

Weston Investment Company Limited

Registered Number 00179244

Annual report and financial statements

For the year ended 31 December 2018



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Strategic report

The Directors present their strategic report on Weston Investment Company Limited ("the Company") for the year ended 31 December 2018.

Principal activities

The Company's principal activity is the holding of investments in companies operating in the tobacco industry as members of the British American Tobacco p.l.c. Group (the "Group").

Review of the year ended 31 December 2018

The profit for the financial year attributable to Weston Investment Company Limited shareholders after deduction of all charges and the provision of tax amounted to £903,192,000 (2017: £832,341,000).

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

Key performance indicators

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

Principal risks and uncertainties

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

By Order of the Board



J.M. Guttridge
Secretary

02.07.2019

Directors' report

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

Dividends

During the year the Company paid dividends amounting to £1,410,000,000 (2017: £1,783,324,000) and a preference share dividend of £48,641,000 (2017: £70,546,000).

Financial risk management

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

Post balance sheet event

On 2 April 2019, the European Commission ("EC") announced in a press release that it found that certain aspects of the Group Financing Exemption within the UK Foreign Company ("CFC") rules that applied from 1 January 2013 to 31 December 2018 constituted illegal State Aid. The UK CFC rules are provisions which allow the UK to tax the income of overseas subsidiaries, controlled by a UK corporate parent, where that income is deemed to be artificially diverted from the UK. The Company fully complied with the legislation as it applied at the time. The Company is assessing the impact, if any, from the EC ruling at this time. It is currently unclear as to what tax, if any, is due, how it should be calculated, and how it would be settled.

Board of Directors

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

Robert James Casey	(Resigned 11 March 2019)
John Benedict Stevens	
Steven Glyn Dale	
Neil Arthur Wadey	
Jerome Bruce Abelman	
Andrew James Barrett	(Appointed 19 January 2018)
Noelle Colfer	(Appointed 29 April 2019)

Research and development

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

Political contributions

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

Employees

The average number of employees employed by the Company during the year was nil (2017: nil).

Auditor

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

Directors' report (continued)

Directors' indemnities

Throughout the period 1 January 2018 to the date of this report, a qualifying third party indemnity has been in force under which Mr J.B. Stevens as Director of the Company, is to the extent permitted by law, indemnified by British American Tobacco p.l.c., the ultimate parent undertaking, in respect of all costs, charges, expenses or liabilities which they may have incurred in or about the execution of their duties to the Company or as a result of things done by him as Director on behalf of the Company.

Statement of Directors' responsibilities

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Directors' declaration in relation to relevant audit information

Having made appropriate enquiries, each of the Directors who held office at the date of approval of this report confirms that:

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

By Order of the Board



J.M. Guttridge
Secretary

02.07.2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTON INVESTMENT COMPANY LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The Impact of uncertainties due to the UK exiting the European Union on our audit

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

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

Going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTON INVESTMENT COMPANY LIMITED (Continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Toby Odell, (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square
London. E14 5GL
2 July 2019

Profit and loss account for the year ended 31 December

	Note	2018 £'000	2017 £'000
Continuing operations			
Other operating income	2	5,077	5,267
Other operating expenses	3	(13,273)	(818,214)
Operating (loss)		(8,196)	(812,947)
Income from shares in Group undertakings	4	929,658	1,592,844
Gain on disposal of investments		-	19
Interest receivable and similar income	5	106,356	126,488
Interest payable and similar expenses	6	(103,765)	(72,400)
Profit on ordinary activities before taxation		924,053	834,004
Tax on profit	7	(20,861)	(1,663)
Profit for the financial year		903,192	832,341

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

Statement of other comprehensive income for the year ended 31 December

	2018 £'000	2017 £'000
Profit for the financial year	903,192	832,341
Cash flow hedge gain	654	42
Total recognised gains relating to the financial year	903,846	832,383

Statement of changes in equity for the year ended 31 December

	Called up share capital £'000	Share premium Account £'000	Cash flow hedge reserve £'000	Profit and loss account £'000	Total Equity £'000
1 January 2017	7,443,335	1,549,032	(772)	5,717,854	14,709,449
Profit for the financial year	-	-	-	832,341	832,341
Dividends paid	-	-	-	(1,783,324)	(1,783,324)
	7,443,335	1,549,032	(772)	4,766,871	13,758,466
Other comprehensive income					
Cash flow hedge gain	-	-	42	-	42
31 December 2017	7,443,335	1,549,032	(730)	4,766,871	13,758,508
Profit for the financial year	-	-	-	903,192	903,192
Dividends paid	-	-	-	(1,410,000)	(1,410,000)
	7,443,335	1,549,032	(730)	4,260,063	13,251,700
Other comprehensive income					
Cash flow hedge gain	-	-	654	-	654
31 December 2018	7,443,335	1,549,032	(76)	4,260,063	13,252,354

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

Balance sheet as at 31 December

	Note	2018 £'000	2017 £'000
Fixed Assets			
Investments in Group undertakings	8	12,398,271	12,327,234
		12,398,271	12,327,234
Current assets			
Debtors: amounts falling due within one year	9a	1,395,561	1,917,304
Debtors: amounts falling due after one year	9b	500,676	497,906
Cash at bank and in hand		291	656
Derivative financial instruments - assets	12	3	245
		1,896,531	2,416,111
Creditors: amounts falling due within one year	10a	(239,845)	(853,853)
Derivative financial instruments - liabilities	12	(111)	(1,429)
Net current assets		1,656,575	1,560,829
Total assets less current liabilities		14,054,846	13,888,063
Creditors: amounts falling due after more than one year	10b	(802,319)	(129,433)
Provisions for liabilities		(173)	(122)
Net assets		13,252,354	13,758,508
Capital and reserves			
Called up share capital	11	7,443,335	7,443,335
Share premium account		1,549,032	1,549,032
Cash flow hedge reserve		(76)	(730)
Profit and loss account		4,260,063	4,766,871
Total shareholders' funds		13,252,354	13,758,508

The financial statements on pages 7 to 36 were approved by the Directors on 2nd July 2019 and signed on behalf of the Board.



A.J. Barrett
Director

Registered number
00179244

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

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

1 Accounting policies

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and where advantage of disclosure exemptions available under FRS 101, such as the preparation of a cash flow statement or disclosures regarding financial instruments and transactions with related parties, have been taken.

