

**Company Number : 01860181**

**IMPERIAL TOBACCO LIMITED**

**Annual Report and Financial Statements**

**For the year ended 30 September 2019**

# IMPERIAL TOBACCO LIMITED

## Company Information

### Directors

J M Downing  
O R Tant  
T R W Tildesley  
M A Wall

### Company Secretary

T M Williams

### Registered Number

01860181

### Registered Office

121 Winterstoke Road  
Bristol  
BS3 2LL

### Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
2 Glass Wharf  
Bristol  
BS2 0FR  
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 2019.

### Review of the business

The principal activity of the Company is the marketing 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.

	2019	2018	Movement
Market share (%)	40.2%	42.1%	-189bps
Net revenue (£m)	570	593	-4%
Operating profit (£m)	405	372	9%

Year on year volumes have declined 1.7 billion stick equivalents. This is mainly due to a reduction in market size of 6.7 percent driven largely by factory manufactured cigarettes, partially offset by size growth within fine cut tobacco. Share has also declined over the same period resulting in volume reduction of 500 million stick equivalents coming from sub-economy and mid-priced brands.

Net revenue comprises tobacco revenue less duty and similar items, excluding peripheral products. In addition to the UK trading revenue of £3,933 million (2018: £4,144 million), the Company recognised £277m (2018: £288 million) licence fee income and £18 million (2018: £13 million) revenue from NGP products.

In addition to tobacco operating profit of £405 million (2018: £372 million) for the UK trading business, the Company recognised operating income in respect of licence fees and head office royalties. These are offset by an operating loss in the NGP business of £23 million (2018: £11 million) and impairment of investments of £2,630 million (2018: £13,321 million).

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

- Economic pressures on the consumption of tobacco products;
- Change in consumer trends;
- Tobacco product regulation; and
- Litigation.

These risks, and mitigating actions taken by the Company, are detailed on pages 33-39 of the Group's Annual Report which does not form part of this report, but is available at [www.imperialbrandsplc.com](http://www.imperialbrandsplc.com)

In the normal course of business, the Group is 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 operating subsidiaries of the Company are shown at the end of this report. The Company operates an overseas branch in France.

# IMPERIAL TOBACCO LIMITED

## Strategic Report

### Financial results

The results for the Company show profit for the financial year of £643 million (2018: loss of £63 million), operating loss of £1,936 million (2018: £12,784 million) and revenue of £4,228 million (2018 restated: £4,445 million). Total equity at 30 September 2019 is £14,510 million (2018: £13,902 million).

The Directors do not propose a final dividend (2018: £nil). The aggregate dividends on the ordinary shares recognised as a charge to the Statement of Changes in Equity during the year amounts to £nil (2018: £6,000 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.

### Brexit

The UK formally exited from the European Union on 31 January 2020, and entered into a transition trading arrangement until 31 December 2020. The Company has looked into the potential impacts of different trading arrangements that may exist after the transition arrangements expire. The key risks that have been identified include potential increase in import duties and impact on UK customers; additional risk of tobacco smuggling, inventory requirements to ensure supply and impact on consumer confidence. In the event of no trade deal being in place by 31 December, we estimate there could be potential additional costs of around £50 million relating to possible import duties and additional stock holding.

### 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.

# IMPERIAL TOBACCO LIMITED

## Strategic Report

### Employees (continued)

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. To progress this aim further employee representatives are briefed on pan-European issues through the Imperial Tobacco European Employee Works Council.

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

### COVID-19

In March 2020 the Imperial Brands Group was impacted by the global Coronavirus (Covid-19) pandemic, which resulted in unprecedented government restrictions on the normal operations of the Group across many countries. The restrictions put in place initially resulted in a number of office and factory closures. The Group has responded by adapting working practices through activities such as strengthening our IT infrastructure and accelerating the roll-out of software to facilitate remote team-working, as well as encouraging a more flexible approach. There have been modifications to working practices including changing shift patterns to ensure appropriate infection controls and social distancing for employees in manufacturing facilities. As a result of this, manufacturing plants have continued to operate and the Group is able to both produce and distribute product to customers to meet demand, while complying with all necessary safety precautions to protect staff and business partners from the risks arising from the pandemic.

As the pandemic commenced in 2020 this represents a non adjusting post balance sheet event with regards to the financial statements of the Company for the year ending 30 September 2019.

To date, the observable impacts on the Company's activities have been limited to low level changes in credit risk in the duty free and travel retail operations area. The Company is not aware of any post year end impairments to its investments specifically associated with the impact of the pandemic.

A review of the key financial assumptions relating to the Company's defined benefit pension scheme subsequent to the balance sheet date indicates that the fair value of plan assets is expected to be volatile in the short term due to uncertain market conditions.

On behalf of the Board



T R W Tildesley  
Director  
15 June 2020

# 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 2019.

### 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 the foreseeable future. The Company has net current liabilities of £9,002 million as at 30 September 2019, including £8,917 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 at least 12 months from the date of signing of the financial statements. 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 20 to the financial statements.

### Dividends

As set out in the Strategic Report, the Directors do not propose a final dividend (2018: £nil). No interim dividends have been paid (2018: £318.62 per ordinary share amounting to £6,000 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  
O R Tant  
T R W Tildesley  
M A Wall

### Employees

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

### Branches outside the UK

The Company operates an overseas branch in France.

# IMPERIAL TOBACCO LIMITED

## Directors' Report

### 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 and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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.

### Directors' confirmations

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

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

### Independent Auditors

A decision to tender the audit was made by the Board of Imperial Brands PLC and due to the length of its tenure our auditor PricewaterhouseCoopers LLP was not invited to participate. In February 2019 the Board of Imperial Brands PLC made a decision to appoint Ernst & Young as auditor. PricewaterhouseCoopers LLP will resign following the completion of the audit of these financial statements allowing the new auditors to be appointed.

On behalf of the Board



T R W Tildesley  
Director  
15 June 2020

# IMPERIAL TOBACCO LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

### Report on the audit of the financial statements

#### Opinion

In our opinion, Imperial Tobacco Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 September 2019; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

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

#### Independence

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

#### Reporting on other information

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



## IMPERIAL TOBACCO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

#### Report on the audit of the financial statements (continued)

##### Reporting on other information (continued)

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

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

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

##### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

##### Responsibilities for the financial statements and the audit

##### *Responsibilities of the Directors for the financial statements*

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## IMPERIAL TOBACCO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL TOBACCO LIMITED

#### Report on the audit of the financial statements (continued)

##### *Use of this report*

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

#### Other required reporting

##### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



**Richard French (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Bristol**  
**15 June 2020**

# IMPERIAL TOBACCO LIMITED

## Income Statement

For the year ended 30 September

(In £ million)	Note	2019	2018 Restated <sup>(1)</sup>
<b>Revenue</b>	4	<b>4,228</b>	4,445
Duty and similar items		<b>(3,363)</b>	(3,590)
Other cost of sales		<b>(125)</b>	(133)
Cost of sales		<b>(3,488)</b>	(3,723)
<b>Gross profit</b>		<b>740</b>	722
Distribution, advertising and selling costs		<b>(139)</b>	(114)
Impairment of investments	5	<b>(2,630)</b>	(13,321)
Restructuring costs	5	<b>(22)</b>	(36)
UK distributor exceptional	5	-	(110)
Profit on disposal of buildings		-	40
Other administrative income		<b>115</b>	35
Administrative and other expenses		<b>93</b>	(71)
<b>Operating loss</b>	5	<b>(1,936)</b>	(12,784)
Income from shares in group undertakings		<b>2,931</b>	13,111
Finance income	7	<b>23</b>	43
Finance costs	8	<b>(305)</b>	(367)
Other finance income - pensions		<b>17</b>	10
Net finance costs		<b>(265)</b>	(314)
<b>Profit before taxation</b>		<b>730</b>	13
Tax on profit	9	<b>(87)</b>	(76)
<b>Profit/(loss) for the financial year</b>		<b>643</b>	(63)

<sup>(1)</sup> See note 2 Accounting Policies for details of the restatement in respect of the year ending 30 September 2018.

# IMPERIAL TOBACCO LIMITED

## Statement of Comprehensive Income

For the year ended 30 September

(In £ million)	Note	2019	2018
<b>Profit/(loss) for the financial year</b>		<b>643</b>	<b>(63)</b>
<b>Other comprehensive (expense)/income</b>			
Exchange movements		<b>(3)</b>	18
Items that may be reclassified to profit and loss		<b>(3)</b>	18
Actuarial (loss)/gain on pension scheme	19	<b>(65)</b>	155
Deferred tax relating to actuarial movement on pension scheme		<b>11</b>	(26)
Items that will not be reclassified to profit and loss		<b>(54)</b>	129
<b>Other comprehensive (expense)/income for the year, net of tax</b>		<b>(57)</b>	147
<b>Total comprehensive income for the year</b>		<b>586</b>	84

# IMPERIAL TOBACCO LIMITED

## Balance Sheet

At 30 September

(In £ million)	Note	2019	2018
<b>Fixed assets</b>			
Intangible assets	11	61	55
Investments	12	23,523	23,746
Property, plant and equipment	13	17	16
		<b>23,601</b>	23,817
<b>Current assets</b>			
Retirement benefit assets - amounts falling due after more than one year	19	536	522
Inventories	14	34	60
Debtors: amounts falling due within one year	15	435	342
Cash at bank and in hand		11	12
		<b>1,016</b>	936
Creditors: amounts falling due within one year	16	(10,018)	(10,765)
<b>Net current liabilities</b>		<b>(9,002)</b>	(9,829)
<b>Total assets less current liabilities</b>		<b>14,599</b>	13,988
Provisions for liabilities	17	(6)	(10)
Deferred tax liabilities	18	(83)	(76)
<b>Net assets</b>		<b>14,510</b>	13,902
<b>Equity</b>			
Called up share capital	20	19	19
Share premium account		11,620	11,620
Retained earnings		2,871	2,263
<b>Total equity</b>		<b>14,510</b>	13,902

The notes on pages 14 to 64 are an integral part of these financial statements.

