been no deterioration in the ability of the Group to provide financial support since this date. Therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to Companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), and FRS 101 as issued by the Financial Reporting Council, on a going concern basis. The financial statements have been prepared consistently during the current and preceding year, except for newly applicable standards.

The financial statements have been prepared on the historical cost basis, except as described in the accounting policies on foreign currency and investments below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the period and of assets and liabilities at the balance sheet date. The key estimates and assumptions are set out in note 3 Critical Accounting Estimates and Judgements. 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 judgement at the date of the financial statements. In the future, actual experience may deviate from these estimates and assumptions. This could affect future financial statements as the original estimates and assumptions are modified, as appropriate, in the year in which the circumstances change.

Notes to the Financial Statements

2. Accounting policies (continued)

Basis of preparation of financial statements (continued)

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available in the preparation of the financial statements, as detailed below:

- Paragraph 38 of IAS 1 'Presentation of financial statements' - comparative information requirements in respect
  - (i) paragraph 79(a)(iv) of IAS 1;
  - (ii) paragraph 73(e) of IAS 16 'Property, plant and equipment'; and
  - (iii) paragraph 118(e) of IAS 38 'Intangible assets' - reconciliations between the carrying amount at the beginning and end of the period;
- The following paragraphs of IAS 1 'Presentation of financial statements':
  - (i) 10(d) - statement of cash flows;
  - (ii) 10(f) - a statement of financial position as at the beginning of the preceding period when an entity applied an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements;
  - (iii) 16 - statement of compliance with all IFRS;
  - (iv) 38A - requirement for minimum of two primary statements, including cash flow statements;
  - (v) 38B-D - additional comparative information;
  - (vi) 40A-D - requirements for a third statement of financial position;
  - (vii) 111 - cash flow information; and
  - (viii) 134-136 - capital management disclosures;
- IAS 7 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting Policies, changes in accounting estimates and errors' - requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective;
- Paragraph 17 of IAS 24 'Related party disclosures' - key management compensation;
- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- IFRS 7 'Financial Instruments: Disclosures'.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- Paragraph 58 of IFRS 16 'Leases', provided that the disclosure details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities in total.

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet date.

Transactions in currencies other than pound sterling are initially recorded at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement with exchange differences arising on trading transactions being reported in operating profit, and those arising on financing transactions being reported in net finance costs.

The Company holds fair value hedges against certain investments. Gains or losses on these hedges, that are regarded as highly effective, are taken to the income statement, where they offset gains or losses on translation of the investments within net finance income / costs.

Notes to the Financial Statements

2. Accounting policies (continued)

Revenue

Revenue comprises the invoiced value for the sale of goods and services net of sales taxes, rebates and discounts. Revenue is based on the completion of performance obligations that constitute the delivery of goods and completion of services. The performance obligation is recognised as complete at the point in time when products have been delivered to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. Performance obligations associated with services, which include fees for distributing certain third-party products, are linked to the delivery of those services. Income arising from the licencing, sale of intellectual property and brand management activities occurring in the ordinary course of business, is treated as revenue. Licencing revenue will be recognised over the period of the licence while revenue is recognised immediately on the sale of intellectual property where that represents a long-term right to use the asset. Brand management fees are based on a profit share basis. Revenue for brand management activities is linked to the sales activities of third-party companies within a financial year, the final amount of which cannot be accurately determined in that year. It is therefore recognised based on an estimate and this represents variable consideration as defined by IFRS 15. Subsequent to the end of each financial year there is a 'true-ups' of fees owed in relation to the prior years which will be completed following certification of counterparty results, which are recognised in revenue in the subsequent financial year.

Payments are made to both direct and indirect customers for rebates, discounts and other promotional activities. Direct customers are those to which the Company supplies goods or services. Indirect customers are other entities within the supply chain to the end consumer. Rebates and discounts are deducted from revenue. Where the contract with customers has an entitlement to variable consideration due to the existence of retrospective rebates and discounts, revenue is estimated based on the amount of consideration expected to be received. This estimation is a determination of the most likely amount to be received using all known factors including historic experience. Typically there is a high degree of certainty over the amount of retrospective rebates/discounts paid due to relatively low year on year variations in the volume and pattern of product sales. As the provision of distribution services typically involves product delivery tasks undertaken in a short period of time, revenue and any associated rebates and discounts relating to these services do not normally span an accounting year end.

Payments for promotional activities will also be deducted from revenue where the payments relate to goods or service that are closely related to or indistinct from associated sales of goods or services to that customer. The calculated costs are accrued and accounted for as incurred and matched as a deduction from the associated revenues (i.e. excluded from revenues reported in the Company's income statement).

Duty and similar items

Duty and similar items includes duty and levies having the characteristics of duty. As the duty is a production tax, duty is included in revenue and in cost of sales in the income statement.

Income from shares in group undertakings

Dividend income from subsidiary entities is recognised in the period in which the right to receive payment is established.

Interest

Interest payable and receivable is recognised in the income statement on an accrual basis.

Taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in the shareholders' funds,

Notes to the Financial Statements

2. Accounting policies (continued)

Taxes (continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods.

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

A net deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

Deferred tax is determined using 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 the deferred tax liability is settled. Deferred tax is measured on a non-discounted basis.

Dividends
Final dividends are recognised as a liability in the period in which the dividends are approved by shareholders, whereas interim dividends are recognised in the period in which the dividends are paid.

Intangible assets
Intangible assets are shown in the balance sheet at historical cost less accumulated amortisation and impairment. Costs incurred after initial recognition are included in the assets' carrying amounts or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably.

Intangible assets comprise software and intellectual property. Intangible assets are amortised so as to write down the initial costs of each asset to its residual value on a straight line basis over its estimated useful life of between 3 and 20 years.

Investments
Investments held as fixed assets comprise the Company's investment in subsidiaries and are predominantly shown at historic purchase cost less any provision for impairment. The exception is when a fair value hedge is in place whereby the investment is revalued at the rate prevailing at the period end, with any foreign exchange movement taken to the net finance income / costs.

Impairment of Investments
Investments are assessed for any indicators of impairment annually. If indicators are identified the investment is tested for impairment with adjustments made to its carrying amount if required.

Property, plant and equipment
Property, plant and equipment are shown in the balance sheet at historical cost less accumulated depreciation and impairment. Costs incurred after initial recognition are included in the assets' carrying amounts or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with them will flow to the Company and the cost of the item can be measured reliably.

Notes to the Financial Statements

2. Accounting policies (continued)

Property, plant and equipment (continued)

Land is not depreciated. Depreciation is provided on other property, plant and equipment so as to write down the initial cost of each asset to its residual value over its estimated useful life as follows:

Land and buildings	up to 50 years	straight line
Plant and machinery	5 - 17 years	straight line / reducing balance
Fixtures and motor vehicles	3 - 4 years	straight line

Right of use assets
The Company recognises right of use assets, within property, plant and equipment, at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments which depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments include the exercise of purchase options if determined reasonably certain to be exercised and termination payments if the lease term reflects the exercise of an option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate, defined as the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accumulation of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term in cost of sales or distribution, advertising and selling costs.

Short term leases, leases of low value assets and practical expedients applied
The Company has applied a number of practical expedients permitted by IFRS 16. These include;
• the exclusion of leases where the lease term ends within 12 months of the commencement of the lease or date of initial application; and
• the exclusion of leases of low value assets, defined as those of less than US$5,000.

Notes to the Financial Statements

2. Accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in first out (FIFO) method. The cost of finished goods comprises costs incurred bringing inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle that obligation, and a reliable estimate of the amount can be made.

A provision for restructuring is recognised when the Company has approved a detailed formal restructuring plan, and the restructuring has either commenced or has been publicly announced, and it is more likely than not that the plan will be implemented, and the amount required to settle any obligations arising can be reliably estimated. Future operating losses are not provided for.

Financial Instruments

Receivables held under a hold to collect business model are stated at amortised cost. Receivables held under a hold to sell business model, which are expected to be sold via a non-recourse factoring arrangement are separately classified as fair value through profit or loss, within trade and other receivables.

The calculation of impairment provisions is subject to an expected credit loss model, involving a prediction of future credit losses based on past loss patterns. The revised approach involves the recognition of provisions relating to potential future impairments, in addition to impairments that have already occurred. The expected credit loss approach involves modelling of historic loss rates, and consideration of the level of future credit risk. Expected loss rates are then applied to the gross receivables balance to calculate the impairment provision.

Cash and cash equivalents include cash in hand and deposits held on call, together with other short-term highly liquid investments.

Retirement benefit schemes

The Company participates, together with Imperial Brands PLC, in a pension scheme for its employees, the Imperial Tobacco Pension Fund (the Scheme), which is of a defined benefit type. As it has not been possible to identify the underlying assets and liabilities attributable to each participating company on a consistent and reasonable basis the Company recognises the entire Scheme in these financial statements as the "sponsoring company" in the Scheme.

The amount recognised in the balance sheet is the difference between the present value of the defined benefit obligation at the balance sheet date and the fair value of the scheme assets to the extent that they are demonstrably recoverable either by refund or a reduction in future contributions. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Notes to the Financial Statements

2. Accounting policies (continued)

Retirement benefit schemes (continued)
The service cost of providing retirement benefits to employees during the year is charged to operating profit. Past service costs are recognised immediately in operating profit, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time.

All actuarial gains and losses, including differences between actual and expected returns on assets and differences that arise as a result of changes in actuarial assumptions, are recognised immediately in full in the statement of comprehensive income for the period in which they arise. An interest charge is made in the income statement by applying the rate used to discount the defined benefit obligations to the net defined benefit liability of the schemes.

For defined contribution schemes, contributions are recognised as an employee benefit expense when they are due.

Share-based payments
Equity-settled share-based payments are measured at fair value at the date of grant and are expensed over the vesting period, based on the number of instruments that are expected to vest. For plans where vesting conditions are based on total shareholder returns, the fair value at the date of grant reflects these conditions. Earnings per share and net revenue vesting conditions are reflected in the estimate of awards that will eventually vest. Where applicable the Company recognises the impact of revisions to original estimates in the income statement, with a corresponding adjustment to equity. Fair values are measured using appropriate valuation models, taking into account the terms and conditions of the awards.

New accounting standards and interpretations
For the year ended 30 September 2022 the Company continued to apply international accounting standards in conformity with the requirements of United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including the Companies Act 2006 and FRS 101. From 1 October 2021, as a result of the UK leaving the European Union, the Company is required to prepare financial statements in line with FRS 101 applying applicable international accounting standards, issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) and endorsed for use in the UK, referred to as 'UK-adopted IFRS'.

The following amendments to the accounting standards, issued by the IASB or IFRIC, have been adopted by the Company from 1 October 2021 with no impact on the Company's results, financial position or disclosures:
• Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform (phase 2) (effective in the year ending 30 September 2022)

Accounting standards and interpretations not yet in issue
There are a number of other amendments and clarifications to IFRS, effective in future years. None of which are expected to significantly impact the Company's results or financial position.