With effect from 1 January 2018, the Company has adopted IFRS 9 *Financial Instruments*. The adoption of IFRS 9 had no material effect on the Company's accounts.

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

The most significant items include:

- the review of asset values and impairment testing of financial and non-financial assets;
- the recognition, classification and measurement of derivatives and other financial instruments;

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

The Company is included in the consolidated financial statements of British American Tobacco p.l.c. which is incorporated in the United Kingdom and registered in England and Wales. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The Directors have at the time of approving these financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months following the signing of these accounts.

The accounting policies set out below, have unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Foreign currencies

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

Operating expenses

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

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

1 Accounting policies (continued)

Income

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

Taxation

Taxation is that chargeable on the profits for the period, together with deferred taxation.

The current income tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred taxation is provided in full using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. As required under IAS 12 *Income Taxes*, deferred tax assets and liabilities are not discounted.

Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Tax is recognised in the Profit and loss account except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or changes in equity.

Any liabilities or assets recognised for exposures in respect of the payment or recovery of a number of taxes are recognised at such time as an outcome becomes probable and when the amount can reasonably be estimated.

Investments in Group undertakings

As permitted by IFRS 9, Investments in Group undertakings are stated at cost, together with subsequent capital contributions, less provisions for any impairment in value, and adjustments for the effect of fair value hedges, where appropriate.

Provisions

Provisions are recognised when either a legal or constructive obligation as a result of a past event exists at the balance sheet date, it is probable that an outflow of economic resources will be required to settle the obligation and a reasonable estimate can be made of the amount of the obligation.

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

1 Accounting policies (continued)

Financial instruments

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions. Such assets and liabilities are classified as current if they are expected to be realised or settled within 12 months after the balance sheet date. If not, they are classified as non-current.

Financial instruments (or identifiable components of compound instruments) are classified on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement. Preference shares and similar financial instruments are classified as liabilities if they do not represent a residual interest in the net assets of the entity.

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

Investments in Group undertakings are stated at cost. Other non-derivative financial assets are classified on initial recognition as loans and receivables or cash and cash equivalents as follows:

- **Loans and receivables:** Amounts owed by Group undertakings and Other debtors are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- **Cash and cash equivalents:** include cash in hand and deposits held on call, together with other short-term highly liquid investments including investments in certain money market funds. Cash equivalents normally comprise instruments with maturities of three months or less at date of acquisition.

Non-derivative financial liabilities are stated at amortised cost using the effective interest method. For borrowings, their carrying value includes accrued interest payable, as well as unamortised issue costs.

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

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

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

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

1 Accounting policies (continued)

Financial instruments (continued)

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

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

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

Where the company enters into financial guarantee contracts to guarantee the indebtedness of direct and indirect subsidiaries and other fellow subsidiaries of the BAT Group, the company recognises these at fair value, where material. The full amounts guaranteed under these arrangements are disclosed as contingent liabilities.

Impairment of financial assets held at amortised cost

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

Impairment of non-financial assets and investments in Group undertakings

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

Dividends

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

2 Other operating income

Other operating income primarily comprises guarantee fees.

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

3 Other operating expenses

	2018 £'000	2017 £'000
Other operating expenses comprise:		
Exchange losses	16	300
Other expenses	795	1,509
Bad debt allowance	12,462	10,500
Impairment of investments	-	805,905
	13,273	818,214

Auditor's fees of £2,500 were borne by a fellow Group undertaking (2017: £2,500).

There were no employees (2017: nil) and no staff costs during the year (2017: £nil).

None of the Directors received any remuneration in respect of their services during the year (2017: £nil). The Company considers that there is no practicable method to allocate a portion of the emoluments the Directors receive from their respective Group company employer for any qualifying services in respect of the Company, as these are considered to be incidental and part of the Directors overall management responsibilities within the Group.

4 Income from shares in Group undertakings

	2018 £'000	2017 £'000
Income from shares in Group undertakings	929,658	1,592,844

Income from shares in Group undertakings received during the year mainly represents dividends received from British American Tobacco International (Holdings) B.V.

5 Interest receivable and similar income

	2018 £'000	2017 £'000
Exchange gain	-	18,585
Interest receivable from Group undertakings	61,724	35,531
Preference dividend income	44,349	51,425
Fair value gain on derivatives	267	20,887
Other similar income	16	60
	106,356	126,488

The Company has preference dividends income in respect of the redeemable preference shares issued by Precis (1814) Limited, a fellow Group undertaking.

6 Interest payable and similar charges

	2018 £'000	2017 £'000
Exchange loss	54,034	-
Preference dividends payable	48,641	70,546
Interest payable to Group undertakings	1,025	1,767
Other similar charges	65	87
	103,765	72,400

The Company has preference dividends payable in respect to the redeemable preference shares issued to Weston (2009) Limited, a fellow Group undertaking.

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

7 Taxation

(a) Recognised in the Profit and loss account

	2018 £'000	£'000	2017 £'000	£'000
<i>UK corporation tax</i>				
Current tax on income for the period	-		825	
Adjustments in respect of prior periods	-		2,050	
		-		2,875
<i>Foreign tax</i>				
Current tax on income for the period	15,255		13,355	
Total current tax		15,255		16,230
<i>Deferred tax</i>				
Origination and reversal of timing differences	3,735		(14,908)	
Effect of changes in tax rates	1,871		341	
		5,606		(14,567)
Total income tax expense (note 7b)		20,861		1,663

(b) Factors affecting the taxation charge

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

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

	2018 £'000	2017 £'000
Profit for the year	903,192	832,341
Total tax expense	20,861	1,663
Profit excluding taxation	924,053	834,004
Tax using the UK corporation tax rate of 19% (2017: 19.25%)	175,570	160,546
Adjustments in respect of prior years	(13)	2,021
Expenses not deductible	22,009	172,781
Income not taxable	(185,158)	(320,116)
Transfer pricing adjustments	106	12
Tax rate changes	1,871	341
Effects of overseas tax rates	6,476	8,172
Controlled Foreign Companies charge	-	825
Tax (gains) not previously recognised	-	(22,919)
Tax charge for the period (note 7a)	20,861	1,663