The financial statements on pages 10 to 64 were approved by the Board of Directors on 15 June 2020 and signed on its behalf by:



**O R Tant**  
Director



**T R W Tildesley**  
Director

Company Number : 01860181

# IMPERIAL TOBACCO LIMITED

## Statement of Changes in Equity

For the year ended 30 September

(In £ million)	Called up share capital	Share premium account	Capital reserves	Retained earnings	Total equity
<b>At 30 September 2018</b>	<b>19</b>	<b>11,620</b>	-	<b>2,263</b>	<b>13,902</b>
IFRS 9 Transition	-	-	-	(1)	(1)
<b>At 1 October 2018</b>	<b>19</b>	<b>11,620</b>	-	<b>2,262</b>	<b>13,901</b>
Profit for the financial year	-	-	-	643	643
Exchange movements	-	-	-	(3)	(3)
Actuarial expense on pension scheme	-	-	-	(65)	(65)
Deferred tax relating to actuarial movement on pension scheme	-	-	-	11	11
Other comprehensive expense	-	-	-	(57)	(57)
<b>Total comprehensive income</b>	-	-	-	<b>586</b>	<b>586</b>
<b>Transactions with owners</b>					
Costs of employees' services compensated by share schemes	-	-	-	23	23
<b>At 30 September 2019</b>	<b>19</b>	<b>11,620</b>	-	<b>2,871</b>	<b>14,510</b>
<b>At 1 October 2017</b>	<b>19</b>	<b>15,620</b>	-	<b>4,154</b>	<b>19,793</b>
Loss for the financial year	-	-	-	(63)	(63)
Exchange movements	-	-	-	18	18
Actuarial gain on pension scheme	-	-	-	155	155
Deferred tax relating to actuarial movement	-	-	-	(26)	(26)
Other comprehensive income	-	-	-	147	147
<b>Total comprehensive income</b>	-	-	-	<b>84</b>	<b>84</b>
<b>Transactions with owners</b>					
Costs of employees' services compensated by share schemes	-	-	-	25	25
Share premium reduction	-	(4,000)	4000	-	-
Dividends paid	-	-	(4,000)	(2,000)	(6,000)
<b>At 30 September 2018</b>	<b>19</b>	<b>11,620</b>	-	<b>2,263</b>	<b>13,902</b>

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 1. Authorisation of financial statements and statement of compliance with FRS101

The financial statements of the Company for the year ended 30 September 2019 were authorised for issue by the board of directors on 15 June 2020, and the balance sheet was signed on the board's behalf by O R Tant and T R W Tildesley. 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.imperialbrandspc.com](http://www.imperialbrandspc.com).

### 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.

#### Going concern

The Directors are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future. The Company has net current liabilities of £9,002 million as at 30 September 2019, including £8,917 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 at least 12 months from the date of signing of the financial statements. Therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

# IMPERIAL TOBACCO LIMITED

## 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 of:
  - (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'.

#### New accounting standards and interpretations

The Company has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' with effect from 1 October 2018. The detail of adoption is provided below. There have been no other new standards or amendments which became effective for the current reporting period that have had a material effect on the Company.

On 1 October 2018 the Company adopted IFRS 9 'Financial Instruments', with no revision of prior periods as permitted by the standard. IFRS 9 has replaced IAS 39 'Financial Instruments: Recognition and Measurement' and includes revised guidance on:

Classification and measurement: Financial assets are now classified as either being accounted for as amortised cost, fair value through other comprehensive income, or fair value through profit or loss. There are no changes to the classification or accounting for financial liabilities. Other than trade receivables, the Company does not currently hold any significant financial assets.



# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### New accounting standards and interpretations (continued)

The Company has revised the classification of certain trade receivables which are subject to a non-recourse factoring arrangement. This arrangement covers various customer accounts. Prior to the adoption of IFRS 9 all trade receivables were recognised at amortised cost. Where trade receivables may be sold in the future under a factoring arrangement that involves realising cash flows through the sale of assets in order to manage customer credit risk, they are now classified as fair value through other comprehensive income (OCI). Under this classification, valuation changes are recognised in the OCI. The level of trade receivables that were sold to a financial institution under a non-recourse factoring arrangement totalled £325 million at 1 October 2018 and £345 million at 30 September 2019. The total value of trade receivables reclassified as fair value through OCI was £10 million at 1 October 2018 and £19 million at 30 September 2019. On adoption of the standard there was no valuation difference and therefore the OCI has not been impacted. Trade receivables managed under a "hold to collect" business model continue to be measured at amortised cost.

The Company does not undertake any supply chain financing activity.

**Impairment of financial assets:** Impairment provisions are calculated using a forward looking expected credit loss approach for financial assets, rather than the incurred loss approach applicable under IAS 39. The expected credit loss model requires the recognition of a provision which reflects future impairment risk. Provision levels are calculated on the residual credit risk after consideration of any credit protection which is used by the Company.

Under the revised Trade Receivables provisioning policy, expected future credit loss provisions are now recognised in addition to doubtful debt provisions on receivables which have already become overdue. With the exception of the Palmer and Harvey debt write-off in 2018, the Company has historically experienced low levels of credit default. On adoption of the standard the Company has recognised an additional expected credit loss provision of £1 million, with the costs being recognised directly in equity within the retained earnings reserve at 1 October 2018.

**Hedge Accounting:** IFRS 9 aligns the accounting approach with an entity's risk management strategies and risk management objectives. The Company has adopted the hedge accounting aspects of IFRS 9 prospectively from 1 October 2018. The Company continues to apply net investment hedging as part of its risk management approach. All hedging relationships that existed at 30 September 2018 continue to apply under IFRS 9. The adoption of this area of IFRS 9 has not had any significant impact on the financial statements.

On 1 October 2018 the Company adopted IFRS 15 'Revenue from Contracts with Customers', the Company has restated prior periods as permitted by the standard. IFRS 15 has introduced an amended framework for revenue recognition and has replaced the prior guidance in IAS 18 'Revenue'. The accounting policies have been revised and applied to both the current and prior period. The standard provides revised guidance on revenue accounting, matching income recognition to the delivery of performance obligations in contractual arrangements for the provision of goods or services. It also provides different guidance on the measurement of revenue contracts involving discounts, rebates and payments to customers.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### New accounting standards and interpretations (continued)

IFRS 16 'Leases' will be effective for the period beginning 1 October 2019. The new standard requires operating leases to be accounted for through the recognition of a 'right of use asset' and a corresponding lease liability. Interest-bearing borrowings and non-current assets will increase on implementation of this standard. Operating lease costs will no longer be classified within the income statement based on amounts paid, but via a 'right of use asset' depreciation charge recognised within operating profit and a lease interest expense within finance costs. The Company will take advantage of the practical expedients under the standard by not applying IFRS16 to short terms leases (Leases of less than 12 months maximum term) and to leases of low-value assets.

As permitted by the standard, the Company will apply the modified retrospective approach with no restatement of prior year. On adoption of IFRS 16 the expected impact is approximately £42 million increase in non-current assets and £42 million increase in liabilities.

IFRIC 23 'Uncertainty over income tax treatments' will be effective, subject to EU endorsement, for the period beginning 1 October 2019. The Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The adoption of this interpretation is not expected to have a material effect on the Company's net assets or results.

#### Prior year re-statements required following accounting standard adoption

(In £ million)	Year ended 30 September 2018		
	Previously reported	IFRS 15 adjustment	Restated
<b>Revenue</b>	4,485	(40)	4,445
Duty and similar items	(3,590)	-	(3,590)
<b>Net revenue</b>	895	(40)	855
Other cost of sales	(133)	-	(133)
<b>Gross profit</b>	762	(40)	722
Distribution, advertising and selling costs	(154)	40	(114)
Impairment of investments	(13,321)	-	(13,321)
Administrative and other expenses	(71)	-	(71)
<b>Operating loss</b>	(12,784)	-	(12,784)

#### 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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### Foreign currency (continued)

The carrying amounts of foreign currency investments are translated at the rates of exchange ruling at the balance sheet date and resulting exchange differences are offset against exchange gains or losses on the translation of intra-group borrowings in reserves, through the Statement of Comprehensive Income.

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.

#### 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 a Group company has delivered products 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 or sale of intellectual property, 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.

Payments are made to both direct and indirect customers for rebates, discounts and other promotional activities. Direct customers are those to which the Group supplies goods or services. Indirect customers are other entities within the supply chain to the end consumer. Rebates and discounts are deducted from Revenue. 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 Group's consolidated 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 subsidiary

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, respectively.

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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### Taxes (continued)

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 10 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 tested for impairment annually to ensure that the carrying value of the investment is supported by their underlying net assets.

#### 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.

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

# IMPERIAL TOBACCO LIMITED

## 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 raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). 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

Following the adoption of IFRS 9, the Group's accounting policies for financial instruments and hedging remain the same as disclosed in the 30 September 2018 annual report and accounts, except for changes to the classification and measurement of certain non-derivative financial assets and the calculation of expected credit losses, as detailed below.

At 30 September 2018 all non-derivative financial assets were classified as loans and receivables. Receivables were all initially recognised at fair value and subsequently stated at amortised cost using the effective interest method. From 1 October 2018, receivables held under a "hold to collect" business model continue to be 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 now separately classified at fair value through profit or loss, within trade and other receivables.

At 30 September 2018, provisions for the impairment of receivables were established when there was objective evidence that the Group would not be able to collect all amounts due according to the original terms of those receivables. Provisions were only recognised when an impairment had crystallised. From 1 October 2018 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 the modelling of historic loss rates, and the 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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### Retirement benefit schemes

The Company participates, together with other group companies, 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.

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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 3. Critical accounting estimates and judgements

The Company makes estimates and assumptions 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 assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year are discussed below.

#### Provisions

The Company holds provisions where appropriate in respect of estimated future economic outflows, principally for restructuring activity, which arise due to past events. Estimates are based on management's judgement and information available at the balance sheet date. Actual outflows may not occur as anticipated, and estimates may prove to be incorrect, leading to further charges or releases of provisions as circumstances dictate.

#### Investment in subsidiaries

The Company holds investments in subsidiary undertakings, the value of which is assessed on an annual basis. Estimates of future cashflows are used to provide valuations of the subsidiary entities, and 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 complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the accounting estimates 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

Accounting for retirement benefits uses a number of accounting estimates. The valuation of the scheme 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 19.

### 4. Revenue

The Company is engaged in only one class of business; the marketing and sale of tobacco and tobacco-related products, and the marketing and sales of next generation products (NGP).

Revenue is attributed solely to UK activities and accordingly no geographical analysis of revenue, operating profit or capital employed is shown.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 5. Operating loss

Operating loss is stated after (crediting)/charging:

<b>(In £ million)</b>	<b>2019</b>	<b>2018</b>
Changes in inventories of finished goods and work in progress (pre-duty)	<b>(1)</b>	22
Amortisation	<b>7</b>	7
Profit on disposal of non-current assets	-	(38)
Depreciation	<b>5</b>	6
Impairment of investments	<b>2,630</b>	13,321
UK distributor exceptional	-	110
Restructuring costs	<b>22</b>	36

Restructuring charges above of £22 million (2018: £36 million) relate mainly to the Group's cost optimisation programme. These charges cover employee costs, fixed asset and stock impairment, and other costs such as those for decommissioning.

During the year, following receipt of a dividend of £2,335m the Company impaired its investment in Imperial Tobacco Management Luxemburg sarl by £2,335 million. The Company has assessed the carrying value of its investments at 30 September 2019, and recorded a further impairment in Imperial Tobacco Management Luxembourg sarl of £57 million, and an impairment of £238 million in its investment in Altadis Middle East FZCO.

During the prior year the Company undertook a group simplification and re-organisation, receiving dividends of £12,100 million from Imperial Tobacco Holdings (1) Limited and subsequently made a provision against the carrying value of this investment in subsidiary by £11,127 million. An impairment in the investment in SEITA of £2,194 million was also recorded.

On 28 November 2017 Palmer & Harvey (P&H) announced that it had entered administration. P&H had been a long-standing trading partner in the UK, however no significant disruption to UK operations occurred. As a result the Company incurred a one-off impact to operating profit of £110 million in the prior year, the majority of which relates to excise duty which is non-recoverable.