Notes to the Financial Statements

2. Accounting policies (continued)

Restatement

The company has restated the assets due to an inaccuracy identified in the prior year figure arising from the classification of Retirement benefit assets as current assets. Retirement benefit assets should have been presented as non current assets and the balance sheet has been restated to reflect this change. The presentation of these amounts has changed to be as follows:

	Previously reported 2021 £'m	Reclassification of non current assets £'m	Restated 2022 £'m
Balance sheet			
Non current assets: Retirement benefit assets	-	982	982
Current assets: Retirement benefit assets	982	(982)	-
Net current liabilities	(10,774)	(982)	(11,756)

There has also been a presentational change to disclose current taxation assets and liabilities on the face of the balance sheet. In the prior year, current taxation assets and liabilities were included in Debtors: amounts falling due within one year and Creditors:amounts falling due within on year respectively. The presentation of these assets and liabilities has been changed to show them separately on the face of the balance sheet. Additionally, the company has reclassified the current tax assets and current tax liabilities which were previously stated net, but which in line with IAS 12 'Income Taxes' should be stated gross where there is not a legally enforceable right of offset.

	Previously reported 2021 £'m	Reclassify French tax liability £'m	Reclassify current taxation assets and liabilities £'m	Restated 2022 £'m
Balance sheet				
Current assets: Corporation tax	-	29	96	125
Current assets: Debtors	488	-	(96)	392
Current Liabilities: Corporation tax	-	(29)	(62)	(91)
Current Liabilities: Creditors	(12,320)		62	(12,258)

Notes to the Financial Statements

3. Critical accounting estimates and judgements

The Company makes estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may deviate from these estimates and judgements. The estimates and judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investment in subsidiaries (judgement)
The Company holds investments in subsidiary undertakings, Management involves judgment in determining the existence of indicators of impairment on an annual basis. Where there are indications that the current carrying value of the investment is greater than the valuation of the business, impairment of the investment may be required., the value of investment is assessed using expected future cashflows.

The valuation process involves a number of assumptions regarding risks and uncertainties that may affect the carrying values reported in the financial statements. If business conditions were different, or if different assumptions were used in the calculation of accounting estimates, it is possible that different amounts could be reported.

Retirement Benefits (estimate)
Accounting for retirement benefits uses a number of accounting estimates. The valuation of the schemes assets requires estimates of the current market of bonds, property and other quoted investments. Quoted assets are marked to market values and property assets are valued on the basis of professional valuations. The valuation of the scheme's liabilities requires estimates of various market, demographic and mortality assumptions, which are fully reviewed by external actuaries. Full disclosure of the estimates used in retirement benefit accounting is included within note 20.

Tax Uncertain Tax Positions (judgement)
The Company recognises liabilities and assets for current income tax based on estimates of the taxes that are likely to become payable and recoverable. Judgement may be required to determine the potential future tax payments and receipts for which the ultimate tax determination is uncertain. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current income tax in the period in which such determination is made. Consideration of the judgements surrounding uncertain tax positions are included within note 9 to these financial statements.

Contingent liabilities (judgement)
The Company reviews outstanding legal cases following developments in the legal proceedings at each balance sheet date. Judgement is required as to whether a liability exists. Where a liability is determined there can be a degree of estimation of the potential level of damages expected. More detail as to the considered position on these claims is given in both note 23 of the financial statements and within the Directors' Report. To the extent that the Group's assessments at any time do not reflect subsequent developments or the eventual outcome of any claim, its future financial statements may be materially affected, with a favourable or adverse impact upon the Company's operating profit, financial position and liquidity.

Notes to the Financial Statements

4. Revenue

The Company is engaged in the marketing, distribution and sale of tobacco and tobacco-related products, and the marketing and sales of next generation products (NGP).

Other than brand management fees received from Europe, Revenue is attributed solely to UK activities and accordingly no further geographical analysis of revenue, operating profit or capital employed is shown.

The Company recognises income arising from the licensing of intellectual property, occurring in the ordinary course of business, which is treated as revenue. Licensing revenue will be recognised over the period of the licence. The licences granted are distinct from other promises in the contract. Licensing income includes brand management fees.

5. Operating profit

Operating profit is stated after (crediting)/charging:

(In £ million)	2022	2021
Changes in inventories of finished goods and work in progress (pre-duty)	**4**	4
Amortisation	**9**	11
Depreciation expense of right of use assets	**10**	6
Depreciation	**7**	4
Impairment of investments	**385**	6,978
Restructuring costs - Cost optimisation programmes	**-**	5
Restructuring costs - 2021 Strategic review programme	**40**	20
Restructuring costs - Other	**11**	-

During the current year the Company has assessed the carrying value of its investments at 30 September 2022, and recorded an impairment in its investments in Imperial Brands Enterprise Finance Limited of £252 million, Millenium Tobacco Unlimited Company of £84 million and Imperial Tobacco Holdings (1) Limited of £49m.

During the previous year the Company has assessed the carrying value of its investments at 30 September 2022, and recorded an impairment in its investment in Imperial Finance Ireland Limited of £2,347 million, Millenium Tobacco Ireland £2,282 million, Imperial Tobacco New Zealand Limited £261 million, Imperial Brands Ventures Limited £26 million, Imperial Tobacco Espana S.L. £2,035 million and Imperial Tobacco Management Luxembourg sarl £27 million.

Analysis of fees payable to Ernst and Young and its associates

(In £ million)	2022	2021
Audit of the Company financial statements	**0.2**	0.2

No non-audit services were provided by the Auditors.

Notes to the Financial Statements

6. Directors and employees

Employment costs

(In £ million)	2022	2021
Wages and salaries	**126**	110
Social security costs	**18**	17
Other pension costs (note 20)	**23**	25
Share-based payments (note 24)	**23**	15
	190	167

Pensions cost comprise £19 million (2021: £21 million) in respect of the defined benefit scheme, and £5 million costs (2021: £4 million cost) in respect of the defined contribution scheme.

Average number of persons (including Directors) employed by the Company during the year

Number of employees by activity	2022	2021
Production	**39**	37
Selling and distribution	**637**	642
Administration	**277**	272
	953	951

Directors' emoluments

(In £ thousand)	2022	2021
Emoluments	**5,535**	3,235
LTIP annual vesting [1]	**168**	326
Total aggregate emoluments	**5,703**	3,561

1 During the year, no Directors (2021: three) exercised share options and two (2021: three) Directors received shares under the Long Term Incentive Plan (LTIP). A total of 8,986 shares with a market value of £168,282.89 vested in respect of the Directors. These values are estimates based on the 3 month average share price to 30 September 2022 and estimated dividend roll up. No shares vested in respect of the highest paid Director.

The total aggregate emoluments of the highest paid Director were £2,618,466 (2021: £1,263,973), including LTIP payments of £nil (2021: £137,055) and pension benefits of £102,200 (2021: £121,875).

Directors' pensions

Retirement benefits are accruing under a defined benefit scheme, in respect of qualifying services of all of the Company's Directors, with the exception of any Director whose services to the Company commenced after 30 September 2010 in which case retirement benefits are accruing on a defined contribution basis.

The Company contributions paid to the UK defined contribution scheme in respect of two Directors (2021: two) were £7,586 (2021: £2,193).

The highest paid Director in continuing service is not a member of the UK defined contribution scheme so declaring the value of their accrued Retirement Account if they had left service at the year end is not applicable.

Notes to the Financial Statements

7. Finance income

(In £ million)	2022	2021
Interest receivable from Group undertakings	**1**	2
Fair value gains associated with hedges on foreign currency movements on investments	**575**	680
	576	682

8. Finance costs

(In £ million)	2022	2021
Interest payable to Group undertakings	**108**	225
Interest payable on bank deposits	**4**	4
Interest on lease liabilities	**1**	1
Fair value losses associated with re-translation of investments	**575**	680
	688	910

9. Tax on profit

Analysis of charge in the year

(In £ million)	2022	2021
Current tax		
UK corporation tax on profits for the year	**35**	25
Controlled foreign company charge	**11**	12
Group releif payable	**61**	62
Adjustments in respect of prior years	**82**	(31)
Total current tax	**189**	68
Deferred tax		
Origination and reversal of timing differences	**(9)**	(1)
Adjustments in respect of prior years	-	(1)
Impact of change in tax rate on deferred tax assets	-	(3)
Impact of change in tax rate on pension scheme	-	23
Movement in respect of pension scheme	-	15
Total deferred tax	**(9)**	33
Tax on profit on ordinary activities	**180**	101

Notes to the Financial Statements

9. Tax on profit (continued)

Factors affecting the tax charge for the year

Tax for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19.0 per cent (2021: 19.0 per cent). The differences are explained as follows:

(In £ million)	2022	2021
Profit on ordinary activities before taxation	**7,479**	1,131
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.0 per cent (2019: 19.0 per cent).	**1,421**	215
Tax effects of:		
Income not subject to tax	**(1,352)**	(1,454)
Remeasurement of deferred tax - change in UK tax rate	**-**	20
Adjustments to tax charge in respect of prior years (current tax)	**82**	(31)
Adjustments to tax charge in respect of prior years (deferred tax)	**-**	(1)
Movement in respect of share schemes	**(2)**	-
Movement in respect of pension scheme	**-**	15
Controlled foreign company charge	**10**	12
Adjustments to tax charge in respect of current year	**21**	1,325
Tax on profit on ordinary activities	**180**	101

The corporation tax has not been adjusted (2021: has not been adjusted) as the Company paid (2021: paid) consideration of £61 million (2021:£62 million)for group relief claimed from other Imperial Brands PLC group subsidiaries. Further adjustments to the tax charge include £73 million (2021: £946 million) as a permenant difference arising from the investment impairments booked in the year.

Movements in current tax (asset) / liability

(In £ million)	2022	2021
As at 1 October	**(34)**	71
(Credit)/charge to the income statement - prior year adjustment	**82**	(31)
Charged to the income statement - current year	**107**	99
Charged to the STRGL	**(10)**	-
Cash paid and balance sheet movements	**(173)**	(173)
As at 30 September	**(28)**	(34)

Factors affecting future tax charges

The current year tax rate of 19.0 per cent arises from profits being taxed at 19.0 per cent for the year to 30 September 2022.

Finance Act 2021 received Royal Assent on 10th June 2021, which confirmed that the main rate for UK corporation tax rate will increase to 25% with effect from 1st April 2023.

Notes to the Financial Statements

9. Tax on profit (continued)

Uncertain tax positions

As an international business the Company is exposed to uncertain tax positions and changes in legislation in the jurisdictions in which it operates. The Company's uncertain tax positions principally include cross border transfer pricing and interpretation of new or complex tax legislation and tax arising on the valuation of assets.

Provisions arising from uncertain tax positions taken in the calculation of current tax liabilities, as well as current tax assets which are expected to be recovered under mutual agreement procedure in relation to uncertain tax positions of other Group companies, are included within current tax liabilities. At 30 September 2022 the total value of these was £148 million (2021: £306 million). The assessment of uncertain tax positions is subjective and significant management judgement is required. This judgement is based on current interpretation of legislation, management experience and professional advice. Until matters are finally concluded it is possible that amounts ultimately paid will be different from the amounts provided.