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

8 Investments

(1) Shares in Group undertakings

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Kosovo, Republic of				
<i>Llapllaselle, Gracanice, Republika e Kosoves</i>				
British American Tobacco Kosovo Sh.p.k.	Ordinary	0.00	100.00	100.00
Albania				
<i>Rruga e Kavajes, Ish Kombinati Ushqimor, Tirana, Albania</i>				
British American Tobacco - Albania SH.P.K.	Ordinary	0.00	100.00	100.00
Algeria				
<i>Industrial Zone, Cheraga, El Omrane, Ouled Fayet Road, Lot 04 Ilot 789, Algiers, Algeria</i>				
British American Tobacco (Algerie) S.P.A.	Ordinary	0.00	50.99	50.99
Angola				
<i>Viana Park, Polo Industrial, Viana, Luanda, Angola</i>				
British American Tobacco - B.A.T. Angola, Limitada	USD 100	0.00	100.00	76.30
British American Tobacco - B.A.T. Angola, Limitada	USD 49,900	0.00	100.00	100.00
Sociedade Unificada Tabacos Angola LDA	Ordinary	0.00	76.30	76.30
Agrangol Limitada	Ordinary	0.00	77.00	77.00
Fabrica de Tabacos de Cacuso	Ordinary	0.00	51.00	51.00
SETA, Sarl	Ordinary	0.00	98.00	98.00
Sociedade Geral de Distribuição e Comércio, Limitada	Ordinary	0.00	100.00	100.00
Sociedade Industrial Tabacos Angola LDA	Ordinary	0.00	76.60	76.60
Argentina				
<i>San Martin 140, Floor 14, City of Buenos Aires, Argentina</i>				
British American Tobacco Argentina S.A.I.C.y F.	New Ordinary	0.00	99.98	99.98
Australia				
<i>166 William Street, Woolloomooloo, NSW 2011, Australia</i>				
American Cigarette Company (Overseas) Pty. Limited	Ordinary	0.00	100.00	100.00
British American Tobacco (Australasia Holdings) Pty Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Australasia Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Australia Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Australia Overseas Pty Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Australia Services Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Manufacturing Australia Pty Ltd.	Ordinary	0.00	100.00	100.00
Martins of Piccadilly Pty Ltd	Ordinary	0.00	100.00	100.00
Rothmans Asia Pacific Limited	Ordinary	0.00	100.00	100.00
Rothmans Asia Pacific Limited	Redeemable Pref A\$ 1.00 Each	0.00	100.00	0.00
The Benson & Hedges Company Pty. Limited	Ordinary	0.00	100.00	100.00
The Nelson Tobacco Manufacturing Corporation Pty. Ltd	Ordinary	0.00	100.00	100.00
W.D. & H.O. Wills Holdings Limited	Ordinary	0.00	100.00	100.00
Wills (Pagewood) Pty Limited	Ordinary	0.00	100.00	100.00
Austria				
<i>Dr. Karl Lueger Platz 5, 1010, Wien, Austria</i>				
British American Tobacco (Austria) GmbH	Ordinary	100.00	0.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Bangladesh				
<i>New DOHS Road, Mohakhali, Dhaka 1206, Bangladesh</i>				
British American Tobacco Bangladesh Company Limited	Ordinary	0.00	72.91	72.91
Barbados				
<i>Braemar Court, Deighton Road, St. Michael, Barbados</i>				
B.C.O., Inc.	Ordinary	0.00	100.00	100.00
<i>Chancery Chambers, Chancery House, High Street, Bridgetown, Barbados</i>				
Southward Insurance Ltd.	Common of no par value	0.00	100.00	100.00
Belarus				
<i>7th Floor, 3 Kuprevicha Str., Minsk, 220141, Belarus</i>				
British-American Tobacco Trading Company Foreign Private Trading Unitary Enterprise	Capital (EUR 110,000)	0.00	100.00	100.00
British-American Tobacco Trading Company Foreign Private Trading Unitary Enterprise	Capital (US Dollar 40,000)	0.00	100.00	100.00
Belgium				
<i>Nieuwe Gentsesteenweg 21, 1702 Groot-Bijgaarden, Belgium</i>				
British American Tobacco Belgium N.V.	Ordinary	100.00	0.00	100.00
<i>Rue de Koninck 38, 1080 Sint-Jans-Molenbeek, Belgium</i>				
British American Tobacco Co-ordination Centre/L.P. Co-ordination Centre VOF	Partnership stake in equity	0.05	99.95	100.00
<i>Globe House, 4 Temple Place, London, WC2R 2PG, United Kingdom</i>				
British American Tobacco Holdings Belgium N.V.	Shares of no value	100.00	0.00	100.00
Belgium				
<i>Nieuwe Gentsesteenweg 21, 1702 Groot-Bijgaarden, Belgium</i>				
Tabacofina-Vander Elst N.V.	Ordinary	0.00	100.00	100.00
Bosnia and Herzegovina				
<i>Ulica Carice Milice br. 11, 78000 Banja Luka, Bosnia and Herzegovina</i>				
British American Tobacco - BAT - BL d.o.o.	Quota	0.00	100.00	100.00
British American Tobacco d.o.o. Banja Luka	Ordinary	0.00	100.00	100.00
<i>ul. Kolodvorska 12, 71000 Sarajevo-Novo Sarajevo, Bosnia and Herzegovina</i>				
INOVINE BH d.o.o.	Ordinary	0.00	100.00	100.00
OPRESA d.d. Sarajevo	Ordinary	0.00	100.00	100.00