#### Analysis of fees payable to PricewaterhouseCoopers LLP and its associates

<b>(In £ million)</b>	<b>2019</b>	<b>2018</b>
Audit of the Company financial statements	<b>0.1</b>	0.1

No non-audit services were provided by the Auditors.



# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 6. Directors and employees

#### Employment costs

(In £ million)	2019	2018
Wages and salaries	121	105
Social security costs	10	14
Other pension costs (note 19)	27	32
Share-based payments (note 23)	16	13
	174	164

Pensions cost comprise £23 million cost (2018: £28 million) in respect of the defined benefit scheme, and £4 million costs (2018: £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	2019	2018
Production	88	141
Selling and distribution	641	630
Administration	248	289
	977	1,060

#### Directors' emoluments

(In £ million)	2019	2018
Emoluments	2,753	4,294
LTIP annual vesting <sup>1</sup>	-	319
SMS annual vesting <sup>1</sup>	124	137
<b>Total aggregate emoluments</b>	<b>2,877</b>	<b>4,750</b>

- 1 During the year, one Director (2018: two) exercised share options, and received shares under the Long Term Incentive Plan (LTIP) and Share Matching Scheme (SMS). No former Directors (2018: nil) additionally exercised share options under the LTIP scheme during the year. A total of 4,693 shares with a market value of £124,234 were exercised, moreover, none of the 4,693 shares relate to the highest paid director.

The total aggregate emoluments of the highest paid Director were £1,399,901 (2018: £2,467,327), including LTIP payments of £nil (2018: £297,197) and pension benefits of £191,360 (2018: £186,680).

The Company did not pay any emoluments to past Directors (2018: three past Directors totalling £5,195,534, including LTIP payments of £691,068). No pension payments were made to former Directors.

#### 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 three Directors (2018: three) were £20,000 (2018: £26,661).

The highest paid Director in continuing service is a member of the UK defined contribution scheme and the value of their accrued Retirement Account if they had left service at the year end was £266,133 (2018: £244,358).

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 7. Finance income

(In £ million)	2019	2018
Interest receivable from Group undertakings	1	1
Interest receivable on bank deposits	-	1
Fair value gains associated with re-translation of investments	-	41
Fair value gains associated with hedges on foreign currency movements on investments	22	-
	<b>23</b>	<b>43</b>

### 8. Finance costs

(In £ million)	2019	2018
Interest payable to Group undertakings	279	325
Interest payable on bank deposits	4	1
Fair value losses associated with re-translation of investments	22	-
Fair value losses associated with hedges on foreign currency movements on investments	-	41
	<b>305</b>	<b>367</b>

### 9. Tax on profit

#### Analysis of charge in the year

(In £ million)	2019	2018
Current tax		
UK corporation tax on profits for the year	82	45
Controlled foreign company charge	6	7
Adjustments in respect of prior years	(19)	11
<b>Total current tax</b>	<b>69</b>	<b>63</b>
Deferred tax		
Origination and reversal of timing differences	2	2
Adjustments in respect of prior years	2	-
Movement in respect of pension scheme	14	11
<b>Total deferred tax</b>	<b>18</b>	<b>13</b>
<b>Total tax</b>	<b>87</b>	<b>76</b>

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 9. Tax on profit (continued)

#### Factors affecting the tax charge for the year

The tax assessed for the year is lower (2018: higher) than the standard rate of corporation tax in the UK of 19.0 per cent (2018: 19.0 per cent). The differences are explained as follows:

(In £ million)	2019	2018
Profit before taxation	730	13
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.0 per cent (2018: 19.0 per cent).	139	2
<b>Tax effects of:</b>		
Group relief claimed	(53)	(25)
Movement in respect of pension scheme	14	10
UK-UK transfer pricing adjustment	-	(1)
Income not subject to tax	(557)	(2,491)
Adjustments in respect of prior years	(17)	11
Controlled foreign company charge	6	7
Adjustments in respect of current year	556	2,563
Remeasurement of deferred tax - change in UK tax rate	(1)	-
<b>Total tax charged to the income statement</b>	<b>87</b>	<b>76</b>

The corporation tax for the year has been adjusted by £53 million (2018: £25 million) due to the claim of group relief for nil consideration from (2018: from) other Imperial Brands PLC subsidiaries. Further adjustments to the tax charge include £500 million (2018: £2,531 million) as a permanent difference arising from investment impairments booked in the year.

#### Movements in current tax liability

(In £ million)	2019	2018
As at 1 October	162	139
Charged to the income statement	69	63
Cash paid and balance sheet movements	(78)	(40)
<b>As at 30 September</b>	<b>153</b>	<b>162</b>

#### 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 until 30 September 2019.

The prior period tax rate of 19.0 per cent arises from profits being taxed at 19.0 per cent until 30 September 2018. A further reduction to 17.0 per cent on 1 April 2020 was enacted at the balance sheet date.

It was announced in the March 2020 budget that the corporation tax rate of 19.0 per cent was to be maintained, this was substantively enacted on 17 March 2020. The tax impact of this on the closing deferred tax liability would be an increase of £9.7 million.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 9. Tax on profit (continued)

The Company continues to monitor developments in relation to EU State Aid investigations. On 25 April 2019, the EU Commission's final decision regarding its investigation into the UK's Controlled Foreign Company regime was published. It concludes that the legislation up until December 2018 does partially represent State Aid. The UK Government has appealed to the European Court seeking annulment of the EU Commission's decision. The Company, in line with a number of UK corporates, is making a similar application to the European Court. The UK Government is obliged to collect any State Aid granted pending the outcome of the European Court process. The Company has not received any indication from the UK Government as to the quantum of State Aid that it believes the Company has received, if any. The Company considers that the potential amount of additional tax payable remains between nil and £300 million depending on the basis of calculation. This does not include interest which would be chargeable on any recovery sought. Based upon current advice the Company does not consider any provision is required in relation to this investigation or any other EU State Aid investigation. 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.

### 10. Dividends

(In £ million)	2019	2018
Interim dividend paid 2019 of £nil per share (2018: £318.62)	-	6,000
<b>Total ordinary share dividend paid</b>	<b>-</b>	<b>6,000</b>

The Directors do not propose a final dividend (2018: £nil).

### 11. Intangible assets

(In £ million)	Intellectual property and product development	Software	Total
Cost			
At 1 October 2018	-	73	73
Additions	4	9	13
Disposals	-	(5)	(5)
At 30 September 2019	4	77	81
Accumulated amortisation and impairment			
At 1 October 2018	-	18	18
Amortisation charge for the year	-	7	7
Disposals	-	(5)	(5)
At 30 September 2019	-	20	20
<b>Net book value</b>			
<b>At 30 September 2019</b>	<b>4</b>	<b>57</b>	<b>61</b>
<b>At 30 September 2018</b>	<b>-</b>	<b>55</b>	<b>55</b>

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 12. Investments

	Shares in subsidiary undertakings
<b>(In £ million)</b>	
At 1 October 2018	23,746
Additions	2,447
Impairment	(2,630)
Exchange movements	(40)
<b>At 30 September 2019</b>	<b>23,523</b>

During the year, following receipt of a dividend of £2,335m the Company impaired its investment in Imperial Tobacco Management Luxemburg sarl by £2,335 million, and immediately acquired an investment in Imperial Finance Ireland Limited of £2,355 million. The Company also acquired an investment in Imperial Tobacco Ventures Limited of £112 million.

As part of the year end impairment review, the Company has recorded a further impairment in Imperial Tobacco Management Luxembourg sarl of £57 million, and an impairment of £238 million in its investment in Altadis Middle East FZCO. The Directors believe that the carrying value of the investments is supported by their underlying assets.

### 13. Property, plant and equipment

	Land and buildings	Plant and machinery	Fixtures and motor vehicles	Total
<b>(In £ million)</b>				
Cost				
At 1 October 2018	-	15	57	72
Additions	-	-	6	6
Disposals	-	-	(7)	(7)
At 30 September 2019	-	15	56	71
Accumulated depreciation				
At 1 October 2018	-	7	49	56
Depreciation charge for the year	-	-	5	5
Disposals	-	-	(7)	(7)
At 30 September 2019	-	7	47	54
<b>Net book value</b>				
<b>At 30 September 2019</b>	-	8	9	17
<b>At 30 September 2018</b>	-	8	8	16

### 14. Inventories

<b>(In £ million)</b>	<b>2019</b>	<b>2018</b>
Finished inventories	34	60

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 15. Debtors: amounts falling due within one year

(In £ million)	2019	2018
Trade receivables	48	48
Amounts owed by group undertakings	380	285
Prepayments and accrued income	7	9
	<b>435</b>	<b>342</b>

Amounts owed by group undertakings are unsecured, have no fixed date for repayment and are repayable on demand. Within the £380 million (2018: £285 million), £370 million (2018: £273 million) is denominated in euros.

### 16. Creditors: amounts falling due within one year

(In £ million)	2019	2018
Trade payables	17	20
Amounts owed to group undertakings	9,297	10,031
Corporation tax	153	162
Other taxes, duties and social security contributions	421	455
Accruals and deferred income	130	97
	<b>10,018</b>	<b>10,765</b>

Amounts owed to group undertakings are unsecured and due within a year. Within the £9,297 million (2018: £10,031 million), £3,104 million (2018: £3,205 million) is denominated in euros.

The Company is party to a notional cash pooling agreement, which has a net overdraft facility attached to it that is shared amongst the Group companies within the cash pool. The rate of interest that is applied to this overdraft is a margin over base rate and is applied to the main account only.

### 17. Provisions for liabilities

(In £ million)	Restructuring	Other	Total
At 1 October 2018	9	1	10
Charged in the year	3	1	4
Utilised in the year	(6)	-	(6)
Unused amounts reversed	(2)	-	(2)
At 30 September 2019	4	2	6

(In £ million)	2019	2018
Current	6	10
Non-current	-	-
	<b>6</b>	<b>10</b>

The restructuring provision relates primarily to the closure of the Nottingham factory, which reflects declining industry volumes in Europe, impacted by tough economic conditions, increasing regulation and excise and growth in illicit trade.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 18. Deferred tax

The provision for deferred tax consists of the following deferred tax assets:

(In £ million)	2019	2018
Deferred tax assets due within 12 months	1	1
Deferred tax assets due after more than 12 months	7	12
Deferred tax liabilities due after more than 12 months	(91)	(89)
	<b>(83)</b>	<b>(76)</b>

Deferred tax asset/(liability)	Excess of capital allowances	Short-term timing differences	Retirement benefits	Total
(In £ million)				
At 1 October 2018	11	2	(89)	(76)
Charged to the income statement	(4)	(1)	(13)	(18)
Credited to the statement of comprehensive income	-	-	11	11
At 30 September 2019	7	1	(91)	(83)

	Excess of capital allowances	Short-term timing differences	Retirement benefits	Total
(In £ million)				
At 1 October 2017	13	2	(52)	(37)
Charged to the income statement	(2)	-	(11)	(13)
Charged to the statement of comprehensive income	-	-	(26)	(26)
At 30 September 2018	11	2	(89)	(76)

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

The Company participates, together with other Group companies, 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 Scheme 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 Scheme's assets are held by the trust.