Management have assessed the Company's provision for uncertain tax positions and have concluded that apart from the matters referred to below the provisions in place are not material individually or in aggregate, and that a reasonably possible change in the next financial year would not have a material impact to the results of the Company.

French branch tax

The Company's French branch has received a challenge from the French tax authorities concerning the intragroup financing of the French branch. In December 2021 the French tax authorities issued assessments which could lead to additional liabilities of £169 million. In February 2022 the French branch appealed against the assessment. In September 2022 the French tax authorities opened a further tax audit into this matter. Following discussions with the French tax authorities a settlement proposal covering all years has been made for £48 million including interest, for which a provision has been made.

Transfer pricing

The Company, and other Group companies, have tax audits in progress relating to transfer pricing matters in a number of jurisdictions, principally UK, France and Germany. The Company held provisions arising from uncertain tax positions, net of current tax assets which are expected to be recovered under mutual agreement procedure, of £5 million net liability (2021: £10 million net asset) in respect of these items.

In August 2020 the Company notified HMRC of a potential Diverted Profits Tax (DPT) issue relating to brand rewards. In September 2020, HMRC issued a preliminary notice under the DPT regime in respect of the year ended 30 September 2016 indicating a potential liability of c. £6 million. Collaborative discussions on the issue continue and it is the Company's belief the issue is a transfer pricing one, and will be resolved as such. In November 2020, HMRC issued a final DPT notice, which has since been paid and recognised as a receivable. In September 2021, further preliminary DPT notices were received in respect of the year ended 30 September 2017 indicating a potential liability of c. £4 million, which has since been paid and recognised as a receivable. In September 2022 this matter was concluded as a transfer pricing matter, in respect of which a settlement was made. These DPT payments are now expected to be refunded.

In September 2022 the Company concluded a transfer pricing audit with HMRC. Settlements of this audit were paid during the Company's year ended 30 September 2022.

Notes to the Financial Statements

10. Dividends

(In £ million)	2022	2021
Interim dividend paid 2022 of £180.55 per share (2021: £53.10)	**3,400**	1,000
Total ordinary share dividend paid	**3,400**	**1,000**

The Directors do not propose a final dividend (2021: £nil).

11. Intangible assets

(In £ million)	Intellectual property and product development	Software	Total
Cost			
At 1 October 2021	**11**	**81**	**92**
Additions	**14**	**38**	**52**
At 30 September 2022	**25**	**119**	**144**
Accumulated amortisation and impairment			
At 1 October 2021	**3**	**36**	**39**
Amortisation and impairment charge for the year	-	**9**	**9**
At 30 September 2022	**3**	**45**	**48**
Net book value			
At 30 September 2022	**22**	**74**	**96**
At 30 September 2021	8	45	53

12. Investments

(In £ million)	Shares in subsidiary undertakings
At 1 October 2021	**26,465**
Additions	**3**
Impairment	**(385)**
Exchange movements	**824**
At 30 September 2022	**26,907**

Notes to the Financial Statements

12. Investments (continued)

During the year the company increased its holding in Imperial Brands Services Polska by £3 million.

As part of the year end impairment review, the Company has recorded an impairment in its investment in Imperial Brands Enterprise Finance Limited of £252m as a result of dividend payments reducing the net asset value of a subsidiary. The recoverable amount of £630.8m as at 30 September 2022 was based on value in use (VIU). The company also recoreded an impairment in its investment in Millenium Tobacco Unlimited Company of £84m as a result of reduced profit expectaions in the future. The recoverable amount of £271m as at 30 September 2022 was based on value in use (VIU). The company also recoreded an impairment in its investment in Imperial Tobacco Holdings (1) Limited of £49m as a result of dividend payments reducing the net asset value of a subsidiary. The recoverable amount of £3,524m as at 30 September 2022 was based on value in use (VIU). All impairments were recognised in the Income Statement as Impairment of investments.

13. Property, plant and equipment

(In £ million)	Plant and machinery	Fixtures and motor vehicles	Total
Cost			
At 1 October 2021	**20**	**53**	**73**
Additions	**1**	**16**	**17**
Disposals	**(1)**	**(1)**	**(2)**
At 30 September 2022	**20**	**68**	**88**
Accumulated depreciation			
At 1 October 2021	**7**	**44**	**51**
Depreciation charge for the year	**1**	**6**	**7**
Disposals	**(1)**	**(1)**	**(2)**
At 30 September 2022	**7**	**49**	**56**
Net book value			
At 30 September 2022	**13**	**19**	**32**
At 30 September 2021	13	9	22

14. Right of use assets and lease liability

The movements in Right of Use Assets in the year ending 30 September 2022 were as follows:

(In £ million)	Property	Fixtures and motor vehicles	Total
Net book value			
At 1 October 2021	**33**	**2**	**35**
Additions	**11**	**1**	**12**
Depreciation and impairment	**(9)**	**(1)**	**(10)**
At 30 September 2022	**35**	**2**	**37**

Notes to the Financial Statements

14. Right of use assets and lease liability (continued)

The movement in Lease liabilities in the year were as follows:

(In £ million)	Lease Liabilities
At 1 October 2021	(37)
Cash flow	6
Accretion of interest	(2)
New leases, terminations & modifications	(12)
At 30 September 2022	**(45)**

The maturity profile of the carrying amount of the Company's lease liabilities and the contractual cashflows as at 30 September 2022 is as follows:

(In £ million)	Lease liabilities	Effect of discounting	2022 Contractual cashflows
Amounts maturing:			
Within one year	(4)	(2)	(6)
Between one and five years	(17)	(5)	(22)
In five years or more	(24)	(6)	(30)
	(45)	(13)	(58)

Future minimum lease payments liabilities are analysed as below:

(In £ million)	Property	Fixtures and motor vehicles	2022 Total
Due in less than one year	(5)	(1)	(6)
Due between one and five years	(21)	(1)	(22)
Due in more than five years	(24)	(6)	(30)
Total future minimum lease payments payable	(50)	(8)	(58)
Effect of discounting			13
Lease liabilities			(45)

The following are the amounts recognised in the Income statement:

(In £ million)	2022	2021
Depreciation expense of ROU assets	10	6
Interest on lease liabilities	2	1

Notes to the Financial Statements

14. Right of use assets and lease liability (continued)

The movements in Right of Use Assets in the year ending 30 September 2021 were as follows:

(In £ million)	Property	Fixtures and motor vehicles	Total
Net book value			
At 1 October 2020	38	1	39
Additions	-	2	2
Depreciation and impairment	(5)	(1)	(6)
At 30 September 2021	33	2	35

The movement in Lease liabilities in the year were as follows:

(In £ million)	Lease Liabilities
At 1 October 2020	39
Cash flow	(5)
Accretion of interest	1
New leases, terminations & modifications	2
At 30 September 2021	37

The maturity profile of the carrying amount of the Company's lease liabilities and the contractual cashflows as at 30 September 2021 is as follows:

(In £ million)	Lease liabilities	Effect of	2020 Contractual cashflows
Amounts maturing:			
Within one year	(3)	(2)	(5)
Between one and five years	(10)	(5)	(15)
In five years or more	(24)	(7)	(31)
	(37)	(14)	(51)

Future minimum lease payments liabilities are analysed as below:

(In £ million)	Property	Fixtures and motor vehicles	2020 Total
Due in less than one year	(4)	(1)	(5)
Due between one and five years	(14)	(1)	(15)
Due in more than five years	(31)	-	(31)
Total future minimum lease payments payable	(49)	(2)	(51)
Effect of discounting			14
Lease liabilities			(37)

15. Inventories

(In £ million)	2022	2021
Finished inventories	53	46

Notes to the Financial Statements

16. Debtors: amounts falling due within one year

(In £ million)	2022	2021
Trade receivables	**41**	15
Amounts owed by group undertakings	**253**	377
	294	392

Amounts owed by group undertakings are unsecured, have no fixed date for repayment and are repayable on demand. Within the £253 million (2021: £377 million), £253 million (2021: £311 million) is denominated in euros.

17. Creditors: amounts falling due within one year

(In £ million)	2022	Restated 2021
Trade payables	**17**	17
Amounts owed to group undertakings	**7,895**	11,566
Other taxes, duties and social security contributions	**423**	528
Accruals and deferred income	**188**	147
	8,523	12,258

Amounts owed to group undertakings are unsecured and due within a year. Within the £7,904 million (2021: £11,566 million), £267 million (2021: £2,753 million) is denominated in euros.

18. Provisions for liabilities

(In £ million)	Restructuring	Other	Total
At 1 October 2021	**5**	**2**	**7**
Charged in the year	**31**	-	**31**
Utilised in the year	**(2)**	**(1)**	**(3)**
Unused amounts reversed	**(1)**	-	**(1)**
At 30 September 2022	**33**	**1**	**34**

(In £ million)	2022	2021
Current	**25**	6
Non-current	**9**	1
	34	7

The restructuring provision relates primarily to the costs associated with ongoing transformation programs within central support functions and the UK trading business.

Notes to the Financial Statements

19. Deferred tax

The provision for deferred tax consists of the following deferred tax assets / (liabilities):

(In £ million)	2022	2021
Deferred tax assets due within 12 months	**11**	8
Deferred tax assets due after more than 12 months	**11**	5
Deferred tax liabilities due after more than 12 months	**(182)**	(244)
	(160)	(231)

Deferred tax asset/(liability)

(In £ million)	Excess of capital allowances	Short-term timing differences	Retirement benefits	Total
At 1 October 2021	**5**	**8**	**(244)**	**(231)**
Charged to the income statement	**6**	**3**	**(2)**	**7**
Credited to the statement of comprehensive income	**-**	**-**	**64**	**64**
At 30 September 2022	**11**	**11**	**(182)**	**(160)**

(In £ million)	Excess of capital allowances	Short-term timing differences	Retirement benefits	Total
At 1 October 2020	6	2	(167)	(159)
Charged to the income statement	(1)	6	(38)	(33)
Charged to the statement of comprehensive income	-	-	(39)	(39)
At 30 September 2021	5	8	(244)	(231)

20. Retirement benefit assets - amounts falling due after more than one year

The Company participates in a pension scheme for its employees, the Imperial Tobacco Pension Fund (ITPF) (the Scheme), which is of a defined benefit type. The assets of the Scheme are held in trustee administered funds. The Scheme provides retirement benefits primarily on the basis of members' final salary and length of service. As it has not been possible to identify the underlying assets and liabilities attributable to each participating company on a consistent and reasonable basis the Company recognises the entire Scheme in these financial statements as the "sponsoring company" in the Scheme.

The ITPF operates under trust law and is managed and administered by the Trustees on behalf of the members in accordance with the terms of the Trust Deed and Rules and relevant legislation. The ITPF's assets are held by the trust.

The main risk for the Group in respect of the ITPF is that additional contributions are required if the assets are not expected to be sufficient to pay for the benefits. The investment portfolio is subject to a range of risks typical of the asset classes held, such as credit risk on bonds, and exposure to the property market.

Annual increases in benefits in payment are dependent on inflation so the main uncertainties affecting the level of benefits payable under the Scheme are future inflation levels (including the impact of inflation on future salary increases) and the actual longevity of the membership.