<i>Fra Dominka Mandica 24 A, 88220 Široki Brijeg, Bosnia and Herzegovina</i>				
IPRESS d.o.o.	Ordinary	0.00	100.00	100.00
<i>ul. Azize Ša'cirbegovi'c 1, 71000 Sarajevo-Novo Sarajevo, Bosnia and Herzegovina</i>				
TDR d.o.o. Sarajevo	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Botswana				
<i>Plot 64518, Fairgrounds, Office Park, Gaborone, Botswana</i>				
British American Tobacco Botswana (Pty) Limited	Ordinary	0.00	100.00	100.00
Business Venture Investments Botswana 6773 (Pty) Ltd.	Ordinary	0.00	100.00	100.00
Brazil				
<i>Rua Candelaria 66, Salas 101 a 1201, Rio de Janeiro, Brazil</i>				
Souza Cruz LTDA	Common	0.00	100.00	100.00
<i>Rua Candelaria 66, Rio de Janeiro, Brazil</i>				
Yolanda Participacoes S.A.	Common of brc no par value	0.00	100.00	100.00
Brunei Darussalam				
<i>6th Floor, Bang Hj Ahmad Laksamana Othman, 38-39, Jalan Sultan, Bandar Seri Begawan BS8811, Brunei Darussalam</i>				
Commercial Marketers and Distributors Sdn. Bhd. (BRN)	Ordinary	0.00	100.00	50.00
Bulgaria				
<i>115 M, Tsarigradsko Shose Blvd., Building D, Floor 5, Sofia, Mladost Municipality, 1784, Bulgaria</i>				
British American Tobacco Trading EOOD	Ordinary	0.00	100.00	100.00
Cameroon				
<i>Rue Njo Njo, Bonapriso - B.P. 259, Douala, Cameroon</i>				
British American Tobacco Cameroun S.A.	Ordinary	0.00	99.76	99.76
Canada				
<i>45 O'Connor Street, Suite 1500, Ottawa, Ontario, K1P 1A4, Canada</i>				
2004969 Ontario Inc.	Common	0.00	100.00	100.00
<i>30 Pedigree Court, Brampton, Ontario, L6T 5T8, Canada</i>				
Imperial Tobacco Canada Limited	Common	0.00	100.00	100.00
<i>3711 St-Antoine West, Montreal, Quebec, H4C 3P6, Canada</i>				
Allan Ramsay and Company Limited	Common of no par value	0.00	100.00	100.00
Cameo Inc.	Common of no par value	0.00	100.00	100.00
Genstar Corporation	2nd Preferred shares	0.00	100.00	100.00
Genstar Corporation	Series F	0.00	100.00	100.00
Imperial Brands Limited	Common of no par value	0.00	100.00	100.00
Imperial Tobacco Company Limited	Common of no par value	0.00	100.00	100.00
Imperial Tobacco Products Limited	Common of no par value	0.00	100.00	100.00
Imperial Tobacco Services Inc.	Common of no par value	0.00	100.00	100.00
John Player & Sons Limited	Common of no par value	0.00	100.00	100.00
Liggett & Myers Tobacco Company of Canada Limited	Class 'A' of no par value	0.00	50.00	50.00
Liggett & Myers Tobacco Company of Canada Limited	Class 'B' of no par value	0.00	50.00	50.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Canada				
<i>3711 St-Antoine West, Montreal, Quebec, H4C 3P6, Canada</i>				
Marlboro Canada Limited	Common of no par value	0.00	100.00	100.00
Medaillon Inc.	Common of no par value	0.00	100.00	100.00
Chile				
<i>Isidora Goyenechea 3000, piso 19, Las Codes, Chile</i>				
BAT Chile S.A.	Ordinary	0.00	100.00	49.98
British American Tobacco Chile Operaciones S.A.	Ordinary	50.01	0.00	50.01
China				
<i>Unit 1001 in 901, 9/F, Building 3, No.8 Guanghuadongli, Chaoyang District Beijing, People's Republic of China</i>				
British American Consulting (Beijing) Ltd	Registered capital	0.00	100.00	100.00
Colombia				
<i>Av. Cra. 72 # 80-94 Piso 10. Bogotá, Colombia</i>				
British American Tobacco Colombia S.A.S.	Ordinary	0.00	100.00	100.00
Vype Colombia S.A.S.	Ordinary	0.00	100.00	100.00
Congo, The Democratic Republic				
<i>1er étage, Immeuble du Centenaire, Gombe, Kinshasa, Democratic Republic of Congo</i>				
BAT Distribution sarl	Ordinary	0.00	100.00	100.00
British American Tobacco Congo SARL	Z	0.00	100.00	100.00
<i>149, A&B Boulevard du 30 Juin, Gombe, Kinshasa, Democratic Republic of Congo</i>				
BAT Services Congo SARL	Ordinary	99.00	0.00	99.00
Costa Rica				
<i>325 Metros este del Puente de la Firestone, Llorente, Flores, Heredia, Costa Rica</i>				
BASS Americas S.A.	Ordinary	0.00	100.00	100.00
BATCCA Park Inversiones Inmobiliarias, S.A.	Ordinary	0.00	100.00	100.00
BATCCA Servicios S.A.	Ordinary	0.00	100.00	100.00
Croatia				
<i>Obala V. Nazora 1, 52210 Rovinj, Croatia</i>				
ADISTA d.o.o.	Ordinary	0.00	100.00	100.00
TDR d.o.o.	Ordinary	0.00	100.00	100.00
<i>Ivana Lučić'a 2/a, 10000 Zagreb, Croatia</i>				
BAT HRVATSKA d.o.o.	Ordinary	0.00	100.00	100.00
<i>Osječka 2, 33000 Virovitica, Croatia</i>				
HRVATSKI DUHANI d.d.	Ordinary	0.00	89.55	89.55
<i>Draškovićeva 27, 10000 Zagreb, Croatia</i>				
INOVINE d.d.	Ordinary	0.00	93.42	93.42
Cuba				