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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 19. Retirement benefit assets (continued)

The contributions paid to the Scheme are set by the 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 Scheme, the expected returns on the Scheme'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 discontinued.

The latest valuation of the ITPF was carried out as at 31 March 2016 when the market value of the invested assets was £3,302 million. Based on the ongoing funding target the total assets were sufficient to cover 96 per cent of the benefits that had accrued to members for past service, after allowing for expected future pay increases. The total assets were sufficient to cover 90 per cent of the total benefits that had accrued to members for past service and future service benefits for current members. In compliance with the Pensions Act 2004, Imperial Tobacco Limited and the Trustee agreed a scheme-specific funding target, a statement of funding principles and a schedule of contributions accordingly. The ITPF is currently undergoing a valuation as at 31 March 2019, the outcomes of which will be available later in the year.

Following the 2016 valuation, the level of employer's contributions to the scheme was increased from £65 million per year. The Company paid £85 million in the year to 31 March 2019, and agreed to pay £85 million each year for the subsequent 12 years. Further contributions were agreed to be paid by the Company 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 £600 million and a parental guarantee with Imperial Brands PLC have been put in place.

The main risk for the Group in respect of the ITPF is that additional contributions are required if the investment returns are not sufficient to pay for the benefits (which will be influenced by the factors noted above). The level of equity returns will be a key determinant of overall investment return. The investment portfolio is also subject to a range of other risks typical of the asset classes held, in particular exposure to equity markets, credit risk on bonds and exposure to the property market.

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 expectation. 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 significant proportion of the assets invested in equities and other return-seeking assets, is that the difference between the market value of the assets and the IAS 19 liabilities may be relatively volatile.



# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 19. Retirement benefit assets (continued)

The aggregate IAS 19 position is as follows:

(In £ million)	2019			2018		
	DBO	Assets	Total	DBO	Assets	Total
At 1 October	(3,380)	3,902	522	(3,485)	3,790	305
Consolidated income statement (expense)/income						
Current service cost	(16)	-	(16)	(21)	-	(21)
Past service cost - plan amendments	(3)	-	(3)	-	-	-
Cost of termination benefits	(1)	-	(1)	(4)	-	(4)
Net interest income/(expense) on net defined benefit (liability)/asset	(96)	113	17	(92)	102	10
Administration costs paid from plan assets	-	(3)	(3)	-	(3)	(3)
(Cost)/income recognised in the income statement	(116)	110	(6)	(117)	99	(18)
Remeasurements						
Actuarial gain/(loss) due to liability experience	61	-	61	(28)	-	(28)
Actuarial (loss)/gain due to financial assumption changes	(599)	-	(599)	89	-	89
Return on plan assets excluding amounts included in net interest income above	-	473	473	-	94	94
Remeasurement effects recognised in other comprehensive income	(538)	473	(65)	61	94	155
Cash						
Employer contributions	-	85	85	-	80	80
Employee contributions	(1)	1	-	(1)	1	-
Benefits paid from plan assets	155	(155)	-	162	(162)	-
Net cash	154	(69)	85	161	(81)	80
At 30 September	(3,880)	4,416	536	(3,380)	3,902	522

### Assets and liabilities recognised on the balance sheet

(In £ million)	2019	2018
Retirement benefit assets	4,416	3,902
Retirement benefit liabilities	(3,880)	(3,380)
	536	522

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 19. Retirement benefit assets (continued)

#### Retirement benefit scheme costs charged to operating loss

(In £ million)	2019	2018
Defined benefit costs in operating loss	23	28
Defined contribution costs in operating loss	4	4
<b>Total retirement scheme costs in operating loss</b>	<b>27</b>	<b>32</b>

Split as follows in the income statement:

(In £ million)	2019	2018
Cost of sales	-	1
Distribution, advertising and selling costs	8	9
Administrative and other expenses	19	22
<b>Total retirement scheme costs in operating loss</b>	<b>27</b>	<b>32</b>

#### Key figures and assumptions used in the Scheme

(In £ million unless otherwise indicated)	2019	2018
Defined benefit obligation	3,880	3,380
Fair value of scheme assets	(4,416)	(3,902)
Net defined benefit asset	(536)	(522)
Current service cost	16	21
Employer contributions	85	80
Principal actuarial assumptions used (% per annum)		
Discount rate	1.8	2.9
Future salary increases	3.1	3.7
Future pension increases	3.1	3.2
Inflation	3.1	3.2

	2019		2018	
Life expectancy at age 65 years	Male	Female	Male	Female
Member currently aged 65	22.1	23.7	22.0	23.6
Member currently aged 50	23.3	25.5	23.4	25.5

#### 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	2019	2018
Discount rate: 0.5% decrease	9.3	8.7
Rate of inflation: 0.5% increase	7.7	7.1
One year increase in longevity for a member currently age 65, corresponding changes at other ages	4.9	3.5

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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 19. Retirement benefit assets (continued)

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

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

(In £ million unless otherwise indicated)	2019		2018	
	Fair value	Percentage of Scheme assets	Fair value	Percentage of Scheme assets
Equities	497	11	564	13
Bonds - index linked government	1,912	43	1,403	32
Bonds - corporate and other	666	15	361	8
Property	563	13	542	12
Absolute return	732	17	477	11
Other - including derivatives, commodities and cash	46	1	555	24
Fair value of scheme assets before deferred tax	4,416	100	3,902	100

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.

### 20. Called up share capital

(In £ million)	2019	2018
Authorised, allotted, called up and fully paid		
18,831,139 ordinary shares of £1 each (2018: 18,831,139)	19	19

### 21. Capital commitments

(In £ million)	2019	2018
Contracted future expenditure but not provided in the financial statements	125	88

### 22. Legal proceedings

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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 22. Legal proceedings (continued)

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. There are currently no outstanding legal claims.

### 23. Share schemes

The Group operates 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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 23. Share schemes (continued)

#### Analysis of the charge to the income statement

(In £ million)	2019	2018
Share Matching Scheme	3	6
Long Term Incentive Plan	11	5
Sharesave Plan	1	1
Discretionary Share Awards Plan	1	1
	<b>16</b>	<b>13</b>

#### Reconciliation of movements in awards/options

					2019 Sharesave weighted average exercise price (£)
Thousands of shares unless otherwise indicated	Share Matching awards	LTIP awards	Sharesave awards	DSAP awards	
Outstanding at 1 October 2018	424	1,539	231	22	24.28
Granted	66	1,091	202	9	17.45
Lapsed/cancelled	(13)	(322)	(169)	(1)	23.82
Exercised	(237)	(79)	(4)	(9)	24.41
Outstanding at 30 September 2019	240	2,229	260	21	19.27
Exercisable at 30 September 2019	-	-	13	-	29.68

					2018 Sharesave weighted average exercise price (£)
Thousands of shares unless otherwise indicated	Share Matching awards	LTIP awards	Sharesave awards	DSAP awards	
Outstanding at 1 October 2017	685	886	254	22	27.15
Granted	66	984	162	2	22.24
Lapsed/cancelled	(53)	(204)	(97)	(1)	23.51
Exercised	(274)	(127)	(88)	(1)	29.10
Outstanding at 30 September 2018	424	1,539	231	22	24.49
Exercisable at 30 September 2018	-	-	13	-	25.40

The weighted average Imperial Brands PLC share price at the date of exercise of awards and options was £25.96 (2018: £28.96). The weighted average fair value of Sharesave options granted during the year was £3.54 (2018: £4.37).

#### Summary of awards/options outstanding at 30 September 2019

Thousands of shares unless otherwise indicated	Number of awards/ options outstanding	Vesting period remaining in months	Exercise price of options outstanding (£)
Share Matching Scheme			
2017	173	5	n/a
2018	33	17	n/a
2019	34	29	n/a
Total awards outstanding	<b>240</b>		

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 23. Share schemes (continued)

#### Summary of awards/options outstanding at 30 September 2019 (continued)

Thousands of shares unless otherwise indicated	Number of awards/ options outstanding	Vesting period remaining in months	Exercise price of options outstanding (£)
<b>Long Term Incentive Plan</b>			
2015	9	-	n/a
2016	2	-	n/a
2017	274	5	n/a
2018	888	17	n/a
2019	1,056	29	n/a
<b>Total awards outstanding</b>	<b>2,229</b>		
<b>Sharesave Plan</b>			
2016	13	-	29.68
2017	11	10	29.62
2018	36	22	22.24
2019	200	34	17.45
<b>Total awards outstanding</b>	<b>260</b>		
<b>Discretionary Shares Awards Plan</b>			
2017	10	8	n/a
2018	2	19	n/a
2019	9	29	n/a
<b>Total awards outstanding</b>	<b>21</b>		

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.

#### 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 2019 and 2018 is as follows:

	2019		
	Share matching	Sharesave	DSAP
Risk-free interest rate	1.1%	1.1%	0.7% - 1.1%
Volatility	25.0%	24.4%	24.7% - 26.3%
Expected lives of options granted	3 yrs	3 yrs	3 yrs
Dividend yield	6.7%	6.7%	6.7%
Fair value	£21.72	£3.54	£15.65 - £21.72
Share price used to determine exercise price	£26.52	£21.81	£18.69 - £26.52
Exercise price	n/a	£17.45	n/a

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 23. Share schemes (continued)

#### Pricing (continued)

	2018			
	Share matching	Sharesave	DSAP	LTIP
Risk-free interest rate	1.2%	1.2%	1.2%	1.2% - 1.3%
Volatility	24.1%	24.2%	24.2%	23.9 - 24.5%
Expected lives of options granted	3 yrs	3 yrs	3 yrs	3 - 5 yrs
Dividend yield	4.8%	4.8%	4.8%	4.8%
Fair value	£22.84	£4.37	£24.24	£22.05 - £24.24
Share price used to determine exercise price	£26.34	£26.32	£27.96	£27.96
Exercise price	n/a	£22.24	n/a	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 2019 and 2018 are given in the following table.

(%)	2019	2018
Future Imperial Tobacco Group share price volatility	20	18.7 - 19.2
Future Imperial Tobacco Group dividend yield	-	-
Share price volatility of the tobacco and alcohol comparator group	14.9 - 65.6	17.0 - 38.0
Correlation between Imperial Tobacco and the alcohol and tobacco comparator group	27	32

### 24. 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.

### 25. 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; one committed credit facility dated April 2019; 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 uncommitted credit borrowing facilities dated March 2011, May 2017, August 2017 and November 2018; 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 2019, the contingent liabilities totalled £16,753 million (2018: £14,323 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.

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 26. COVID-19

In March 2020 the Imperial Brands Group was impacted by the global Coronavirus (Covid-19) pandemic, which resulted in unprecedented government restrictions on the normal operations of the Group across many countries. The restrictions put in place initially resulted in a number of office and factory closures. The Group has responded by adapting working practices through activities such as strengthening our IT infrastructure and accelerating the roll-out of software to remote facilitate team-working, as well as encouraging a more flexible approach. There have been modifications to working practices including changing shift patterns to ensure appropriate infection controls and social distancing for employees in manufacturing facilities. As a result of this, manufacturing plants have continued to operate and the Group is able to both produce and distribute product to customers to meet demand, while complying with all necessary safety precautions to protect staff and business partners from the risks arising from the pandemic.