Notes to the Financial Statements

20. Retirement benefit assets (continued)

The contributions paid to the ITPF are set by the ITPF Scheme Actuary every three years. The Scheme Actuary is an external consultant, appointed by the Trustees. Principal factors that the Scheme Actuary will have regard to include the covenant offered by the Company, the level of risk in the ITPF, the expected returns on the ITPF's assets, the results of the funding assessment on an ongoing basis and the expected cost of securing benefits if the fund were to be wound up.

A new valuation is underway as at 31 March 2022 and will be finalised during the first half of 2023. The last valuation in 2019 reported total assets of £4,137 million which covered 110% of past service liabilities. Following the 2019 valuation, a dynamic contribution schedule was agreed such that ITL's annual contributions will reduce or increase depending on the ITPF's valuation going forward. The level of the ITL's annual contribution to the Fund was £50 million for the year to 31 March 2022, no contributions are expected for the year to 31 March 2023. Further contributions were agreed to be paid by ITL in the event of a downgrade of the Group's credit rating to non-investment grade by either Standard & Poor's or Moody's. In addition, surety guarantees with a total value of £225 million and a parental guarantee from Imperial Brands PLC remains in place.

The ITPF undertook a key de-risking step in purchasing a buy-in policy with Standard Life in December 2021 covering around 60% of the current pensioner liabilities. The buy-in eliminates investment return, longevity, inflation and funding risks in respect of those liabilities covered. The buy-in is held as an asset of the ITPF.

The IAS 19 liability measurement of the defined benefit obligation (DBO) and the current service cost are sensitive to the assumptions made about future inflation and salary growth levels, as well as the assumptions made about life expectancy. They are also sensitive to the discount rate, which depends on market yields on sterling denominated AA corporate bonds. The main differences between the funding and IAS 19 assumptions are a more prudent longevity assumption for funding and a different approach to setting the discount rate. A consequence of the ITPF's investment strategy, with a proportion of the assets invested in return-seeking assets, is that the difference between the market value of the assets and the IAS 19 liabilities may be relatively volatile.

The ITPF has a pension surplus on the IAS 19 measure, in line with IFRIC 14, recognition of the net asset on the fund is only appropriate where it can be recovered. The ITPF trust deed gives the company an ability to receive a refund of surplus assets assuming the full settlement of plan liabilities in the event of a plan wind-up. Furthermore, in the ordinary course of business the Trustee has no rights to unilaterally wind up the ITPF or otherwise augment the benefits due to the ITPF's members. Based on these circumstances, any net surplus in this scheme is recognised in full.

Notes to the Financial Statements

20. Retirement benefit assets (continued)

The aggregate IAS 19 position is as follows:

	2022			2021		
(In £ million)	**DBO**	**Assets**	**Total**	DBO	Assets	Total
At 1 October	**(3,404)**	**4,386**	**982**	(3,516)	4,395	879
Income statement (expense)/income						
Current service cost	**(15)**	**-**	**(15)**	(17)	-	(17)
Net interest income/(expense) on net defined benefit asset/(liability)	**(70)**	**91**	**21**	(58)	74	16
Administration costs paid from plan assets	**-**	**(4)**	**(4)**	-	(4)	(4)
(Cost)/income recognised in the income statement	**(85)**	**87**	**2**	(75)	70	(5)
Remeasurements						
Actuarial gain due to liability experience	**(95)**	**-**	**(95)**	58	-	58
Actuarial (loss)/gain due to financial assumption changes	**1,157**	**-**	**1,157**	(39)	-	(39)
Return on plan assets excluding amounts included in net interest income above	**-**	**(1,367)**	**(1,367)**	-	24	24
Remeasurement effects recognised in other comprehensive income	**1,062**	**(1,367)**	**(305)**	19	24	43
Cash						
Employer contributions	**-**	**50**	**50**	-	65	65
Employee contributions	**(1)**	**1**	**-**	(1)	1	-
Benefits paid from plan assets	**199**	**(199)**	**-**	169	(169)	-
Net cash	**198**	**(148)**	**50**	168	(103)	65
At 30 September	**(2,229)**	**2,958**	**729**	(3,404)	4,386	982

Assets and liabilities recognised on the balance sheet

(In £ million)	**2022**	2021
Retirement benefit assets	**2,958**	4,386
Retirement benefit liabilities	**(2,229)**	(3,404)
	729	982

Retirement benefit scheme costs charged to operating (loss)/profit

(In £ million)	**2022**	2021
Defined benefit costs in operating profit	**19**	21
Defined contribution costs in operating profit	**5**	4
Total retirement scheme costs in operating profit/(loss)	**24**	25

Split as follows in the income statement:

(In £ million)	**2022**	2021
Distribution, advertising and selling costs	**7**	8
Administrative and other expenses	**17**	17
Total retirement scheme costs in operating profit/(loss)	**24**	25

Notes to the Financial Statements

20. Retirement benefit assets (continued)

Key figures and assumptions used in the Scheme

(In £ million unless otherwise indicated)	2022	2021
Defined benefit obligation	**(2,229)**	(3,404)
Fair value of scheme assets	**2,958**	4,386
Net defined benefit asset	**729**	982
Current service cost	**15**	17
Employer contributions	**50**	65
Principal actuarial assumptions used (% per annum)		
Discount rate	**5.3**	2.1
Future salary increases	**3.7**	3.4
Future pension increases	**3.7**	3.4
Inflation	**3.7**	3.4

	2022		2021	
Life expectancy at age 65 years	**Male**	**Female**	Male	Female
Member currently aged 65	**21.1**	**22.4**	21.1	22.7
Member currently aged 50	**21.8**	**23.7**	22.1	23.9

Sensitivity analysis for key assumptions at the end of the reporting year

Sensitivity analysis is illustrative only and is provided to demonstrate the degree of sensitivity of results to key assumptions. Generally, estimates are made by re-performing calculations with one assumption modified and all others held constant.

% increase in DBO	2022	2021
Discount rate: 0.5% decrease	**6.1**	8.6
Rate of inflation: 0.5% increase	**4.9**	6.9
One year increase in longevity for a member currently age 65, corresponding changes at other ages	**3.7**	5.1

The sensitivity to the inflation assumption change includes corresponding changes to the future salary increases and future pension increases assumptions, but is assumed to be independent of any change to discount rate.

An approximate split of the major categories of the Scheme assets is as follows:

	2022		2021	
(In £ million unless otherwise indicated)	**Fair value**	**Percentage of Scheme assets**	Fair value	Percentage of Scheme assets
Bonds - index linked government	**409**	**14**	2,115	48
Bonds - corporate and other	**34**	**1**	815	19
Insurance contract	**1,058**	**36**	-	-
Property	**604**	**20**	592	14
Absolute return	**827**	**28**	849	19
Other	**26**	**1**	15	-
Fair value of scheme assets before deferred tax	**2,958**	**100**	4,386	100

Notes to the Financial Statements

20. Retirement benefit assets (continued)

Sensitivity analysis for key assumptions at the end of the reporting year (continued)

The primary investment objective is to invest the ITPF's assets in an appropriate and secure manner such that members' benefit entitlements can be paid as they fall due. Specifically the ITPF targets an expected return in excess of the growth in the liabilities, which in conjunction with the contributions paid is consistent to achieve and maintain an ongoing funding level of at least 100 per cent on a buy-out basis by 2028.

The majority of the assets are quoted. Absolute return pooled funds are in overseas, non-quoted assets.

There is now no self-investments in the Imperial Brands PLC shares following termination of the mandates that previously held these shares. As in previous years, the value of ground leases have been allocated to the property asset class.

21. Called up share capital

(In £ million)	2022	2021
Authorised, allotted, called up and fully paid		
18,831,140 ordinary shares of £1 each (2021: 18,831,140)	**19**	19

22. Capital commitments

(In £ million)	2022	2021
Property Plant & Equipment	**18**	15
Intangibles	**11**	11
Contracted future expenditure but not provided in the financial statements	**29**	26

23. Contingent liabilities

The Company reviews outstanding legal cases following developments in the legal proceedings at each balance sheet date, considering the nature of the litigation, claim or assessment; the legal processes and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought; the progress of the case; the opinions or views of legal counsel and other advisers; experience of similar cases; and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

To the extent that the Company's assessments at any time do not reflect subsequent developments or the eventual outcome of any claim, its future financial statements may be materially affected, with a favourable or adverse impact upon the Company's operating profit, financial position and liquidity.

In June 2020, the Group responded to a claimant law firm's allegation of human rights issues in the Malawian tobacco supply chain, which included allegations relating to child and forced labour. In December 2020, a claim was filed in the United Kingdom High Court against Imperial Brands plc, Imperial Tobacco Limited and four of its subsidiaries (the Imperial Defendants) and two entities in the British American Tobacco (BAT) group by a group of tobacco farm workers. The Imperial Defendants have acknowledged service and confirmed to the claimants that they intend to defend the claim in full. The Imperial Defendants have not yet been required to file their Defence.

Notes to the Financial Statements

23. Contingent liabilities (continued)

A procedural hearing scheduled for November/December 2021 was adjourned. The deadline for Imperial and BAT to file a defence has been postponed pending other case management actions and will be determined at a subsequent case management hearing which will be held after the completion of a matching exercise (which will seek to establish whether the claimants worked for farmers who grew tobacco purchased by either Defendant group). The claim is unquantified and given the early stage of the litigation a provision would not be appropriate.

24. Share schemes

The Group and Company operate four types of share-based incentive programmes, designed to incentivise staff and to encourage them to build a stake in the Group.

Share Matching Scheme
The purpose of the Share Matching Scheme is to encourage eligible employees to acquire and retain Imperial Brands PLC ordinary shares.

Directors and a proportion of the Company's management may elect to invest any proportion of their Share Matching Scheme eligible bonus in Imperial Brands PLC ordinary shares to be held by the Employee Benefit Trusts. Provided the shares are left in the Trusts for three years and the individual remains in employment within the Group, the individual will retain the original shares, including dividend roll-up, and receive additional shares on a one-for-one basis.

Long Term Incentive Plan (LTIP)
Annual conditional awards have been made to Directors and other senior executives. The conditional awards, which vest three years after grant, including dividend roll-up, are subject to the satisfaction of specified performance criteria measured over a three year performance period. Further information relating to the performance criteria and the terms of the LTIP are set out in the Annual Report of Imperial Brands PLC.

Sharesave Plan
Under the International Sharesave Plan the Imperial Brands PLC Board may offer options to purchase ordinary shares in Imperial Brands PLC to employees who enter into a savings contract. The price at which options may be offered varies depending on local laws, but will not be less than 80 per cent of the closing mid-market price of an Imperial Brands PLC ordinary share on the London Stock Exchange on the day prior to invitation. The options may normally be exercised during the six months after expiry of the savings contract, three years after entering the Plan.

Under the UK Sharesave Plan, which is part of the Group's International Sharesave Plan, the Imperial Brands PLC Board may offer options to purchase ordinary shares in Imperial Brands PLC to UK employees who enter into an HM Revenue and Customs approved Save as You Earn (SAYE) savings contract. The options may normally be exercised during the six months after the expiry of the SAYE contract, three years after entering the UK Sharesave Plan.