<i>Calle San Jose y Princesa, Municipio 10 de Octubre, Ciudad de La Habana, Cuba</i>				
Brascuba Cigarrillos S.A.	Common	0.00	50.00	50.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Cyprus				
<i>Photiades Business Centre, 5th Floor, 8 Stasinou Avenue, Nicosia, CY-1060, Cyprus</i>				
B.A.T (Cyprus) Limited	Ordinary	0.00	100.00	100.00
Rothmans (Middle East) Limited	Ordinary	0.00	100.00	100.00
Czech Republic				
<i>Karolinská 654/2, Prague 8 – Karlín, 186 00, Czech Republic</i>				
British American Tobacco (Czech Republic), s.r.o.	Ordinary of DM 3,400,000	0.00	100.00	100.00
British American Tobacco (Czech Republic), s.r.o.	Ordinary of DM 166,600,000	0.00	100.00	100.00
Djibouti				
<i>Rue de Magadiscio, Lot No. 133, Djibouti City, Djibouti</i>				
British American Tobacco Djibouti SARL	Ordinary	0.00	100.00	100.00
Egypt				
<i>10 Omar Ibn El Khattab St. City Stars Complex, Star Capital Towers 4A, 8th floor, Heliopolis, Cairo, Egypt</i>				
British American Tobacco North Africa LLC	Ordinary	0.00	99.80	99.80
Eritrea				
<i>P.O. Box 749, 62 Ras Alula Street, Asmara, Eritrea</i>				
British American Tobacco (Eritrea) Share Company	Ordinary	0.00	100.00	100.00
British American Tobacco (Eritrea) Share Company	Preference	0.00	100.00	100.00
British American Tobacco (Eritrea) Share Company	Preference	0.00	100.00	100.00
Estonia				
<i>Mustamäe Tee 46, 10621 Tallinn, Estonia</i>				
British American Tobacco Estonia AS	Ordinary	0.00	100.00	100.00
Fiji				
<i>Lady Maria Road, Nabua, Suva, Fiji</i>				
British American Tobacco (Fiji) Marketing Limited	Ordinary	0.00	50.00	50.00
Central Manufacturing Company Limited	Ordinary	0.00	85.00	85.00
Rothmans of Pall Mall (Fiji) Limited	Ordinary	0.00	100.00	100.00
Finland				
<i>Lady Maria Road, Nabua, Suva, Fiji</i>				
British American Tobacco Finland Oy	Ordinary	0.00	100.00	100.00
France				
<i>Itamerentori 2, 00180, Helsinki, Finland</i>				
British American Tobacco France SAS	Ordinary EUR 15	0.00	100.00	100.00
<i>8 Rue La Boétie, 75008 Paris, France</i>				
Carreras France SAS	Ordinary	0.00	100.00	100.00
Germany				
<i>Alsterufer 4, 20354 Hamburg, Germany</i>				
BATIG Gesellschaft für Beteiligungen m.b.H.	Ordinary € 340,000,000.00	0.00	100.00	100.00
British American Tobacco (Germany) GmbH	Ordinary	0.00	100.00	100.00
British American Tobacco (Hamburg International) GmbH	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Germany <i>Alsterufer 4, 20354 Hamburg, Germany</i>				
British American Tobacco (Industrie) GmbH	Capital of € 350 mio	0.00	100.00	100.00
Ghana <i>F190/5 Josiah Tongogari Street, Opposite Tante Marie Restaurant, Labone-Accra, Ghana</i>				
British American Tobacco Ghana Limited	Ordinary	0.00	97.09	97.09
Greece <i>27, Ag. Thoma Street, Maroussi, 151 24, Greece</i>				
British American Tobacco Hellas S.A.	Ordinary	0.00	100.00	100.00
Guernsey <i>St Martin's House, Le Bordage, St. Peter's Port, GY1 4AU, Guernsey</i>				
Belaire Insurance Company Limited	Ordinary	0.00	100.00	100.00
Guyana <i>90 Carmichael Street, South Cummingsburg, Georgetown, Guyana</i>				
Demerara Tobacco Company Limited	Ordinary	0.00	70.25	70.25
Honduras <i>Boulevard del Sur, Zona El Cacao, San Pedro Sula, Depart. de Cortés, Honduras</i>				
Tabacalera Hondureña S.A.	Ordinary	0.00	83.64	83.64
Hong Kong <i>16/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong</i>				
British American Tobacco Asia-Pacific Region Limited	Ordinary shares of HK\$1 each	0.00	100.00	100.00
<i>11/F, One Pacific Place, 88 Queensway, Hong Kong</i>				
British American Tobacco China Investments Limited	Ordinary	0.00	100.00	100.00
<i>16/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong</i>				
British-American Tobacco Company (Hong Kong) Limited	Ordinary	0.00	100.00	100.00
Hungary <i>H-1124, Budapest, Csörsz utca 49-51. 3. em., Hungary</i>				
BAT Pecs Dohánygyár Kft.	Ordinary	0.00	100.00	100.00
Indonesia <i>Capital Place Office Tower 6th Floor, Jl. Gatot Subroto Kav. 18, Jakarta 12710 Indonesia</i>				
PT Bentoel Internasional Investama, Tbk	Ordinary	0.00	85.74	85.74
<i>Jl. Raya Karanglo, 1st Floor, Desa Banjararum, Kecamatan Singosari, Jawa Timur 65153 Indonesia</i>				
PT Bentoel Prima	Series A	0.00	100.00	100.00
PT Bentoel Prima	Series B	0.00	100.00	100.00
PT Perusahaan Dagang dan Industri Tresno	Ordinary	0.00	92.48	92.48
<i>Jl. Susanto No. 2B, Ciptomulyo, Sukun, Malang, Jawa Timur 65148 Indonesia</i>				
PT Bentoel Distribusi Utama	Ordinary	0.00	92.48	92.48