As the pandemic commenced in 2020 this represents a non adjusting post balance sheet event with regards to the financial statements of the Company for the year ending 30 September 2019.

To date, the observable impacts on the Company's activities have been limited to low level changes in credit risk in the duty free and travel retail operations area. The Company is not aware of any post year end impairments to its investments specifically associated with the impact of the pandemic.

Review of the key financial assumptions relating to the Company's defined benefit pension scheme subsequent to the balance sheet date indicates that the fair value of plan assets is expected to be volatile in the short term due to uncertain market conditions.

### 27. Related undertakings

The ultimate parent undertaking and controlling party of the Company at 30 September 2019 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 2019 was Imperial Tobacco Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

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 2019 are disclosed below.



# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### 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 Enterprise Finance Limited	Provision of treasury services to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Brands Ventures Limited <sup>(xi)</sup>	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	Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Capital Assets (1) <sup>(xi)</sup>	Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Capital Assets (2) <sup>(xi)</sup>	Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Capital Assets (3) <sup>(xi)</sup>	Provision of finance to other Group companies 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 <sup>(iv)</sup>	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Initiatives	Provision of finance to other Group companies 121 Winterstoke Road, Bristol BS3 2LL England
Imperial Tobacco International Limited	Export and marketing of tobacco products 121 Winterstoke Road, Bristol BS3 2LL England
Imperial Tobacco Lacroix Limited	Provision of finance to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Overseas (Polska) Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Overseas Holdings (1) Limited <sup>(viii)</sup>	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 LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

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

Name	Principal activity and registered address
Imperial Tobacco Overseas Holdings (3) Limited	Holding investments in subsidiary companies 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 <sup>(x)</sup>	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Pension Trustees (Burlington House)	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England
Imperial Tobacco Pension Trustees Limited	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
Nerudia Limited	Research and development of e-vapour products Wellington House, Physics Road, Speke, Liverpool, L24 9HP, England
Nerudia Trading Limited	Dormant 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
Nerudia Compliance Limited	Dormant 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
Sinclair Collis Limited <sup>(iv)</sup>	Dormant Distributor of tobacco products in England, Scotland and Wales 121 Winterstoke Road, Bristol, BS3 2LL, England

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned

Name	Country of incorporation	Principal activity and registered address
1213509 B.C. Limited	Canada	Holding investments in subsidiary companies Suite 1700. Park Place, 666 Burrard Street, Vancouver, BC. V6C2X8, Canada
800 JR Cigar Inc	United States of America	Holding investments in subsidiary companies 301 Route 10 East, Whippany, New Jersey, 07981, USA
Altadis Canarias SAU <sup>(ii)</sup>	Spain	Marketing and sale of tobacco products in the Canary Islands C/Comandante Azcarraga 5, Madrid 28016, Spain
Altadis Mayotte SAS	France, Mayotte Island	Sales and distribution of tobacco products in Mayotte Island C/o SOMACO, BP 15 - Mamoudzou, 97600, Mayotte
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 SAS	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 Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain
Cacique, SA - Comércio, Importação e Exportação	Brazil	Dormant Rua Marechal Deodoro, 690 - Centro Arapiraca, Alagoas, Brazil
Casa Blanca Inc	United States of America	Restaurant 301 Route 10 East, Whippany, New Jersey, 07981, USA
Casa de Montecristo Inc	United States of America	Retail Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE, 19808, USA
Casa de Montecristo FL LLC	United States of America	Retail C/o Corporation Service Company, 1201 Hayes Street, Tallahassee Florida 32301, USA
Casa de Montecristo TN LLC	United States of America	Retail CSC, 2908 Poston Avenue, Nashville, TN 37203, USA
Casa de Montecristo TX LLC	United States of America	Retail Corporate Service Company, 211 E. 7th Floor, Suite 260, Austin, Texas, TX 78701, USA
Coralma International SAS	France	Holding investments in subsidiary companies 143 bd Romain Rolland, Cedex 14, Paris, 75685, France
Dunkerquoise des Blends SAS	France	Tobacco processing 143 bd Romain Rolland, Cedex 14, Paris, 75685, France

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
East Side Cigar, Inc	United States of America	Production and distribution of cigars Corporate Service Company, 80 State St, Albany, NY12207-2543, USA
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 <sup>(i)</sup>	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
Fontem Canada Limited <sup>(vii)</sup>	Canada	Import and distribution of tobacco and tobacco related products in Canada Suite 200, 389 Connell Street, Woodstock, NB, E7M 5G5, Canada
Fontem Holdings 1 B.V.	The Netherlands	Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands
Fontem Holdings 2 B.V.	The Netherlands	Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands
Fontem Holdings 3 B.V.	The Netherlands	Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands
Fontem Holdings 4 B.V.	The Netherlands	Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands
Fontem Holdings B.V.	The Netherlands	Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands
Fontem International GmbH	Germany	Holding investments in subsidiary companies Max-Born-Straße 4, Hamburg, 22761, Germany
Fontem US, Inc.	United States of America	Sales and marketing of tobacco products in the US 4th Floor, 3730 Glen Lake Dr. Charlotte, NC 28208, USA
Fontem Ventures B.V.	The Netherlands	Holding investments in subsidiary companies Radarweg 60, Amsterdam, 1043 NT, The Netherlands
Fontem Ventures France S.A.S.	France	Marketing and sale of e-vapour products in France 143 bd Romain Rolland, Cedex 14, Paris, 75685, France
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 SAS	Columbia	Import and distribution of tobacco and tobacco related products in Columbia TV21 No. 98 05, Bogata D.C. Columbia
Imperial Brands Finance France SAS	France	Provision of finance to other Group companies 143 bd Romain Rolland, Cedex 14, Paris, 75685, France

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
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 Finance Ireland Limited	Ireland	Provision of finance to other Group Companies 21, Beckett Way, Park West, Nangor Road, Dublin, 12, Ireland
Imperial Nominees Limited (ii)	New Zealand	Trustee Company 124-130, Richmond Street, Petone, Wellington, New Zealand
Imperial Tobacco (Asia) Pte. Ltd.	Singapore	Trading of tobacco related products 80 Robinson Road, #02-00, 068898, Singapore
Imperial Tobacco (Beijing) Limited <sup>(i)</sup>	People's Republic of China	Dormant Rm. 305 D-3F, Vantone Center, Jia No. 6 Chaowai Street, Chaoyang District, Beijing, PRC 100020, China
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 <sup>(i)</sup>	Bosnia-Herzegovina	Marketing and distribution of tobacco products in Bosnia Adema Buce, Sarajevo, 71000, Bosnia & Herzegovina
Imperial Tobacco Bulgaria EOOD <sup>(i)</sup>	Bulgaria	Manufacture and sale of tobacco products in Bulgaria 15 Henrih Ibsen str, Floor 4, Office 4, Sofia, 1407, Bulgaria
Imperial Tobacco CR s.r.o.	Czech Republic	Sales and marketing of tobacco products in the Czech Republic Radlicka 14, Prague 5, 150 00, Czech Republic
Imperial Tobacco Denmark ApS	Denmark	In liquidation Lyskaer 3 CD, 2730 Herlev, Denmark
Imperial Tobacco Distribution EOOD <sup>(i)</sup>	Bulgaria	Marketing and distribution of tobacco products in Bulgaria 15 Henrih Ibsen str, Floor 4, Office 4, Sofia, 1407, Bulgaria
Imperial Tobacco Distribution Romania srl	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

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. 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 <sup>(v)</sup>	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 Japan Kabushiki Kaisha	Japan	Sales and marketing of tobacco products in Japan 5-12-7 Shirokane dai, M6 Shirokane dai Building, Minato-ku, Tokyo, Japan
Imperial Tobacco Korea Limited	Korea	Sales and marketing of tobacco products in South Korea. 612 ho 6F ChosunNaewha BD, 577 Seolleung-RO, Gangnam-gu, 06143 Republic of Korea
Imperial Tobacco Magyarország Dohányforgalmazó Kft (Imperial Tobacco Hungary)	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 Symphony Corporatehouse SdnBhd, Level 8 Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Imperial Tobacco New Zealand Limited	New Zealand	Manufacture and sale of tobacco products in New Zealand 124-130, Richmond Street, Petone, Wellington, New Zealand
Imperial Tobacco Norway AS	Norway	Sales and marketing of tobacco products in Norway Ryensvingen 2-4, 0680, Oslo, Norway
Imperial Tobacco Polska Manufacturing SA	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 <sup>(ii)</sup>	Ukraine	Manufacture of tobacco products in Ukraine ul. Akademika Zabolotnogo, 35, 03026, Kiev, Ukraine

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Imperial Tobacco Sales & Marketing LLC	Russia	Sales and marketing of tobacco products in Russia Degtjarnyi pereulok 4-1, 125009 Moskau, Russian Federation
Imperial Tobacco SCG doo Beograd <sup>(i)</sup>	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
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 <sup>(i)</sup>	Ukraine	Sales and marketing of tobacco products in Ukraine ul. Akademika Zabolotnogo, 35, 03026, Kiev, Ukraine
Imperial Tobacco Volga LLC <sup>(i)</sup>	Russia	Manufacture of tobacco products in Russia ul.Tomskaja 7, 400048 Volgograd, Russian Federation
Imperial Tobacco West Africa SAS <sup>(i)</sup>	Cote D'Ivoire	Holding investments in subsidiary companies Cocody-Nord, Quartier Gendarmerie, TF 5937, 01 B.P. 724 Abidjan
Imperial Tobacco Yaroslavl CJSC <sup>(i)</sup>	Russia	Manufacture of tobacco products in Russia 22, Pobedy St., 150040 Yaroslavl, 150040, Russian Federation
Imperial Tobacco Zagreb doo <sup>(i)</sup>	Croatia	Marketing and distribution of tobacco related products in Croatia Gradičanska 30, Zagreb, HR-10000, Croatia
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
International Marketing Promotional Services Limited	Nigeria	Sales and marketing and of tobacco products in Nigeria 13 A, Dapo Solanke Close - Lekki Phase 1, Lagos, Nigeria
ITB Corporation Limited	Bahamas	Trademark owner Building of the Canadian Imperial Bank of Commerce, Shirley Street, Nassau, Bahamas