Discretionary Share Awards Plan (DSAP)
Under the DSAP, one-off conditional awards are made to individuals to recognise exceptional contributions within the business. Awards, which are not subject to performance conditions and under which vested shares do not attract dividend roll-up, will normally vest on the third anniversary of the date of grant subject to the participant's continued employment. The limit of an award under the DSAP is capped at 25 per cent of the participant's salary at the date of grant. Shares used to settle awards under the DSAP will be market purchased.

Notes to the Financial Statements

24. Share schemes (continued)

Analysis of the charge to the income statement

(In £ million)	2022	2021
Share Matching Scheme	**1**	1
Long Term Incentive Plan	**21**	12
Sharesave Plan	**-**	1
Discretionary Share Awards Plan	**1**	1
	23	15

Reconciliation of movements in awards/options

Thousands of shares unless otherwise indicated	Share Matching awards	LTIP awards	Sharesave awards	DSAP awards	2022 Sharesave weighted average exercise price (£)
Outstanding at 1 October 2021	**111**	**4,312**	**398**	**26**	**13.89**
Granted	**46**	**2,473**	**45**	**25**	**14.56**
Lapsed/cancelled	**(3)**	**(1,117)**	**(67)**	**(3)**	**18.11**
Exercised	**(40)**	**(694)**	**(23)**	**(10)**	**16.14**
Outstanding at 30 September 2022	**114**	**4,974**	**353**	**38**	**13.21**
Exercisable at 30 September 2022	**-**	**-**	**7**	**-**	**17.45**

Thousands of shares unless otherwise indicated	Share Matching awards	LTIP awards	Sharesave awards	DSAP awards	2021 Sharesave weighted average exercise price (£)
Outstanding at 1 October 2020	98	2,970	405	10	13.49
Granted	62	2,691	66	21	13.09
Lapsed/cancelled	(3)	(995)	(73)	(1)	21.74
Exercised	(46)	(354)	-	(4)	5.45
Outstanding at 30 September 2021	111	4,312	398	26	13.89
Exercisable at 30 September 2021	-	-	8	-	22.24

The weighted average Imperial Brands PLC share price at the date of exercise of awards and options was £17.49 (2021: £14.96). The weighted average fair value of Sharesave options granted during the year was £3.35 (2021: £2.87).

Notes to the Financial Statements

24. Share schemes (continued)

Summary of awards/options outstanding at 30 September 2022

Thousands of shares unless otherwise indicated	Number of awards/ options outstanding	Vesting period remaining in months	Exercise price of options outstanding (£)
Share Matching Scheme			
2020	**32**	**5**	**n/a**
2021	**45**	**17**	**n/a**
2022	**37**	**29**	**n/a**
Total awards outstanding	**114**		
Long Term Incentive Plan			
2019	**111**	**-**	**n/a**
2020	**1,114**	**5**	**n/a**
2021	**1,917**	**18**	**n/a**
2022	**1,832**	**30**	**n/a**
Total awards outstanding	**4,974**		
Sharesave Plan			
2019	**7**	**-**	**17.45**
2020	**248**	**11**	**12.37**
2021	**54**	**23**	**13.09**
2022	**44**	**35**	**14.56**
Total awards outstanding	**353**		
Discretionary Shares Awards Plan			
2020	**-**	**-**	**n/a**
2021	**13**	**17**	**n/a**
2022	**25**	**30**	**n/a**
Total awards outstanding	**38**		

The vesting period is the period between the grant of awards or options and the earliest date on which they are exercisable. The vesting period remaining and the exercise price of options outstanding are weighted averages. Participants in the Sharesave Plan have six months from the maturity date to exercise their option. Participants in the LTIP have up to seven years from the end of the vesting period to exercise their option. The exercise price of the options is fixed over the life of each option.

Notes to the Financial Statements

24. Share schemes (continued)

Pricing

For the purposes of valuing options to calculate the share-based payment charge, the Black-Scholes option pricing model has been used for the Share Matching Scheme, Sharesave Plan and Discretionary Awards Plan. A summary of the assumptions used in the Black-Scholes model for 2022 and 2021 is as follows:

			2022
	Share matching	Sharesave	DSAP
Risk-free interest rate %	**2.0**	**1.2-2.2**	**2.0-2.2**
Volatility %	**35.5**	**35.3-35.5**	**35.5**
Expected lives of options granted years	**3**	**3**	**3**
Dividend yield %	**9.2**	**9.2**	**9.2**
Fair value £	**10.35**	**3.21-3.31**	**10.35-10.67**
Share price used to determine exercise price £	**13.65**	**17.83-18.39**	**13.65-14.08**
Exercise price £	**n/a**	**14.56**	**n/a**

			2021
	Share matching	Sharesave	DSAP
Risk-free interest rate %	0.7	0.2	0.7
Volatility %	36.0	33.9	26.3
Expected lives of options granted years	3	3	3
Dividend yield %	8.9	8.9	6.7
Fair value £	12.37	2.56	12.86
Share price used to determine exercise price £	16.00	16.00	15.27
Exercise price £	n/a	13.09	n/a

Market conditions were incorporated into the Monte Carlo method used in determining the fair value of LTIP awards at grant date. Assumptions in 2022 and 2021 are given in the following table.

(%)	2022	2021
Future Imperial Tobacco Group share price volatility	**30**	31
Future Imperial Tobacco Group dividend yield	**-**	-
Share price volatility of the tobacco and alcohol comparator group	**17.0-83.7**	17.4-40.9
Correlation between Imperial Tobacco and the alcohol and tobacco comparator group	**24**	27

25. Related party transactions

The Company has taken advantage of the Group exemption under the terms of IAS 24 from disclosing related party transactions with entities that are part of the Group since the Company is a wholly owned subsidiary of Imperial Brands PLC and is included in the consolidated financial statements of the Group, which are publicly available.

Notes to the Financial Statements

26. Guarantees

Together with Imperial Brands PLC (IB) (the ultimate parent company), the Company acts as guarantor for the following facilities for the benefit of the overall IB Group; bonds issued since September 2008 under various Euro Medium Term Noted Debt Issuance Programmes; bonds issued since February 2013 under the provisions of Sections 144 and Regulation S of the US Securities Act (1933); four committed but undrawn credit borrowing facilities dated March 2011, May 2017, November 2018 and March 2022; International Swap and Derivatives Association agreement dated March 2012. In addition, the Company also acts as a guarantor together with IB and various other subsidiaries of IB for an uncommitted borrowing facility dated January 2007.

At 30 September 2022, the contingent liabilities totalled £13,013 million (2021: £12,897 million).

The Directors have assessed the fair value of the above guarantees and do not consider them to be material. They have, therefore, not been recognised on the balance sheet.

27. Post balance sheet events

Logista acquisitions
In October 2022, the Group's subsidiary Logista completed the acquisition of Carbó Collbatellé, S.L. and Transportes El Mosca.

28. Related undertakings

The ultimate parent undertaking and controlling party of the Company at 30 September 2022 was Imperial Brands PLC, a company incorporated in the United Kingdom and registered in England and Wales. The smallest and largest group in which the results of the Company are consolidated is that headed by Imperial Brands PLC, whose consolidated financial statements may be obtained from the Company Secretary, 121 Winterstoke Road, Bristol, BS3 2LL.

The immediate parent undertaking of Imperial Tobacco Limited at 30 September 2022 was Imperial Tobacco Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

Notes to the Financial Statements

28. Related undertakings (continued)

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates, and joint ventures, the principal activity, the country of incorporation and the effective percentage of equity owned, as at 30 September 2022 are disclosed below.

Subsidiaries: Registered in England and Wales, wholly owned

Name	*Principal* activity and registered address
Attendfriend Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
British Tobacco Company Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Hypofill Limited	Dormant Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England
Imperial Brands Ventures Finance Limited [(v)]	Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Brands Ventures Holdings Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Brands Ventures Holdings (1) Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Brands Ventures Holdings (2) Limited [(xi)]	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Brands Ventures Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Investments Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Altadis Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Capital Assets (1)	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Capital Assets (2)	Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Capital Assets (3)	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Capital Assets (4)	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Group Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Holdings (1) Limited [(iv)]	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Initiatives	Dormant 121 Winterstoke Road, Bristol BS3 2LL England
Imperial Tobacco Lacroix Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Registered in England and Wales, wholly owned (continued)

Name	Principal activity and registered address
Imperial Tobacco Overseas (Polska) Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Overseas Holdings (1) Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Overseas Holdings (2) Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Overseas Holdings (3) Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Overseas Holdings Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Overseas Limited [(x)]	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Pension Trustees (Burlington House) Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Pension Trustees Limited [(iv)]	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Ventures Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
ITG Brands Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Joseph & Henry Wilson Limited	Licencing rights for the manufacture and sale of tobacco products 121 Winterstoke Road, Bristol, BS3 2LL, England
Nerudia Limited [(v)]	Research and development of e-vapour products Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England
Nerudia Consulting Limited	Research and development of e-vapour products Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England
Park Lane Tobacco Company Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Rizla UK Limited	Entity ceased trading 121 Winterstoke Road, Bristol, BS3 2LL, England
Sensus Investments Limited	Dormant Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Registered in England and Wales, partly owned

Name	Principal activity and registered address	% owned
Altadis New Co Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England	81.6
Congar International UK Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England	81.6
Imperial Brands Enterprise Finance Limited	Provison of treasury services to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England	56.3
La Flor de Copan UK Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England	81.6
Tabacalera de Garcia UK Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England	81.6

Subsidiaries: Incorporated overseas, wholly owned

Name	Country of incorporation	Principal activity and registered address
1213509 B.C. Limited [(i)]	Canada	Holding investments in subsidiary companies Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC. V6C 2X8, Canada
Altadis Canarias SAU [(ii)]	Spain	Marketing and sale of tobacco products in the Canary Islands C/Comandaute Azcarraga 5, Madrid 28016, Spain
Altadis Middle East FZCO	United Arab Emirates	Sales and marketing of tobacco products in the Middle East P.O. Box. No. 261718, Jebel Ali Free Zone, Dubai, 261718, United Arab Emirates
Altadis Ocean Indien S.A.S.	France (La Reunion Island)	Sales and distribution of tobacco products in la Reunion Island ZI n° 2 - BP 256 - 97457 Saint Pierre Cedex, La Reunion
Altadis S.A.U.	Spain	Manufacture, sales and distribution of tobacco products in Spain
Cacique, SA - Comércio, Importaçao e Exportaçao	Brazil	Dormant Rua Marechal Deodoro, 690 - Centro Arapiraca, Alagoas, Brazil
Coralma International SAS	France	Holding investments in subsidiary companies 122 Avenue Charles de Gaulle, Neuilly sur Seine, 92200, France
Dunkerquoise des Blends S.A.S.	France	Tobacco processing 122 Avenue Charles de Gaulle, Neuilly sur Seine, 92200, France
Ets L Lacroix Fils NV/SA	Belgium	Manufacture and sale of tobacco products in Belgium Sint-Bavostraat 66, 2610 Wilrijk, Belgium
Fontem (Beijing) Technology Solutions Limited [(i)]	People's Republic of China	Research and development Room 201, Floor 2, Building 6, Yuan Dong science and technology park, 6 Hepingli North Street, Dong Cheng District, Beijing, 100013, China