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Iran, Islamic Republic of				
<i>No. 2 Saba Boulevard with Africa Boulevard, Tehran, 19667, Islamic Republic of Iran</i>				
TDR Parsian Company (PJS)	Ordinary	0.00	100.00	100.00
Ireland				
<i>The Greenhouse, 6th Floor, Block E, Mountainview, Leopardstown, Dublin, 18, Ireland</i>				
Carroll Group Distributors Limited	Ordinary	0.00	100.00	100.00
P.J. Carroll & Company Limited	A' Ordinary	0.00	100.00	100.00
P.J. Carroll & Company Limited	B' Ordinary	0.00	100.00	100.00
Rothmans of Pall Mall (Ireland) Limited	7% Preference	0.00	100.00	100.00
Isle of Man				
<i>2nd Floor, St Mary's Court, 20 Hill Street, Douglas, IM1 1EU, Isle of Man</i>				
The Raleigh Investment Company Limited	Ordinary	0.00	100.00	100.00
Tobacco Manufacturers (India) Limited	Ordinary	0.00	100.00	100.00
Italy				
<i>Via Amsterdam 147, 00144 Rome, Italy</i>				
British American Tobacco Italia S.p.A.	Ordinary	0.00	100.00	100.00
Jamaica				
<i>13A Ripon Road, Kingston 5, Jamaica</i>				
Carreras Limited	Ordinary of JMD 0.25	0.00	50.40	50.40
Cigarette Company of Jamaica Limited	Ordinary	0.00	99.77	50.40
<i>Twickenham Park, Spanish Town, St. Catherine, Jamaica</i>				
Sans Souci Development Limited	Ordinary	0.00	100.00	50.40
Sans Souci Limited	Ordinary	0.00	100.00	50.40
Jordan				
<i>Salman Quadah Street, Behind Abdoun Mall Opp. Khaled Khreisat Complex, Villa No. (1), Abdoun, Amman, Jordan</i>				
British American Tobacco - Jordan Private Shareholding Company Limited	Ordinary	0.00	100.00	100.00
Kazakhstan				
<i>Kazybek bi 20 A, Almaty, Republic of Kazakhstan</i>				
British American Tobacco Kazakhstan Trading Limited Liability Partnership	Capital only	0.00	100.00	100.00
Kenya				
<i>8 Likoni Road, Industrial Area, P.O. Box 30000-00100, Nairobi, Kenya</i>				
African Cigarette Company (Overseas) Limited	Ordinary	0.00	100.00	60.00
BAT Kenya Tobacco Company Limited	Ordinary	0.00	100.00	60.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Kenya				
9 Likoni Road, Industrial Area, P.O. Box 30000-00100, Nairobi, Kenya				
British American Tobacco Area Limited	Ordinary	0.00	50.00	50.00
10 Likoni Road, Industrial Area, P.O. Box 30000-00100, Nairobi, Kenya				
British American Tobacco Kenya plc	Ordinary	0.00	60.00	60.00
11 Likoni Road, Industrial Area P.O. Box 30000-00100, Nairobi, Kenya				
East African Tobacco Company (Kenya) Limited	Ordinary	0.00	100.00	60.00
Korea, Republic of				
141, Gongdan1-ro, Sanam-Myun, Sacheon City, Kyungsangnamdo, Republic of Korea				
British American Tobacco Korea Manufacturing Limited	Ordinary	0.00	100.00	100.00
Latvia				
Mukusalas iela 101, Riga LV-1004, Latvia				
British American Tobacco Latvia SIA	Ordinary	0.00	100.00	100.00
Lithuania				
Verkiu str. 29, LT 09108 Vilnius, Lithuania				
UAB British American Tobacco Lietuva	Ordinary	0.00	100.00	100.00
Luxembourg				
2, Avenue Charles de Gaulle, 1653 Luxembourg, Grand Duchy of Luxembourg				
British American Tobacco Brands (Switzerland) Limited	Registered	100.00	0.00	100.00
Macedonia, Republic of				
Bul. 8-mi Septemvri No. 18 Skopje, Republic of Macedonia				
TDR Skopje d.o.o.e.i. Skopje	Ordinary	0.00	100.00	100.00
Malawi				
Northgate Arcade, Highway Chipembere, Blantyre, Malawi				
British American Tobacco (Malawi) Limited	Ordinary	0.00	100.00	100.00
Malaysia				
Level 11, Sunway Geo Tower, Jalan Lagoon Selatan, Sunway South Quay, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia				
BAT Aspac Service Centre Sdn Bhd	Ordinary	0.00	100.00	100.00
Level 19, Wisma Guocoland, Damansara City, No. 6 Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia				
British American Tobacco (Malaysia) Berhad	Ordinary	0.00	50.00	50.00
Commercial Marketers and Distributors Sdn. Bhd.	Ordinary	0.00	100.00	50.00
Rothmans Brands Sdn. Bhd.	Ordinary	0.00	100.00	50.00
Tobacco Importers and Manufacturers Sdn. Bhd.	Ordinary	0.00	100.00	50.00
Malta				
PM Building, Level 2, Mrieheil Industrial Zone, Bone Street, Mrieheil, BKR3000, Malta				
British American Tobacco (Malta) Limited	Ordinary	0.00	100.00	100.00
Central Cigarette Company Limited	Ordinary	0.00	100.00	100.00
Rothmans of Pall Mall (Malta) Limited	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Mexico				
<i>Francisco I Madero 2750 Poniente, Colonia Centro, Monterrey, Nuevo León, C.P. 64000, Mexico</i>				
British American Tobacco Mexico Comercial, S.A. de C.V.	Ordinary shares	0.00	100.00	100.00
British American Tobacco Mexico, S.A. de C.V.	Ordinary Series 'A'	0.00	100.00	100.00
British American Tobacco Mexico, S.A. de C.V.	Ordinary Series 'B'	0.00	100.00	100.00
British American Tobacco Servicios S.A. de C.V.	Share Class "1"	0.00	100.00	100.00
British American Tobacco Servicios S.A. de C.V.	Share Class "2"	0.00	100.00	100.00
Cigarrera La Moderna, S.A. de C.V.	Ordinary	0.00	100.00	100.00
<i>Predio Los Sauces Sin número, Colonia Los Sauces, C.P. 63195, Tepic, Nayarit, Mexico</i>				
Procesadora de Tabacos de Mexico, S.A. de C.V.	Ordinary class 1	0.00	93.00	93.00
Moldova, Republic of				
<i>65, Stephan cel Mare Str., off. 414-417, Chisinau, MD2001, Republic of Moldova</i>				
British American Tobacco – Moldova S.R.L.	Ordinary	0.00	100.00	100.00
Montenegro				
<i>Rimski Trg 50, Podgorica, Republic of Montenegro</i>				
TDR d.o.o. Podgorica	Ordinary	0.00	100.00	100.00
Mozambique				
<i>2289 Avenida de Angola, Maputo, Mozambique</i>				
British American Tobacco Mozambique Limitada	Quota of MT 2,123,250	0.00	95.00	95.00
Sociedade Agricola de Tabacos Limitada	Quota	0.00	100.00	100.00
Myanmar				
<i>55/56, Schwe Thanlwin, Industrial Zone, Hlaing Thar Yar Township, Yangon, Myanmar</i>				
British American Tobacco Myanmar Limited	Ordinary	0.00	95.00	95.00