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
ITB Corporation y Cía., S.R.C.	Spain	Trademark owner Calle Antonio Maura número 9, Madrid, 28014, Spain
ITI Cigars SL	Spain	Holding investments in subsidiary companies Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain
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
J & R Tobacco (New Jersey) Corp	United States of America	Sales of tobacco and tobacco related products 301 Route 10 East, Whippany, New Jersey, 07981, USA
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
JR Cigar (DC) Inc	United States of America	Sales of tobacco and tobacco related products 301 Route 10 East, Whippany, New Jersey, 07981, USA
JR Cigars.com, Inc.	United States of America	Sales of tobacco and tobacco related products 405 East Market Street, P.O. Drawer 1960, Smithfield, North Carolina, 27577, USA
JR Mooresville, Inc	United States of America	Sales of tobacco and tobacco related products 405 East Market Street, P.O. Drawer 1960, Smithfield, North Carolina, 27577, USA
JR Tobacco NC, Inc	United States of America	Sales of tobacco and tobacco related products 405 East Market Street, P.O. Drawer 1960, Smithfield, North Carolina, 27577, USA
JR Tobacco of America Inc	United States of America	Sales of tobacco and tobacco related products 327, Hillsborough Street, Raleigh, NC, 27603, USA
JR Tobacco of Burlington Inc	United States of America	Sales of tobacco and tobacco related products 327, Hillsborough Street, Raleigh, NC, 27603, USA
JR Tobacco of Michigan Inc	United States of America	Sales of tobacco and tobacco related products 601, Abbott Road, East Lansing, Ingham, MI, 48823, USA
JR Tobacco Outlet Inc	United States of America	Sales of tobacco and tobacco related products 301 Route 10 East, Whippany, New Jersey, 07981, USA
JSNM SARL	France	Trademark owner 143 bd Romain Rolland, Cedex 14, Paris, 75685, France



# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
La Flor de Copan Honduras SA	Honduras (CA)	Manufacture of handmade premium cigars Zona Libre, Colonia MeJia Garcia, Frente Boulavard, Jorge Bueso Arias, Santa Rosa de Copan, Honduras
Los Olvidados SRL	Dominican Republic	Manufacture and distribution of cigars 129, Independencia Street, Santiago, 51000, Dominican Republic
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
MC Management, Inc.	United States of America	Provision of services to other Group companies 301 Route 10 East, Whippany, New Jersey, 07981, USA
Meccarillos France, SA	Luxembourg	Holding investments in subsidiary companies Route Des Trois Cantons 9, 8399 Windhof, Luxembourg
Meccarillos International, SA	Luxembourg	Holding investments in subsidiary companies Route Des Trois Cantons 9, 8399 Windhof, Luxembourg
Meccarillos Suisse, SA	Luxembourg	Holding investments in subsidiary companies Route Des Trois Cantons 9, 8399 Windhof, Luxembourg
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
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
REEMARK Gesellschaft für Markenkooperation mbH	Germany	Dormant Max-Born-Straße 4, Hamburg, 22761, Germany
Robert Burton Associates Limited	United States of America	Marketing of papers in the US 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, Florida, FL 33309, USA
Santa Clara Inc	United States of America	Distribution of cigars 327, Hillsborough Street, Raleigh, NC, 27603, USA
Skruf Snus AB	Sweden	Manufacture, marketing, sales of tobacco products in Sweden Kungsgatan 12-14, Floor 7, Stockholm, SE-111 35, Sweden
Société Centrafricaine de Cigarettes SA <sup>(i)</sup>	Central African Republic	Manufacture and distribution of cigarettes in Central African Republic Rue David Dacko, BP 1446, Bangui, Central African Republic

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Société Centrafricaine de Distribution Sarl <sup>(i)</sup>	Central African Republic	Dormant Avenue Boganda Pk4, Bangui, Central African Republic
Société du Mont Nimba Sarl <sup>(i)</sup>	Guinee Conakry	Dormant BP 3391, Conakry, Guinea
Société Nationale d'Exploitation Industrielle des Tabacs et Allumettes SAS (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 SAS	France	Purchasing company 143 bd Romain Rolland, Cedex 14, Paris, 75685, France
System Designed to Africa Sarl	Morocco	Distribution of tobacco products Km 17, Route national de Rabat, Ain Harrouda, Morocco
Tabacalera Brands SLU	Spain	Holding investments in subsidiary companies Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain
Tabacalera de Garcia SAS	France	Manufacture of cigars in the Dominican Republic 320, Rue Saint-Honore, Paris, 75001, France
Tabacalera de Garcia SAS	Dominican Republic	Manufacture of cigars in the Dominican Republic Industrial Free Zone #1, La Romana, Dominican Republic
Tabacalera SLU	Spain	Holding investments in subsidiary companies C/Vía de los Poblados, 3 Edif. 7-8, Plantas 3a y 4a, Madrid, 28033, Spain
Tabacalera USA Inc	United States of America	Holding investments in subsidiary companies Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE, 19808, USA
Tahiti Tabacs SASU	France, Papeete (Tahiti)	Distribution of tobacco products in Denmark and Greenland PK 4, 300 Côte mer, 98701 Arue, BP 20692 Papeete, French Polynesia
Tobacco Products Fulfillments, Inc.	United States of America	Fulfilment services PK 4, 300 Côte mer, 98701 Arue, BP 20692 Papeete, French Polynesia
Tobaccor SAS <sup>(v)</sup>	France	Holding investments in subsidiary companies 143 bd Romain Rolland, Cedex 14, Paris, 75685, 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. <sup>(v)</sup>	Slovenia	Sales and marketing tobacco products in Slovenia Cesta 24., junija 90, SI 1231 Ljubljana - Črnuče, Slovenia

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, wholly owned (continued)

Name	Country of incorporation	Principal activity and registered address
Tobamark International SA	France	Trademark owner 143 bd Romain Rolland, Cedex 14, Paris, 75685, France
Urex Inversiones SA	Spain	Holding investments in subsidiary companies Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain
Universal Brands, S.A.	Spain	Trademark owner C/Comandaute Azcarraga 5, Madrid 28016, Spain
Van Nelle Tabak Nederland B.V. (x)	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
West Park Tobacco Inc.	United States of America	In Dissolution c/o CT Corporation System, 4701 Cox Road, Ste 301, Glen Allen/Richmond, VA 23060-6802, USA

#### Subsidiaries: Registered in England and Wales, partly owned

Name	Principal activity and registered address	% owned
Congar International UK Limited	Dormant 121 Winterstoke Road, Bristol, BS3 2LL, England	63.1
Imperial Brands Enterprise Finance Limited	Provision of treasury services to other Group companies 121 Winterstoke Road, Bristol, BS3 2LL, England	42.0
Imperial Tobacco Overseas Holdings (4) Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England	42.0
La Flor de Copan UK Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England	63.1
Tabacalera de Garcia UK Limited	Holding investments in subsidiary companies 121 Winterstoke Road, Bristol, BS3 2LL, England	63.1

#### Subsidiaries: Incorporated overseas, partly owned

Name	Country of incorporation	Principal activity and registered address	% owned
Altadis Holdings USA Inc	United States of America	Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309, USA	63.1
Altadis Management Services Corporation	United States of America	Trademark service company 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA	63.1

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Altadis Retail Corporation	United States of America	Trademark owner 300 Delaware Avenue, Ste. 1230, Wilmington, DE, 19801, USA	63.1
Altadis Shade Company LLC	United States of America	Manufacture and sale of tobacco products in the USA 217 Shaker Road, Somers, CT, 06071, USA	63.1
Altadis USA Inc	United States of America	Manufacture and sale of cigars in the USA 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309, USA	63.1
CBHC Inc	United States of America	Dormant 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA	63.1
CdM Hallandale, LLC	United States of America	TBC c/o Corporation Service Company, 1201 Hays Street, Tallahassee, Florida, 32301, USA	50.0
Cigar Savor Enterprises LLC	United States of America	Manufacture of tobacco products 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA	63.1
Commonwealth Brands Inc	United States of America	Manufacture and sale of tobacco products in the USA 301 N. Scales Street, Reidsville, North Carolina, NC27320 USA	63.1
Commonwealth-Altadis, Inc	United States of America	Sales and distribution of tobacco products in the USA 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA	63.1
Compagnie Agricole et Industrielle des Tabacs Africains SAS	France	Management company 143 bd Romain Rolland, Cedex 14, Paris, 75685, France	99.9
Compagnie Agricole et Industrielle des Tabacs de Cote D'Ivoire SA, IL <sup>(i)</sup>	Cote D'Ivoire	In liquidation BP 418 - Bouake, Cote d'Ivoire, Cote d'Ivoire	74.6
Compagnie Réunionnaise des Tabacs SAS	France, St Pierre (La Reunion Island)	Manufacture of cigarettes ZI n° 2 - BP 256 - 97457 Saint Pierre Cedex, La Reunion	98.6
Compañía de Distribución Integral de Publicaciones Logista SLU <sup>(iv)</sup>	Spain	Distribution of published materials and other products C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
Compañía de Distribución Integral Logista Holdings, S.A. <sup>(iii)</sup>	Spain	Holding investments in subsidiary companies C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Compañía de Distribución Integral Logista Polska, sp. Z o.o. (SL)	Poland	Distribution of tobacco products in Poland Avenida Jerozolimskie 133/131, 02-304 Warsaw, Poland	50.0
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	63.1
Connecticut Shade Corporation	United States of America	Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309 USA	63.1
Consolidated Cigar Holdings Inc (vii)	United States of America	Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309, USA	63.1
Cuban Cigar Brands BV <sup>(v)</sup>	Netherlands Antilles	Trademark owner N.V. Fides, 15 Pietermaai, Curaçao, Netherlands	63.1
Cyberpoint, S.L.U.	Spain	Distribution of POS software C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
Direct Products Inc (Inactive)	United States of America	Holding investments in subsidiary companies 5900 North Andrews Avenue, Ste. 1100, Fort Lauderdale, FL, 33309, USA	63.1
Distribuidora de Ediciones SADE, SAU	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	50.0
Distribuidora de las Rias SA	Spain	Distribution of published materials and other products in Spain Avda. Cerezos, Parcela D-28, Polígono Industrial PO.CO.MA.CO , 15190 Mesoiro, La Coruña, Spain	50.0
Distribuidora del Este S.A.U.	Spain	Distribution of published materials and other products in Spain calle Frelix Rodriguez de la Fuente, 11, Parque Empresarial de Elche, 03203 Elche, Alicante, Spain	50.0

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Distribuidora del Noroeste SL	Spain	Distribution of published materials and other products in Spain C/ Gandarón, 34, interior, Vigo, Pontevedra, 36214, Spain	50.0
Dronas 2002, SLU	Spain	Industrial parcel and express delivery service Energía, 25-29; Polígono Industrial Nordeste, Sant Andreu de la Barca, Barcelona, 08740, Spain	50.0
Fabrica de Tabacos La Flor de Copan S de R.L. de CV	Honduras	Holding investments in subsidiary companies Apartado Postal 209, Colonia Mejia-García, Santa Rosa de Copán, Honduras	36.2
Imperial Brands Holdings International B.V.	The Netherlands	Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands	42.0
Imperial Tobacco Brasil Comércio de Produtos de Tabaco Ltda.	Brazil	Co-ordinating and monitoring of WEST license productions and distribution of tobacco products 5th andar (floor), Av. Brig. Faria Lima 3.729, itaim Bib, Sao Paolo, 04538-905, Brazil	42.0
Imperial Tobacco EFKA Management GmbH	Germany	Manufacture of tobacco products in Germany Max-Born-Straße 4, Hamburg, 22761, Germany	42.0
Imperial Tobacco Germany Finance GmbH	Germany	Holding investments in subsidiary companies Max-Born-Straße 4, Hamburg, 22761, Germany	42.0
Imperial Tobacco Hellas S.A.	Greece	Sales and marketing of tobacco products in Greece 300 Klisthenous Str, 15344 Gerakas, Attikis, Athens, Greece	99.1
Imperial Tobacco Holdings International B.V.	The Netherlands	Provision of finance to other Group companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands	42.0
Imperial Tobacco Kyrgyzstan LLC (i)	Kyrgyzstan	Marketing and distribution of tobacco products in Kyrgyzstan 3 Floor, Prime Business Park, 100/2 Furmanov Str, Medeuskiy District, Almaty, 050000, Kazakhstan	42.0
Imperial Tobacco TKS a.d. <sup>(ii)</sup>	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	Kosovo	Manufacture, marketing and distribution of tobacco products in Kosovo Ahmet Krasniqi, Obj.Redoni C1 B Nr 23, Prishtina, Republic of Kosovo	99.1
Imperial Tobacco US Holdings BV	The Netherlands	Holding investments in subsidiary companies Slachtedijk 28a, 8501 ZA, Joure, Netherlands	63.1