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Fontem Canada Limited	Canada	Non-trading C/O BDO Canada LLP, Suite 120, 230 Brownlow Avenue, Dartmouth, Nova Scotia B3B 0G5, Canada
Fontem Ventures B.V.	The Netherlands	Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands
Huotraco International Limited	Cambodia	Production and marketing of tobacco products No 299, Preah Ang Duong Street, Sangkat Wat Phnom, Khan Daunh Penh, Phnom Penh, Cambodia
Imperial Brands Columbia S.A.S.	Columbia	In Liquidation TV21 No.98 05, Bogota D.C. Colombia
Imperial Brands CR s.r.o. (formerly Imperial Tobacco s.r.o.)	Czech Republic	Sales and marketing of tobacco products in the Czech Republic Radlicka 14, Prague 5, 150 00, Czech Republic
Imperial Brands Finance France S.A.S.	France	Provision of finance to other Group companies 143 bd Romain Rolland, Cedex 14, Paris, 75685, France
Imperial Brands Finance Netherlands B.V.	The Netherlands	Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands
Imperial Brands Finland Oy	Finland	Sales and marketing of tobacco products in Finland Poikluomantie 1-3, Piispanristi, 20760, Finland
Imperial Brands Global Duty Free & Export S.L.	Spain	Sale and export of duty-free tobacco products C/Comandaute Azcarraga 5, Madrid 28016, Spain
Imperial Brands Japan Kabushiki Kaisha [(v)]	Japan	Sales and marketing of tobacco products in Japan The Okura Prestige Tower, 10th Floor, 2-10-4 Toranoomon, Minato-ku, Tokyo 105-0001, Japan
Imperial Brands La Romana (formerly Tabacalera de García S.A.S.)	Dominican Republic	Dormant Industrial Free Zone #1, La Romana, Dominican Republic
Imperial Brands Luxembourg sarl	Luxembourg	Sale of tobacco products in Luxembourg 56 Rue Charles Martel, L-2134, Luxembourg
Imperial Brands Malta Limited	Malta	Provision of finance to other Group companies Aragon House Business Centre, St. George's Park, St. Julians, Malta STJ3140

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Imperial Brands Norway A.S. (formerly Imperial Tobacco A.S.)	Norway	Sales and marketing of tobacco products in Norway Ryensvingen 2-4, 0680, Oslo, Norway
Imperial Brands Services Polska spolka z.o.o	Poland	Manufacturing and supply chain services to other group companies Jankowice, Przemyslowa 1, 62-080 Tarnowo Podgórne, Poland
Imperial Brands Ventures LLC	United States of America	Holding investments in subsidiary companies 251 Little Falls Drive, Wilmington, DE 19808 USA
Imperial Finance Ireland Limited	Ireland	Provision of finance to other Group Companies 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland
Imperial Finance Malta Ltd	Malta	Provision of finance to other Group companies Aragon House Business Centre, St. George's Park, St. Julians, Malta
Imperial Nominees Limited (ii)	New Zealand	Trustee Company Level 24, 157 Lambton Quay, Wellington Central, Wellington 6011, New Zealand
Imperial Tobacco (Asia) Pte. Ltd.	Singapore	Trading of tobacco related products 80 Robinson Road, #02-00, 068898, Singapore
Imperial Tobacco Australia Limited	Australia	Sales and marketing of tobacco products in Australia John Player Special House, Level 4, 4-8 Inglewood Place, Norwest, NSW 2153, Australia
Imperial Tobacco Austria Marketing Service GmbH	Austria	Marketing of tobacco products in Austria Zieglergasse 6, A-1070 Vienna, Austria
Imperial Tobacco BH doo [(i)]	Bosnia-Herzegovina	Marketing and distribution of tobacco products in Bosnia Adema Buce, Sarajevo, 71000, Bosnia & Herzegovina
Imperial Tobacco Bulgaria EOOD [(i)]	Bulgaria	Manufacture and sale of tobacco products in Bulgaria 15 Henrih Ibsen str, Floor 4, Office 4, Sofia, 1407, Bulgaria
Imperial Tobacco Distribution Romania srl [(i)]	Romania	Marketing and distribution of tobacco products in Romania Nicolae Canea Street no. 140-160, EOS Business Park, 1st Floor North, 2nd District, Bucharest, Romania
Imperial Tobacco España, S.L.U.	Spain	Holding investments in subsidiary companies C/Comandaute Azcarraga 5, Madrid 28016, Spain
Imperial Tobacco Estonia OÜ	Estonia	Sale of tobacco products Valge 13, 11145, Tallinn, Estonia
Imperial Tobacco Holdings (Netherlands) B.V.	The Netherlands	Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Imperial Tobacco Intellectual Property Limited	Ireland	Ownership of trademarks 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland
Imperial Tobacco International GmbH	Germany	Export and marketing of tobacco products Max-Born-Straße 4, Hamburg, 22761, Germany
Imperial Tobacco Ireland Unlimited Company [v]	Ireland	Dormant 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland
Imperial Tobacco Italia S.r.l.	Italy	Sales and marketing of tobacco products in Italy Via Luca Passi 22, Roma, 00166, Italy
Imperial Tobacco Italy S.r.l.	Italy	Holding investments in subsidiary companies Via Luca Passi 22, Roma, 00166, Italy
Imperial Tobacco Magyarország Dohányforgalmázo Kft (Imperial	Hungary	Sales and marketing of tobacco products in Hungary Váci út 141, 1138, Budapest, Hungary
Imperial Tobacco Management Luxembourg sarl	Luxembourg	Holding investments in subsidiary companies 56 Rue Charles Martel, L-2134, Luxembourg
Imperial Tobacco Marketing Sdn Bhd	Malaysia	Trading of tobacco products 12th Floor Menara Symphony, No 5 Jalan Prof, Khoo Kay Kim, Seksyey, 46200 Petaling Jaya, Selangor, Malaysia
Imperial Tobacco New Zealand Limited	New Zealand	Manufacture and sale of tobacco products in New Zealand Level 24, 157 Lambton Quay, Wellington Central, Wellington 6011, New Zealand
Imperial Tobacco Polska Manufacturing S.A.	Poland	Manufacture of tobacco products in Poland Ul. Tytoniowa 2/6, Radom, 26-600, Poland
Imperial Tobacco Polska S.A.	Poland	Manufacture and sale of tobacco products in Poland Jankowice, ul. Przemyslowa 1, Pl-62-080, Tarnowo-Podgome, Poland
Imperial Tobacco Portugal SSPLC	Portugal	Advertising and support management 144, 7 DT, Avenida da Liberdade, Lisbon, Portugal
Imperial Tobacco Production Ukraine [i]	Ukraine	Manufacture of tobacco products in Ukraine ul. Akademika Zabolotnogo, 35, 03026, Kiev, Ukraine
Imperial Tobacco SCG doo Beograd [i]	Serbia	Marketing and distribution of tobacco products in Serbia Milutina Milankovica 11a, Novi Beograd, Serbia
Imperial Tobacco Sigara ve Tutunculuck Sanayi Ve Ticaret A.S.	Turkey	Manufacture of tobacco products in Turkey Kecilikoy OSB, Mah. Ahmet Tutuncuoglu Cad. No: 11, 45030 Yunusemre, Manisa, Turkey
Imperial Tobacco Slovakia a.s.	Slovak Republic	Sales and marketing of tobacco products in the Slovak Republic 7A Galvaniho, 824 53 Bratislava, Slovakia
Imperial Tobacco Taiwan Co Limited	Taiwan	Sales and marketing of tobacco products in Taiwan 6F 1-2 No.2 Sec 3, Minsheng E Road, Zhongshen District, Tapei, Taiwan, Province of China

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Imperial Tobacco Taiwan Manufacturing Company Limited	Taiwan	Manufacture of tobacco products in Taiwan No 8 Cyunyi Road, Jhunan, MiaoLi County 350, Taiwan Province of China
Imperial Tobacco Tutun Urunleri Satis Ve Pazarlama A.S.	Turkey	Sales and marketing of tobacco products in Turkey Kecilikoy OSB, Mah. Ahmet Tutuncuoglu Cad. No: 11, 45030 Yunusemre, Manisa, Turkey
Imperial Tobacco Ukraine [(i)]	Ukraine	Sales and marketing of tobacco products in Ukraine ul. Akademika Zabolotnogo, 35, 03026, Kiev, Ukraine
Imperial Tobacco West Africa S.A.S. [(i)]	Cote D'Ivoire	Holding investments in subsidiary companies Cocody-Nord, Quartier Gendarmerie, TF 5937, 01 B.P. 724 Abidjan
Imperial Tobacco Zagreb doo [(i)]	Croatia	Dormant Gradičanska 30, Zagreb, HR-10000, Croatia
Imperial Ventures Malta Limited	Malta	Provision of finance to other Group companies Aragon House Business Centre, St. George's Park, St. Julians, Malta STJ3140
IMPTOB South Africa (Pty) Limited	South Africa	Provision of services to other Group companies Suite 107, Beacon Rock, 21 Lighthouse Road, Umhlanga 4319, South Africa
ITL Pacific (HK) Limited	Hong Kong	Manufacture and sale of tobacco and tobacco related products Room 3907-08, 39th Floor, Hopewell Centre, 183 Queens Road East, Wanchai, Hong Kong
JAW-Invest Oy	Finland	Trademark owner Poikluomantie 1-3, Piispanristi, 20760, Finland
John Player & Sons Limited	Ireland	Sales and marketing of tobacco products in the Republic of Ireland 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland
John Player Ireland Pension Trustee Limited	Ireland	Sales and marketing of tobacco products in the Republic of Ireland 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland
JSNM SARL	France	Trademark owner 122 Avenue Charles de Gaulle, Neuilly sur Seine, 92200, France
MYBLU Spain S.L.	Spain	Marketing and sale of e-vaopur products in Spain CR. Robledo de Chavela, S/N. San Lorenzo del Escorial, Madrid, 28200, Spain
Millennium Tobacco Unlimited Company	Ireland	Provision of finance to other Group companies 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland
Newglade International Unlimited Company	Ireland	Dormant 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland
Philippine Bobbin Corporation	Philippines	Manufacture of tobacco related products Cavite Economic Zone, Phase II, Rosario, Cavite, Philippines