British American Tobacco Myanmar Services Limited	Ordinary	0.00	100.00	100.00
Namibia				
<i>Shop 48, Second Floor Old Power Station Complex, Armstrong Street, Windhoek, Namibia</i>				
British American Tobacco Namibia (Pty) Limited	Ordinary	0.00	100.00	100.00
Netherlands				
<i>Handelsweg 53 A, 1181 ZA, Amstelveen, Netherlands</i>				
Aruba Properties B.V.	Ordinary	0.00	100.00	100.00
Aruba Properties II B.V.	Ordinary	0.00	100.00	100.00
B.A.T. Netherlands Finance B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco European Operations Centre B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Exports B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings (Australia) B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings (Malaysia) B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings (South Africa) B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings (The Netherlands) B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings (Venezuela) B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings (Vietnam) B.V.	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Netherlands				
<i>Handelsweg 53 A, 1181 ZA, Amstelveen, Netherlands</i>				
British American Tobacco International (Holdings) B.V.	Ordinary	100.00	0.00	100.00
British American Tobacco International Europe (Nederland) B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco International Investments B.V.	Ordinary shares of EUR 0.45	0.00	100.00	100.00
British American Tobacco Manufacturing B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Nederland B.V.	Ordinary	0.00	100.00	100.00
British American Tobacco Western Europe Region B.V.	Ordinary	0.00	100.00	100.00
Koninklijke Theodorus Niemeyer B.V.	Ordinary € 453.78	0.00	100.00	100.00
Molensteegh Invest B.V.	Ordinary	0.00	100.00	100.00
Precis (1789) B.V.	Ordinary	0.00	100.00	100.00
Precis (1790) B.V.	Ordinary	0.00	100.00	100.00
Rothmans Far East B.V.	Ordinary	0.00	100.00	100.00
Rothmans International Holdings B.V.	Ordinary EUR 0.15	0.00	100.00	100.00
Rothmans International Holdings II B.V.	Ordinary	0.00	100.00	100.00
Rothmans Tobacco Investments B.V.	Ordinary	0.00	100.00	100.00
Rothmans UK Holdings B.V.	Ordinary	100.00	0.00	100.00
Turmac Tobacco Company B.V.	Ordinary	0.00	100.00	100.00
New Zealand				
<i>2 Watt Street, Parnell, Auckland, 1052, New Zealand</i>				
British American Tobacco (New Zealand) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings (New Zealand) Limited	Ordinary NZ\$	0.00	100.00	100.00
<i>25 Princess Street, Palmerston North, New Zealand</i>				
New Zealand (UK Finance) Limited	Non - participating preference	0.00	100.00	100.00
New Zealand (UK Finance) Limited	Ordinary	0.00	100.00	100.00
Nigeria				
<i>1, Tobacco Road, Oluyole Toll Gate, Ibadan, Nigeria</i>				
British American Tobacco (Nigeria) Limited	Ordinary	0.00	100.00	100.00
<i>Rising Sun Building, 2 Oluwegbon Road, Ikoyi, Lagos, Nigeria</i>				
British American Tobacco Marketing Nigeria Limited	Ordinary	0.00	100.00	100.00
Pakistan				
<i>Serena Business Complex. Khayaban-e-Suhrwardy, Islamabad, Pakistan</i>				
British American Tobacco SAA Services (Private) Ltd	Ordinary	0.00	100.00	100.00
Panama				
<i>Torre Banco Panama, Boulevard Costa Del Este y Aveida La Rotonda, Piso 14, Oficina 1400, Costa del Este Ciudad de Panama, Panama</i>				
BAT Caribbean, S.A.	Ordinary Shares	0.00	100.00	100.00
British American Tobacco Central America S.A.	Ordinary of Ordinary of no par value	0.00	87.76	87.76
British American Tobacco Panama, S.A.	Ordinary	0.00	100.00	87.76
Tabacalera Istmena S.A.	Common	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Papua New Guinea				
<i>Level 10, The Tower, Douglas Street, P O Box 632, Port Moresby, NCD, Papua New Guinea</i>				
British American Tobacco (PNG) Limited	Ordinary	0.00	100.00	100.00
Papua New Guinea Tobacco Company Limited	Ordinary	0.00	100.00	100.00
Paradise Tobacco Company Limited	A' Ordinary	0.00	100.00	100.00
Paradise Tobacco Company Limited	B' Ordinary	0.00	100.00	100.00
Rothmans of Pall Mall (P.N.G.) Limited	A' Ordinary	0.00	100.00	100.00
Rothmans of Pall Mall (P.N.G.) Limited	B' Ordinary	0.00	100.00	100.00
Paraguay				
<i>Avenida Aviadores del Chaco, 2050, Edificio World Trade Center, T2, P17, Paraguay</i>				
British American Tobacco Productora de Cigarrillos S.A.	Shares	0.00	100.00	100.00
Peru				
<i>Pasaje Santa Rosa 256, Ate, Lima, Perú.</i>				
British American Tobacco del Peru Holdings S.A.	Investment stock	0.00	98.35	98.35
British American Tobacco del Peru Holdings S.A.	Ordinary	0.00	98.35	98.35
British American Tobacco Del Peru, S.A.C.	Ordinary	0.00	100.00	100.00
Philippines				
<i>6th Floor Tuscan Building, Herrera Street, Legaspi Village, City of Makati, Philippines</i>				
Alhambra Industries Inc.	Common php 1,300 par	0.00	100.00	100.00
Alhambra Industries Inc.	Pref. php 1,300 Par	0.00	100.00	100.00
Poland				
<i>Krakowiakow 48, 02-255, Warszawa, Poland</i>				
British American Tobacco Polska Trading sp. z o.o.	Ordinary	0.00	100.00	65.36
<i>Ul. Tytoniowa 16, 16-300, Augustow, Poland</i>				
British-American Tobacco Polska S.A.	Ordinary	0.00	65.36	65.36
<i>Aleja Wojska Polskiego 23c, 63-500, Ostrzeszow, Poland</i>				
CHIC SP. ZO.O.	Ordinary	0.00	100.00	100.00
CHIC sp.zo.osp.k.	Ordinary	0.00	100.00	100.00
Chic Investments sp.zo.o.	Ordinary	0.00	100.00	100.00
eSMOKING Liquids sp.zo.o	Ordinary	0.00	100.00	100.00
eSMOKING Liquids sp.zo.o.sp.k.	Ordinary	0.00	100.00	100.00
Nicoventures Polska sp. z.o.o.	Ordinary	0.00	100.00	100.00
<i>PLAC ANDERSA 7, 61-894, Poznan, Poland</i>				
Chic Holding sp.zo.o	Ordinary	0.00	100.00	100.00
<i>Rubiez 46, 61-612, Poznan, Poland</i>				
eSMOKING INSITUTE sp.zo	Ordinary	0.00	100.00	100.00
Portugal				