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Imprimerie Industrielle Ivoirienne SA <sup>(i)</sup>	Cote D'Ivoire	Printing company Zone Industrielle du Banco, Lots No 147-149-150, 01 BP 4124, Yopougon/Abdjan, Cote d'Ivoire	72.8
ITG Brands Holdco LLC	United States of America	Holding investments in subsidiary companies 714, Green Valley Road, Greensboro, NC 27408, USA	63.1
ITG Brands, LLC	United States of America	Marketing and distribution of tobacco products in the USA 714, Green Valley Road, Greensboro, NC 27408, USA	63.1
ITG Brands Holdpartner LP	United States of America	Marketing and sale of tobacco products in United States of America 714 Green Valley Road, Greensboro, NC27408, United States of America	36.2
ITG Holdings USA Inc <sup>(ix)</sup>	United States of America	Holding investments in subsidiary companies C/o The Corporation Trust Co, 1209 Orange Street, City of Wilmington, County of Newcastle, DE 19801, USA	63.1
La Mancha 2000, S.A., Sociedad Unipersonal	Spain	Logistics services Av. de la Vegailla, 12-Nave A- Parcela S-120, Cabanillas del Campo, Guadalajara, 19171, Spain	50.0
Lao Tobacco Limited <sup>(i)</sup>	Laos	Manufacture and distribution of cigarettes in Laos KM 8, Thadeua Road, P O Box 181, Vientiane, Lao People's Democratic Republic	53.0
Logesta Deutschland GmbH, Sociedad Unipersonal	Germany	Long haul transportation in Germany Pilotstrasse, 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 SAU	Spain	Long haul transportation services in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
Logesta Italia, S.R.L., Sociedad Unipersonal	Italy	Long haul transportation in Italy Via Valadier, 37 - 00193 Roma, Italy	50.0
Logesta Lusa LDA	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 SA	France	Holding investments in subsidiary companies Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Logista France SAS	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 Pharma SA	Spain	Distribution of pharmaceuticals Industria, 53-65, Poligono Industrial Nordeste, 08740, Sant Andreu de la Barca, Barcelona, Spain	50.0
Logista Pharma Canarias, SA	Spain	Pharmaceutical products logistics in Canary Islands C/ Entreríos Nave 3; Las Palmas de Gran Canaria, 35600, Spain	50.0
Logista Promotion et Transport SAS	France	Marketing and distribution of tobacco products in France Inmeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Logista, Transportes, Transitários e Pharma, Lda., Sociedade 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
Logista-Dis SAU	Spain	Sale of tobacco products in Spain C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
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 SAS (Manufacture Corse des Tabacs)	France, Bastia	Manufacture and sales of cigarettes Route Nationale 193, Furiani, 20600, France	99.9
Manufacture de Cigarettes du Tchad SA	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	63.1
Midsid – Sociedade Portuguesa de Distribuição, S.A., Sociedad Unipersonal	Portugal	Wholesale of tobacco and other products Expanso da Area Industrial do Passil, Edificio Logista, Lote 1A, Palhava, Alcochete, Portugal	50.0
MTOA SA <sup>(i)</sup>	Senegal	Manufacture and sales of cigarettes in Senegal Km 2-5 Bld du Centenaire de la commune de Dakar, Dakar, Senegal	97.3



# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
NITAF Limited, IL <sup>(i)</sup>	Nigeria	In liquidation 28, Ground Floor, Ajasa Street, Off King George V Road, Onikan, Lagos, Nigeria	50.0
Promotora Vascongada de Distribuciones SA	Spain	Distribution of published materials and other products in Biscay and Santander C/ Guipúzcoa, 5, Polígono Industrial Lezama Leguizamón, 48450 Echevarri, Vizcaya, Spain	50.0
Publicaciones y Libros SA	Spain	Publishing company C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	50.0
REEMARK Gesellschaft für Markenkooperation mbH	Germany	Dormant Max-Born-Straße 4, Hamburg, 22761, Germany	42.0
Reemtsma Cigarettenfabriken GmbH	Germany	Manufacture and sale of tobacco products in Germany Max-Born-Straße 4, Hamburg, 22761, Germany	42.0
Reemtsma Kyrgyzstan OJSC <sup>(i)</sup>	Kyrgyzstan	Manufacture and sale of tobacco products in Kyrgyzstan 249 Ibraimov Street, Bishkek, Kyrgyz Republic, 720011, Kyrgyzstan	41.9
S3T Pte Ltd <sup>(i)</sup>	Singapore	Holding investments in subsidiary companies 80 Robinson Road, #02-00, 068898, Singapore	51.0
SACIMEM SA <sup>(i)</sup>	Madagascar	Manufacture of cigarettes in Madagascar 110 Antsirabe - Madagascar, Route d'Ambositra, BP 128, Madagascar	65.4
SITAB Industries SA <sup>(i)</sup>	Cote D'Ivoire	Manufacture of cigarettes in Cote D'Ivoire Rue de l'Industrie - Lot No 19, 01 - BP 607, Bouake, Cote d'Ivoire	80.5
SITAR Holding SAS	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
Société Africaine d'Impression Industrielle SA <sup>(i)</sup>	Senegal	Manufacture and distribution of cigarettes in Senegal route de Bel Air - Km 2200, Dakar, Senegal	99.8
Société Allumettiere Française SAS	France	Manufacture and distribution of cigarettes Immeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Société des Cigarettes Gabonaises SA <sup>(i)</sup>	Gabon	In liquidation 2381 bld Léon MBA, BP 2175, Libreville, Gabon	87.8
Société Industrielle et Agricole du Tabac Tropical SA <sup>(i)</sup>	Congo	Manufacture and distribution of cigarettes in Congo Avenue de la Pointe Hollandaise, Mpila, BP 50, Brazzaville, Congo	89.7

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Subsidiaries: Incorporated overseas, partly owned (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Société Ivoirienne des Tabacs SA <sup>(i) (iii)</sup>	Cote D'Ivoire	Manufacture and distribution of cigarettes in Ivory Coast Cocody-Nord, Quartier Gendarmerie, TF 5937, 01 B.P. 724 Abidjan	74.1
Société Marocaine des Tabacs SA	Morocco	Manufacture and distribution of cigarettes in Morocco Boulevard La Corniche, Anfa Place, Immeuble Bureaux Batiments Ousst, Casablanca, 20180,	99.9
SOCTAM SA <sup>(i)</sup>	Madagascar	Manufacture and distribution of cigarettes in Mali 15 Rue Georges V, Mahajanga, Madagascar	50.5
SOTCHADIS SAS	Chad	Non-trading 502 Rue 1039, BP 852, N'Djamena, Chad	95.0
Supergroup SAS	France	Wholesale of tobacco products Immeuble Le Bristol, 27 Avenue des Murs du Parc, 94300 Vincennes, France	50.0
Tabacalera Brands Inc	United States of America	Trademark owner 300 Delaware Avenue, Ste. 1267, Wilmington, DE 19801, USA	63.1
Tabacalera de Garcia Limited	Bermuda	Holding investments in subsidiary companies Claredon House, 2 Church Street, Hamilton, HM 11, Bermuda	63.1
Von Erl. Gmbh <sup>(i)</sup>	Austria	Sale of e-vapour products in the US and Europe Alte Landstrasse 27, 6060 Hall in Tirol, Austria	60.0

#### Associates: Registered in England and Wales

Name	Principal activity and registered address	% owned
C H (Downton) Limited <sup>(ix)</sup>	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
F J (Downton) Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Hunters & Frankau Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Incentive Marketing Services (UK) Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Associates: Registered in England and Wales

Name	Principal activity and registered address	% owned
Jacon Financial Services Limited <sup>(ix)</sup>	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Joseph Samuel & Son Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Knight Brothers Cigar Shippers Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Lancha House Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Melbourne Hart & Company Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Melbourne Hart Holdings Limited <sup>(ix)</sup>	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Morris & Morris Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Tabaco Torcido Traders Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
The English Import Company Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0
Tropic Tobacco Company Limited	Dormant Hurlingham Business Park, Sullivan Road, London, SW6 3DU, England	25.0

#### Associates: Incorporated overseas

Name	Country of incorporation	Principal activity and registered address	% owned
5th Avenue Products Trading GmbH <sup>(i) (iv)</sup>	Germany	Distribution of Cuban cigars in Germany Schwarzenbergstr. 3-7 ; Waldshut-Tiengen, 79761, Germany	27.5
Azur Finances SA	Cameroon	Holding investments in subsidiary companies B.P 1105, Douala, Cameroon	20.0
Caribbean Cigars Corporation NV <sup>(i)</sup>	Curacao	Distribution of Cuban cigars in the Caribbean Hato Economic Zone, Office D-28, Curacao, N.A.	25.0

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Associates: Incorporated overseas (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Cosmic Fog Vapours Company LLC	United States of America	Trademark owner, and sale of e-vapour products in USA and Europe C/O The Corporation Trust Co, 1209 Orange Street, City of Wilmington, County of Newcastle, DE19801 USA	40.0
Diadema Spa <sup>(i)</sup>	Italy	Distribution of Cuban cigars in Italy Via delle Terme Deciane, 10, Partita IVA 01213650995, Codice Fiscale 01374280509, 00153 Rome, Italy	30.0
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
DTPU Kaliman Caribe Dooel Scopje	Macedonia	Distribution of Cuban cigars in Macedonia 5 Luj Pater Str., 1000 Scopje Center, Macedonia	25.0
Entreprises des Tabacs en Guinée <sup>(i)</sup>	Guinée Conakry	Dormant B.P 3391, Conakry, Guinea	34.0
Havana House Cuban Products Specialist Limited <sup>(i)</sup>	New Zealand	Distribution of Cuban cigars in New Zealand Level 16, 66 Wyndham Street, Auckland, New Zealand	25.0
Havana House Limited <sup>(i)</sup>	Canada	Distribution of Cuban cigars in Canada 9 Davies Avenue, Suite 112, Toronto ON, M4M 2A6, Canada	25.0
Importadora y Exportadora de Puros y Tabacos SA DE CV (IEPT) <sup>(i)</sup>	Mexico	Marketing and distribution of Cuban cigars in Mexico Presidente Mazaryk numero 393 local 28, colonia Polanco, C.P. 11560 Delegación Miguel Hidalgo México D.F., Mexico	25.0
Intertabak AG <sup>(i)</sup>	Switzerland	Distribution of Cuban cigars in Switzerland and Liechtenstein Intertabak AG, Salinenstrasse 61, CH-4133 Pratteln, Entrepots: Salinenstrasse, 63, Switzerland	25.0
Kaliman Caribe doo Beograd	Serbia	Distribution of Cuban cigars in Serbia 5 Igmanska Str., Beograd, Serbia	25.5