Notes to the Financial Statements

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Real Club de Golf la Herrería S.A.	Spain	Management of golf course CR. Robledo de Chavela, S/N. San Lorenzo del Escorial, Madrid, 28200, Spain
Skruf Snus AB	Sweden	Manufacture, marketing, sales of tobacco products in Sweden PO Box 3068, Stockholm, SE-103 61, Sweden
Société Centrafricaine de Cigarettes S.A. (i)	Central African Republic	Manufacture and distribution of cigarettes in Central African Republic Rue David Dacko, BP 1446, Bangui, Central African Republic
Société Centrafricaine de Distribution Sarl (i)	Central African Republic	Dormant Avenue Boganda Pk4, Bangui, Central African Republic
Société du Mont Nimba Sarl (i)	Guinee Conakry	In liquidation BP 3391, Conakry, Guinea
Société Nationale d'Exploitation Industrielle des Tabacs et Allumettes S.A.S. (SEITA)	France	Manufacture and sale of tobacco products in France, and export of tobacco products 143 bd Romain Rolland, Cedex 14, Paris, 75685, France
Société pour le Développement du Tabac en Afrique S.A.S.	France	Purchasing company 122 Avenue Charles de Gaulle, Neuilly sur Seine, 92200, France
System Designed to Africa Sarl	Morocco	Distribution of tobacco products Km 17, Route national de Rabat, Ain Harrouda, Morocco
Tabacalera de Garcia S.A.S.	France	Manufacture of cigars in the Dominican Republic 320, Rue Saint-Honore, Paris, 75001, France
Tahiti Tabacs SASU	France, Papeete (Tahiti)	Importation, distribution and selling of tobacco products in Tahiti (French Polynesia) PK 4, 300 Côté mer, 98701 Arue, BP 20692 Papeete, French Polynesia
Tobaccor S.A.S. (v)	France	Holding investments in subsidiary companies 122 Avenue Charles de Gaulle, Neuilly sur Seine, 92200, France
Tobačna 3DVA, trgovsko podjetje, d.o.o.	Slovenia	Retail of products in Slovenia Cesta 24., junija 90, SI 1231 Ljubljana - Črnuče, Slovenia
Tobačna Grosist d.o.o.	Slovenia	Marketing and distribution in Slovenia Cesta 24., junija 90, SI 1231 Ljubljana - Črnuče, Slovenia
Tobačna Ljubljana d.o.o. (v)	Slovenia	Sales and marketing tobacco products in Slovenia Cesta 24., junija 90, SI 1231 Ljubljana - Črnuče, Slovenia
Van Nelle Tabak Nederland B.V.	The Netherlands	Manufacture and sale of tobacco products in the Netherlands Slachtedijk 28a, 8501 ZA, Joure, Netherlands
Van Nelle Tobacco International Holdings B.V.	The Netherlands	Sale of tobacco and tobacco related products Slachtedijk 28a, 8501 ZA, Joure, Netherlands
Von Erl. Gmbh (i)	Austria	Sale of e-vapour products in the US and Europe Hegelgasse 13/26, 1010 Vienna, Austria

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned

Name	Country of incorporation	Principal activity and registered address	
Altadis Holdings USA Inc	United States of America	Holding investments in subsidiary companies 714 Green Valley Road Greensboro, NC27408 USA	81.6
Altadis Management Services Corporation	United States of America	Trademark service company 714 Green Valley Road Greensboro, NC27408 USA	81.6
Altadis Retail Corporation	United States of America	Trademark owner 300 Delaware Avenue, Ste. 1230, Wilmington, DE, 19801, USA	81.6
Altadis Shade Company LLC	United States of America	Manufacture and sale of tobacco products in the USA 217 Shaker Road, Somers, CT, 06071, USA	81.6
Be To Be Pharma, S.L.U	Spain	Distribution of pharmaceuticals Avenida de Europa No.2, Edificio Alcor Plaza/Ala Este Planta 4a - Modulo 3, Alcorcor, Madrid, 28922, Spain	50.0
CBHC Inc	United States of America	Dormant 714 Green Valley Road Greensboro, NC27408 USA	81.6
CDIL Companhia de Distribuçao Integral Logista Portugal, S.A.	Portugal	Marketing and sale of tobacco and other products , and payment services in Portugal. Edifico Logista, Rua do Vale da Fonte Coberta, 153 E 167, 2890-182 Alcochete, Portugal	50.0
Commonwealth-Altadis, Inc	United States of America	Sales and distribution of tobacco products in the USA 714 Green Valley Road Greensboro, NC27408 USA	81.6
Commonwealth Brands Inc	United States of America	Manufacture and sale of tobacco products in the USA 714 Green Valley Road Greensboro, NC27408 USA	81.6
Compagnie Agricole et Industrielle des Tabacs Africains S.A.S.	France	Management company 143 bd Romain Rolland, Cedex 14, Paris, 75685, France	99.9
Compagnie Réunionnaise des Tabacs S.A.S.	France, St Pierre (La Reunion Island)	Manufacture of cigarettes ZI n° 2 - BP 256 - 97457 Saint Pierre Cedex, La Reunion	98.9
Compañía de Distribución Integral de Publicaciones Logista S.L.U. [iv]	Spain	Distribution of published materials and other products Avenida de Europa No.2, Edificio Alcor Plaza/Ala Este Planta 4a – Modulo 3, Alcorcor, Madrid, 28922, Spain	50.0
Compañía de Distribución Integral Logista Holdings, S.A. [iii]	Spain	Holding investments in subsidiary companies C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
Compañía de Distribución Integral Logista Polska, sp. Z o.o. (SL)	Poland	Distribution of tobacco products in Poland Avenida Jerozolimskie 133/131, 02-304 Varsaw, Poland	50.0

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Compañía de Distribución Integral Logista S.A.U.	Spain	Distribution of tobacco products in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
Congar International Corp (Delaware)	United States of America	Manufacturing and distribution of mass market cigars Road 14, Km. 72.2, Ave. Antonio R. Barcelo, Cayey, DE, PR 00736, USA	81.6
Connecticut Shade Corporation	United States of America	Holding investments in subsidiary companies 714 Green Valley Road Greensboro, NC27408 USA	81.6
Consolidated Cigar Holdings Inc (vii)	United States of America	Holding investments in subsidiary companies 714 Green Valley Road Greensboro, NC27408 USA	81.6
Direct Products Inc (Inactive)	United States of America	Holding investments in subsidiary companies 714 Green Valley Road Greensboro, NC27408 USA	81.6
Dronas 2002, S.L.U.	Spain	Industrial parcel and express delivery service Energía, 25-29; Polígono Industrial Nordeste, Sant Andreu de la Barca, Barcelona, 08740, Spain	50.0
Fontem US, LLC.	United States of America	Sales and marketing of tobacco products in the US 714 Green Valley Road Greensboro, NC27408 USA	81.6
Imperial Tobacco TKS a.d. (i)	Macedonia	Manufacture, marketing and distribution of tobacco products in Macedonia ul 11, Oktomvri 125, P O Box 37, 1000 Skopje, Macedonia	99.1
Imperial Tobacco TKS a.d. – Dege Kosove	Republic of Kosovo	Manufacture, marketing and distribution of tobacco products in Kosovo Rrafshi i Kosoves, Nr. 80 (Magjistralja M2: Prishtine-Shkup, km i 2-te Vetermik) Prishtine, Republic of Kosovo	99.1
Imperial Tobacco US Holdings BV	The Netherlands	Holding investments in subsidiary companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands	81.6
Imperial Tobacco EFKA Management GmbH	Germany	Manufacture of tobacco products in Germany Max-Born-Straße 4, Hamburg, 22761, Germany	99.7
Imperial Tobacco Hellas S.A.	Greece	Sales and marketing of tobacco products in Greece 300 Klisthenous Str, 15344 Gerakas, Attikis, Athens, Greece	99.5

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Imprimerie Industrielle Ivoirienne SA [(i)]	Cote D'Ivoire	Printing company Zone Industrielle du Banco, Lots No 147-149-150, 01 BP 4124, Yopougon/Abdjan, Cote d'Ivoire	78.8
ITG Brands Holdco LLC	United States of America	Holding investments in subsidiary companies 714, Green Valley Road, Greensboro, NC 27408, USA	81.6
ITG Brands, LLC	United States of America	Marketing and distribution of tobacco products in the USA 714, Green Valley Road, Greensboro, NC 27408, USA	81.6
ITG Cigars Inc	United States of America	Manufacture and sale of cigars in the USA 2601 Tampa East Blvd, Tampa Florida FL33619-8306, USA	81.6
ITG Holdings USA Inc [(iv)]	United States of America	Holding investments in subsidiary companies 714, Green Valley Road, Greensboro, NC 27408, USA	81.6
La Mancha 2000, S.A.U.	Spain	Distribution services Av. de la Veguilla, 12-Nave A- Parcela S-120, Cabanillas del Campo, Guadalajara, 19171, Spain	50.0
Logesta Deutschland Gmbh, Sociedad Unipersonal	Germany	Long haul transportation in Germany Pilotystrasse, 4, 80538 München, Germany	50.0
Logesta France SARL	France	Long haul transportation in France Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Logesta Gestión de Transporte S.A.U.	Spain	Long haul transportation services in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
Logesta Italia, S.R.L.	Italy	Long haul transportation in Italy Via Valadier, 37 - 00193 Roma, Italy	50.0

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Logesta Lusa L.D.A. [(i)]	Portugal	Long haul transportation in Portugal Expanso da Area Industrial do Passil, Edificio Logista, Lote 1A, Palhava, Alcochete, Portugal	50.0
Logesta Polska Sp Zoo	Poland	Long haul transportation in Poland Aleje Jerozolimskie 133/32, 02/304 Varsovia, Poland	50.0
Logista France Holding S.A.	France	Holding investments in subsidiary companies Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Logista France S.A.S.	France	Holding investments in subsidiary companies Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Logista Italia Spa	Italy	Long haul transportation in Italy Via Valadier, 37 - 00193 Roma, Italy	50.0
Logista Payments, S.L.U.	Spain	Provision of financial services C/ Trigo, 39 – Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
Logista Pharma Canarias, S.A.U.	Spain	Pharmaceutical products logistics in Canary Islands C/ Entreríos Nave 3; Las Palmas de Gran Canaria, 35600, Spain	50.0
Logista Pharma S.A.U.	Spain	Distribution of pharmaceuticals Felix Rodriguez de la Fuente, 11, Parque Epresarial de Elche, Alicante, Elche, 03203, Spain	50.0
Logista Promotion et Transport S.A.S.	France	Marketing and distribution of tobacco products in France Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Logista Regional de Publicaciones, S.A.U.	Spain	Marketing, distribution and sale to points of sale in Spain. Poligono Industrial Polvoranca, Calle Trigo 39, Leganes, Madrid, Spain	50.0
Logista Strator, SLU (formerly Cyberpoint, S.L.U.)	Spain	Distribution of POS software Avenida de Europa No.2, Edificio Alcor Plaza/Ala Este Planta 4a – Modulo 3, Alcorcor, Madrid, 28922, Spain	50.0
Logista Transport Europe B.V.	The Netherlands	Holding Company Learderhoogtwig 25, 1101 EB, Amsterdam, The Netherlands	50.0
Logista, Transportes, Transitários e Pharma, Lda., Sociedad Unipersonal	Portugal	Industrial parcel delivery and pharmaceutical logistics in Portugal Expanso da Area Industrial do Passil, Edificio Logista, Lote 1A, Palhava, Alcochete, Portugal	50.0

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Logista-Dis S.A.U.	Spain	Sale of tobacco products in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
MABUCIG Industries S.A. [(i)]	Burkina Faso	Manufacture of cigarettes in Burkina Faso No 55, Rue 19.14, , B.P. 94, Kodeni, – Bobo Dioulasso, Burkina Faso	72.7
MABUCIG (Manufacture Burkinabe de Cigarette)	Burkina Faso	Manufacture of cigarettes in Burkina Faso Zone Industrielle de Bobo-Dioulasso, Secteur No 19, Rue 19.14 No adressage 55, B.P. 94 - Bobo Dioulasso, Burkina Faso	72.7
Macotab S.A.S. (Manufacture Corse des Tabacs)	France, Bastia	Manufacture and sales of cigarettes Route Nationale 193, Furiani, 20600, France	99.9
Manufacture de Cigarettes du Tchad S.A.S. [(i)]	Tchad	Manufacture and distribution of cigarettes in Chad 0502 rue 1039, Arrondissement 1, N'DJamena, Chad	95.0
Max Rohr, Inc	United States of America	Trademark owner 300 Delaware Avenue, Ste. 1267, Wilmington, DE,19801, USA	81.6
Midsid – Sociedade Portuguesa de Distribução, S.A.U.	Portugal	Wholesale of tobacco and other products Expanso da Area Industrial do Passil, Edificio Logista, Lote 1A, Palhava, Alcochete, Portugal	50.0
MTOA SA [(i)]	Senegal	Manufacture and sales of cigarettes in Senegal Km 2-5 Bld du Centenaire de la commune de Dakar, Dakar, Senegal	98.3
Publicaciones y Libros S.A.U.	Spain	Publishing company Avenida de Europa No.2, Edificio Alcor Plaza/Ala Este Planta 4a – Modulo 3, Alcorcor, Madrid, 28922, Spain	50.0
S3T Pte Ltd [(i)]	Singapore	Holding investments in subsidiary companies 80 Robinson Road, #02-00, 068898, Singapore	51.0
SACIMEM SA [(i)]	Madagascar	Manufacture of cigarettes in Madagascar 110 Antsirabe - Madagascar, Route d'Ambositra, BP 128, Madagascar	65.4
SITAB Industries S.A. [(i)]	Cote D'Ivoire	Manufacture of cigarettes in Cote D'Ivoire Rue de l'Industrie - Lot No 19, 01 - BP 607, Bouake, Cote d'Ivoire	75.9
SITAR Holding S.A.S.	France (La Reunion Island)	Holding investments in subsidiary companies Z.I n2, B.P. 256, 97457 Saint Pierre, Ile de la Reunion, France	99.0

28. Related undertakings (continued)

Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Société Africaine d'Impression Industrielle S.A. [(i)]	Senegal	Manufacture and distribution of cigarettes in Senegal route de Bel Air - Km 2200, Dakar, Senegal	99.8
Société Allumettiere Française S.A.S.	France	Manufacture and distribution of cigarettes Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Société des Cigarettes Gabonaises S.A. [(i)]	Gabon	In liquidation 2381 bld Léon MBA, BP 2175, Libreville, Gabon	87.8
Société Industrielle et Agricole du Tabac Tropical S.A. [(i)]	Congo	Manufacture and distribution of cigarettes in Congo Avenue de la Pointe Hollandaise, Mpila, BP 50, Brazzaville, Congo	89.7
Société Ivoirienne des Tabacs S.A. [(i) (iii)]	Cote D'Ivoire	Manufacture and distribution of cigarettes in Cote D'Ivoire Cocody-Nord, Quartier Gendarmerie, TF 5937, 01 B.P. 724 Abidjan	74.9
Société Marocaine des Tabacs S.A.	Morocco	Manufacture and distribution of cigarettes in Morocco 87 Rue Hamed El Figuigui , Casablanca, 20500, Morocco	99.9
SOCTAM S.A. [(i)]	Madagascar	Manufacture and distribution of cigarettes in Mali 15 Rue Geoges V, Mahajanga, Madagascar	50.5
SOTCHADIS S.A.S. (i)	Chad	Non-trading 502 Rue 1039, BP 852, N'Djamena, Chad	95.0
Tabacalera Brands Inc	United States of America	Trademark owner 103 Foulk Road, Suite 253, Wilmington, Delaware, 19803, USA	81.6
Tabacalera de Garcia Limited	Bermuda	Holding investments in subsidiary companies Claredon House, 2 Church Street, Hamilton, Bermuda	81.6
Terzia S.P.A.	Italy	Wholesale to tobacconists in Italy Via Valadier, 37 – 00193 Roma, Italy	50.0
Alcome S.A.S.	France	Waste management 88 avenue des Ternes, Paris, 75017, France	24.0
Azur Finances SA	Cameroon	Holding investments in subsidiary companies B.P 1105, Douala, Cameroon	20.0
Compañia Española de Tabaco en Rama SA (Cetarsa) (i)	Spain	Production and sale of raw tobacco Avenida de las Angustias, 20, 10300 Navalmoral de la Mata, Cáceres, Spain.	20.8

28. Related undertakings (continued)

Associates: Incorporated overseas

Name	Country of incorporation	Principal activity and registered address	% owned
24 Hours B.V.	The Netherlands	Courier Express Sector Wijkermeerstraat 31, 2131 HB, Hoofddorp, The Netherlands	35.0
Athena IP Vermogensverwaltungs GmbH	Germany	Davidoff cigarette trademark owner Max-Born-Straße 4, Hamburg, 22761, Germany	48.0
Distribuidora de Ediciones SADE, S.A.	Spain	Distribution of published materials and other products in Spain Calle B, esquina calle 4, s/n. Sector B, Polígono Industrial Zona Franca, 08040 Barcelona, Spain	35.0
Distribuidora de Publicaciones del Sur, S.A.	Spain	Distribution of published materials and other products Carretera de la Esclusa, S/N - Pariela 2, Modulo 4, Sevilla, 41011, Spain	25.0
Distribución de Publicaciones Siglo XXI, Guadalajara	Spain	Distribution of published materials and other products in Spain Francisco Medina y Mendoza, 2, 19171 Cabanillas del Campo, Guadalajara, Spain	40.0
Distribuidora Valenciana de Ediciones S.A.	Spain	Distribution of published materials and other products in Valencia Pedrapiquers, 5; Polígono Industrial Vara de Quart, 46014 Valencia, Spain	25.0
Entreprises des Tabacs en Guinée [(i)]	Guinée Conakry	Dormant B.P 3391, Conakry, Guinea	34.0
German-Ex B.V.	The Netherlands	Courier Express Sector Wijkermeerstraat 31, 2131 HB, Hoofddorp, The Netherlands	35.0
Imperial Brands Holdings International B.V.	The Netherlands	Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands	48.0
Imperial Tobacco Holdings International B.V.	The Netherlands	Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands	48.0
Imperial Tobacco Kyrgyzstan LLC [(i)]	Kyrgyzstan	Marketing and distribution of tobacco products in Kyrgyzstan 115, Ibraimov Street, 10th Floor, Business Center 'Asyl-Tash', Bishkek, 720021, Kyrgyzstan	48.0
Lao Tobacco Limited	Laos	Manufacture and distribution of cigarettes in Laos KM 8, Thadua Road, PO Box 181, Vientiane, Lao People's Democratic Republic	43.7

28. Related undertakings (continued)

Associates: Incorporated overseas (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Logista Libros S.L.	Spain	Distribution of books Avda. Castilla La Mancha, 2 - Naves 3-4 del Polígono Industrial La Quinta, Cabanillas del Campo, Guadalajara, Spain	25.0
Promotion et Distribution a Madagascar [(i)]	Madagascar	Distribution of cigarettes in Madagascar Tour ZITAL Ankorondrano, Antananarivo, Madagascar	33.4
Reemtsma Cigarettenfabriken GmbH	Germany	Manufacture and sale of tobacco products in Germany Max-Born-Straße 4, Hamburg, 22761, Germany	48.0
Reemtsma Kyrgyzstan OJSC [(i)]	Kyrgyzstan	In liquidation 249 Ibraimov Street, Bishkek, Kyrghyz Republic, 720011, Kyrgyzstan	47.9
SITABAC S.A.	Cameroon	Manufacture and distribution of tobacco products in Cameroon 113 Rue Kitchener, 1067 Bonanjo, Douala, Cameroon	23.6
Speedlink Worldwide Expresss B.V.	The Netherlands	Courier Express Sector Wijkermeerstraat 31, 2131 HB, Hoofddorp, The Netherlands	35.0
Société Internationale des Tabacs Malgaches [(i)]	Madagascar	Leaf processing BP 270, 401 Mahajanga, Madagascar	47.9
Société Nationale des Tabacs et Allumettes du Mali SA [(i)]	Mali	Manufacture and distribution of cigarettes in Mali Route Sotuba - Z.I., BP 59, Bamako, Mali	28.0

Joint Ventures: Incorporated overseas

Name	Country of incorporation	Principal activity and registered address	% owned
Global Horizon Ventures Limited	Hong Kong	Sales and marketing of cigarettes in Asia Room 3907-08, 39th Floor, Hopewell Centre, 183 Queens Road East, Wanchai, Hong Kong	50.0
Intertab S.A. [(i)]	Switzerland	Holding investments in subsidiary companies Société Fiduciaire Suisse-Coopers & Lybrand S.A., Route de la Glâne 107, Villars-sur-Glâne, 1752, Switzerland	50.0
West Tobacco Pte Ltd (i)	Singapore	Dormant 50 Raffles Place #32-01, Singapore Land Tower, 048623, Singapore	29.2

Notes to the Financial Statements

28. Related undertakings (continued)

Partnerships

The Group also owns the following partnerships:

Name	Country	Principal activity, registered address and principal place of business
Fabrica de Tabacos La Flor de Copan S de R.L. de CV	Honduras	Holding investments in subsidiary companies Registered address and principal place of business: Apartado Postal 209, Colonia Mejia-García, Santa Rosa de Copán, Honduras
Imperial Tobacco (Efka) GmbH & Co. KG	Germany	Manufacture of tubes in Germany Registered address and principal place of business: Max-Born-Straße 4, Hamburg, 22761, Germany
Imperial Tobacco Kazakhstan LLP [(i)]	Kazakhstan	Marketing and distribution of tobacco products in Kazakhstan Registered address and principal place of business: 3rd Floor, Prime Business Park, 100/2 Furmanov Str, Medeuskiy District, Almaty, 050000, Kazakhstan
ITG Brands Holdpartner LP	United States of America	Marketing and sale of tobacco products in United States of America Registered address and principal place of business: 714 Green Valley Road, Greensboro, NC27408, United States of America

The consolidated Group financial statements include all the subsidiary undertakings identified. All dormant UK entities have taken the exemption available to not have an audit of their financial statements.

Unless otherwise stated the entities are unlisted, have 1 type of ordinary share capital and a reporting period ending on 30 September each year.

(i) December year end
(ii) March year end
(iii) Listed entity
(iv) Holding of one type of ordinary share only (where more than one type of share is authorised / in issue).

(v) Holding of two types of ordinary share (where more than one type of ordinary share is authorised / in issue). Only applicable to 100% owned subsidiaries.
(vi) Holding of preference shares only
(vii) Holding of ordinary and preference shares
(viii) Holding of ordinary and redeemable shares
(ix) Holding of ordinary and deferred shares
(x) Holding of two types of ordinary share and redeemable shares
(xi) Holding of shares limited by guarantee

The percentage of issued share capital held by the immediate parent and the effective voting rights of the Group are the same except for Imperial Tobacco Italia Srl where the entire share capital, and therefore 100 per cent of the voting rights, are held by a number of Group companies.