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Associates: Incorporated overseas (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Kaliman Caribe ood	Bulgaria	Distribution of Cuban cigars in Bulgaria 118 Bulgaria Blvd., Abacus Business Center, fl. 2, 1618 Sofia, Bulgaria	25.5
Kaliman Caribe Tirana Sh. p.k.	Albania	Distribution of Cuban cigars in Albania Sheraton Tirano Hotel and Tower, Italia Sq., fl. 1, Tirana, Albania	25.5
Kaliman Caribe yer LLC	Armenia	Distribution of Cuban cigars in Armenia V. Papazyan / 16a/ 17; Yerevan, 0012, Armenia	25.5
Lippoel Tobacco Corporation International NV	Netherlands Antilles	Distributor of Cuban leaf Pietermaai 123, P.O. BOX 897. Willemstad, Curacao, Netherlands Antilles	27.5
Logista Libros SL	Spain	Distribution of books Avda. Castilla La Mancha, 2 - Naves 3-4 del Polígono Industrial La Quinta, Cabanillas del Campo, Guadalajara, Spain	25.0
Manufacture Mauritanienne des Tabacs	Mauritanie	Manufacture and import of tobacco products Nouakchott, Mauitanie	34.6
Maori Tabacs, S.A. <sup>(i)</sup>	Andorra	Distribution of Cuban cigars in Andorra Av. Pont De La Tosca, 13, Andorra	25.0
New Mentality Limited <sup>(i)</sup>	British Virgin Islands	In liquidation Portcullis TrustNet Chambers, Road Town, Tortola, 3444, British Virgin Islands	25.0
Pacific Holding (Thailand) Company Limited <sup>(i) (vi)</sup>	Thailand	Holding investments in subsidiary companies 39/7 Soi Ruamrudee 2, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Thailand	25.0
Phoenicia Beirut SAL <sup>(i)</sup>	Lebanon	Retail in Lebanon New Starco Center, Sixth Floor, Beirut Central District, Lebanon	25.0
Phoenicia TAA Cyprus Ltd <sup>(i)</sup>	Cyprus	Distribution of Cuban cigars in the Middle East and Africa 249, 28 Oct Street, Lophitis Business Center, Limassol, 3035, Cyprus	25.0
Pit Stop Limited <sup>(i)</sup>	British Virgin Islands	In liquidation Portcullis TrustNet Chambers, Road Town, Tortola, 3444, British Virgin Islands	25.0
Promotion et Distribution a Madagascar <sup>(i)</sup>	Madagascar	Distribution of cigarettes in Madagascar Tour ZITAL Ankorondrano, Antananarivo, Madagascar	33.4
Société Internationale des Tabacs Malgaches <sup>(i)</sup>	Madagascar	Leaf processing BP 270, 401 Mahajanga, Madagascar	47.9

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Associates: Incorporated overseas (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Société Nationale des Tabacs et Allumettes du Mali SA <sup>(i)</sup>	Mali	Manufacture and distribution of cigarettes in Mali Route Sotuba - Z.I., BP 59, Bamako, Mali	28.0
Terzia SPA	Italy	Wholesale to tobacconists in Italy Via Valadier, 37 - 00193 Roma, Italy	34.0
The Pacific Cigar (Thailand) Co Limited <sup>(i) (vii)</sup>	Thailand	Distribution of Cuban cigars in Thailand 25 Alma Link Building, 2nd Floor, Soi Chidlom, Ploenchit Road, Kwaeng Lumpinee, Khet Patumwan, Bangkok Metropolis, Bangkok, Thailand	25.0
The Pacific Cigar Co. (Singapore) Pte Limited <sup>(i)</sup>	Singapore	Distribution of Cuban cigars in Singapore 150 Cecil Street, #15-01, 069543, Singapore	25.0
The Pacific Cigar Company (Australia) Pty Limited <sup>(i)</sup>	Australia	Distribution of Cuban cigars in Australia 17/23, Bowden Street Australia, Alexandria, NSW 2015, Australia	25.0
The Pacific Cigar Company (Macau) Limited <sup>(i)</sup>	Macau	Distribution of Cuban cigars in Macau Avenida Praia Grande No. 369-371, Edif. Keng Ou 8 Andar, A, Macau	25.0
The Pacific Cigar Company (Malaysia) SDN BHD <sup>(i)</sup>	Malaysia	Dormant 83A, Jalan SS15/5A, 47500 Subang Jaya, Selangor Darul, Ehsan, 47500, Malaysia	25.0
The Pacific Cigar Company (New Zealand) Limited <sup>(i)</sup>	New Zealand	Distribution of Cuban cigars in New Zealand Level 16, 66 Wyndham Street, Auckland, New Zealand	25.0
The Pacific Cigar Company Limited <sup>(i)</sup>	China	Distribution of Cuban cigars in Asia 21/F., Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong	25.0
The Pacific Cigar International Co Limited <sup>(i)</sup>	British Virgin Islands	Distribution of Cuban cigars in Asia Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	25.0

#### Joint Ventures: Incorporated overseas

Name	Country of incorporation	Principal activity and registered address	% owned
Altabana SL <sup>(i)</sup>	Spain	Holding investments in subsidiary companies involved in the marketing and sale of Cuban cigars Paseo de la Castellana, 143 - 10ºA, Madrid, 28046, Spain	50.0
Comercial Iberoamericana SA <sup>(i)</sup>	Spain	Wholesale and distribution of tobacco products Paseo de la Castellana, 143 - 10ºA, Madrid, 28046, Spain	50.0

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Joint Ventures: Incorporated overseas (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
Compañía de Distribución Integral Logista S.A.U. y GTECH Global Lottery, S.L.U., U.T.E.	Spain	Services and distribution C/ Trigo, 39 - Polígono Industrial Polvoranca, Leganés, Madrid, 28914, Spain	25.0
Corporación Habanos SA <sup>(i)</sup>	Cuba	Export of cigars manufactured in Cuba Centro de Negocios Miramar, Edificio Habana, 3ra. Planta, Avenida 3ra. e/ 78 y 80, C.P.: 11300, Cuba	50.0
Coprova SAS <sup>(i)</sup>	France	Distribution of Cuban cigars in France 171 Avenue Jean Jaures - Paris CEDEX 19, 75927, France	50.0
Cuba Cigar, S.L. <sup>(i)</sup>	Spain	Distribution of Cuban cigars in the Canary Islands Avenida Andrés Perdomo S/N, Edificio de Zona Franca, Planta Baja, Puerto de la Luz (Las Palmas de Gran Canaria), 35008, Spain	50.0
Cubacigar (Benelux) N.V. <sup>(i)</sup>	Belgium	Distribution of cigars in Belgium Reutenbeek, 5 - 3090 Overijse, Belgium	50.0
Dalso, S.R.L. <sup>(i)</sup>	Dominican Republic	Distribution of Cuban cigars in Republic Dominican Avenida Gustavo Mejía Ricart esquina Avenida Abraham Lincoln, Torre Piantini, sexto piso, Ensanche Piantini, Santo Domingo, Distrito Nacional, Dominican Republic	50.0
Empor - Importação e exportação, SA <sup>(i)</sup>	Portugal	Distribution of tobacco products in Portugal Rua João Santos, Lote 2, Lisboa, 1300-325, Portugal	50.0
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
Habanos Nordic AB <sup>(i)</sup>	Sweden	Distribution of Cuban cigars in Scandinavia August Barks gata 30B SE-42132 Västra Frölunda - Sweden	50.0
Infifon APS <sup>(i)</sup>	Denmark	Holding investments in subsidiary companies 21, INFIFON ApS, Harbour House, Sundkrogsgade, 2100 Copenhagen, Denmark	50.0
Infifon Hong Kong Limited <sup>(i)</sup>	China	Distribution of Cuban cigars in China 21/F, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong	50.0
Infifon I, BV <sup>(i)</sup>	The Netherlands	Holding investments in subsidiary companies Parklaan 34, Rotterdam, 3016 BC, Netherlands	50.0
Infifon II NV <sup>(i)</sup>	Netherlands Antilles	Distribution of Cuban cigars in Russia Van Engelenweg 23, Curaçao, Netherlands Antilles	50.0

# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

#### Joint Ventures: Incorporated overseas (continued)

Name	Country of incorporation	Principal activity and registered address	% owned
International Cubana de Tabaco SA <sup>(i)</sup>	Cuba	Manufacture of cigarillos in Cuba Ave. Independencia #34501 entre Ave. 345 y 1 <sup>o</sup> de Mayo, Municipio Boyeros, Ciudad de La Habana, Cuba	50.0
Intertab SA <sup>(i)</sup>	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
Promotora de Cigarros SL <sup>(i)</sup>	Spain	Sales and marketing of cigars manufactured in Cuba Parque Empresarial Cristalia, Vía de los Poblados, 3, Edificio 7/8, Madrid, 28033, Spain	50.0
Puro Tabaco SA <sup>(i)</sup>	Argentina	Distribution of Cuban cigars in Argentina and Chile Lavalle 445, Piso 1, Buenos Aires, Argentina	50.0
Top Cigars Corporation LLC <sup>(i)</sup>	Russia	Distributor of Habanos in Russia Dimitrovskoe shosse 167, 127204 Moscow, Russian Federation	50.0
Xinet SA <sup>(i)</sup>	Uruguay	Dormant Ciudadela 1373, Montevideo, Uruguay	50.0

#### Partnerships

The Group also owns the following partnerships:

Name	Country	Principal activity, registered address and principal place of business
Imperial Tobacco Kazakhstan LLP <sup>(i)</sup>	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
Imperial Tobacco (Efka) GmbH & Co. KG	Germany	Manufacture of tubs in Germany Registered address: Postfach 1257, Industriestrasse 6, Trossingen, 78636, Germany Principal place of business: Industriestrasse 6, Postfach 1257, D-78636 Trossingen, Germany



# IMPERIAL TOBACCO LIMITED

## Notes to the Financial Statements

### 27. Related undertakings (continued)

The subsidiaries listed were held throughout the year and 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).  
Only applicable to partly owned entities - percentage ownership is shown in the tables above.
- (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

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, and Compañía de Distribución Integral Logista SAU, Logista France SAS, and Logista Italia SpA are 100 per cent owned subsidiaries of Compañía de Distribución Integral Logista Holdings SA, which is itself 50.01 per cent owned by Altadis SAU.