<i>Avenida Engenheiro Duarte Pacheco 26, 7 Piso 1070, Lisboa, Portugal</i>				
COTAPO Empreendimentos Comerciais e Industriais S.A.	Ordinary	0.00	100.00	100.00
Reunion				
<i>5 Immeuble Cap 2000, Avenue Théodore Drouhet, ZAC Horizon 2000 - 97420 Le Port, La Réunion</i>				
B.A.T. La Reunion SAS	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Romania				
<i>Bucharest Business Park - Building B2, 1A Bucuresti - Ploiesti (DN1) Road, Sector 1, Bucharest 013681, Romania</i>				
British-American Tobacco (Romania) Trading SRL	Social	0.00	100.00	100.00
<i>Ploiesti, 17-19 Laboratorului Street, Prahova County, Romania</i>				
British-American Tobacco Romania Investment S.R.L.	Social	100.00	0.00	100.00
Russia				
<i>197229 Russia, Saint Petersburg, 3rd Konnaya Iakhta, 38</i>				
Joint Stock Company "British American Tobacco-SPb"	Ordinary	0.00	100.00	100.00
Joint Stock Company "British American Tobacco-SPb"	Preference	0.00	100.00	100.00
<i>121614 Russia, Moscow, Krylatskaya st., 17, bld. 2</i>				
JSC 'International Tobacco Marketing Services'	Common	0.00	100.00	100.00
Rwanda				
<i>Soras Building, 2nd Flr, Boulevard de la Revolution P.O Box 650 Kigali, Rwanda</i>				
British American Tobacco Rwanda Limited	Ordinary	0.00	100.00	100.00
Saint Lucia				
<i>c/o ADCO Incorporated, 10 Manoel Street, Castries, Saint Lucia</i>				
Carisma Marketing Services Ltd.	Ordinary Shares	100.00	0.00	100.00
<i>St Lucia Pointe Seraphine, Castries, Saint Lucia</i>				
Rothmans Holdings (Caricom) Limited	Ordinary	0.00	100.00	100.00
Samoa				
<i>Vaitele, Apia, Samoa. P.O.Box 1304.</i>				
British American Tobacco (Samoa) Limited	Ordinary	0.00	100.00	100.00
Serbia				
<i>Bulevar Milutina Milankovic 1ž, Belgrade, 11070, Serbia</i>				
British American Tobacco South - East Europe doo	Quota	100.00	0.00	100.00
<i>Kralja Stefana Provenčanog 209, Vranje, 17500, Serbia</i>				
British American Tobacco Vranje a.d. Vranje	Ordinary-A	0.00	100.00	100.00
British American Tobacco Vranje a.d. Vranje	Ordinary-B	0.00	100.00	100.00
British American Tobacco Vranje a.d. Vranje	Ordinary-C	0.00	100.00	100.00
British American Tobacco Vranje a.d. Vranje	Ordinary-D	0.00	100.00	100.00
<i>Bulevar Milutina Milankovic 1ž, Belgrade, 11070, Serbia</i>				
TDR d.o.o. Beograd	Ordinary	0.00	100.00	100.00
Singapore				
<i>15 Senoko Loop, Singapore, 758168</i>				
British American Tobacco Asia Pacific Treasury Private Limited	Ordinary	0.00	100.00	100.00
British American Tobacco International Services Pte Ltd	Ordinary	0.00	100.00	100.00
British-American Tobacco (Singapore) Private Limited	Ordinary	0.00	100.00	100.00
British-American Tobacco Marketing (Singapore) Private Limited	Ordinary	0.00	100.00	100.00
<i>18 Ah Hood Road #12-51, Hiap Hoe Bldg at Zhongshan Park, Singapore, 329983</i>				
British American Tobacco Sales & Marketing Singapore Pte. Ltd.	Ordinary	0.00	100.00	100.00
RHL Investments Pte Limited	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Singapore				
<i>18 Ah Hood Road #12-51, Hiap Hoe Bldg at Zhongshan Park, Singapore, 329983</i>				
RHL Investments Pte Limited	Redeemable preference	0.00	100.00	0.00
Slovenia				
<i>Bravničarjeva ulica 13, 1000 Ljubljana, Slovenia</i>				
British American Tobacco d.o.o.	Ordinary	100.00	0.00	100.00
TDR Rovita d.o.o. Liubliana	Ordinary	0.00	100.00	100.00
Solomon Islands				
<i>Kukum Highway, Ranadi, Honiara, Honiara, Solomon Islands</i>				
Solomon Islands Tobacco Company Limited	Ordinary	0.00	50.00	50.00
South Africa				
<i>Waterway House South, 3 Dock Road, V&A Waterfront, Cape Town 8000, South Africa</i>				
Agrega EEMEA (Pty) Limited	Ordinary	0.00	100.00	100.00
Amalgamated Tobacco Corporation (South Africa) (Pty) Limited	Ordinary	0.00	100.00	100.00
American Cigarette Company (Overseas) Ltd.	Ordinary	0.00	100.00	100.00
Benson & Hedges (Pty) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco GSD (South Africa) (Pty) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Holdings South Africa (Pty) Limited	A' redeemable pref.	0.00	100.00	0.00
British American Tobacco Holdings South Africa (Pty) Limited	B' Redeemable pref. R 0.01	0.00	100.00	0.00
British American Tobacco Holdings South Africa (Pty) Limited	Ordinary ZAR 0.01 each	0.00	100.00	100.00
British American Tobacco Manufacturers South Africa (Pty) Ltd.	Ordinary ZAR 0.01 each	0.00	100.00	100.00
British American Tobacco Properties South Africa (Pty) Ltd.	Ordinary	0.00	100.00	100.00
British American Tobacco Services South Africa (Pty) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco South Africa (Pty) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Southern Africa Markets (Pty) Limited	Ordinary	0.00	100.00	100.00
Brown & Williamson Tobacco Corporation (Pty) Limited	Ordinary	0.00	100.00	100.00
Business Venture Investments No 216 (Pty) Ltd.	Ordinary	0.00	100.00	100.00
Carlton Cigarette Company (Pty) Limited	Ordinary	0.00	100.00	100.00
Gauloises (Pty) Limited	Ordinary	0.00	100.00	100.00
Intercontinental Tobacco Company (Pty) Ltd.	Ordinary ZAR 0.01 each	0.00	100.00	100.00
John Chapman (Pty) Limited	Ordinary	0.00	100.00	100.00
John Player & Sons (Pty) Limited	Ordinary	0.00	100.00	100.00
Kentucky Tobacco Corporation (Pty) Limited	Ordinary	0.00	100.00	100.00
Martins of London (Pty) Limited	Ordinary	0.00	100.00	100.00
Rembrandt Tobacco Corporation (Overseas) Ltd	Ordinary	0.00	100.00	100.00
Riggio Tobacco Corporation of New York Ltd	Ordinary	0.00	100.00	100.00
Rothmans of Pall Mall London Limited	Ordinary	0.00	100.00	100.00
St. Regis Tobacco Corporation Ltd	Ordinary	0.00	100.00	100.00
Stellenbosch Development Company (Pty) Limited	Ordinary	0.00	100.00	100.00
Thomas Bear's Son & Co (Pty) Limited	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
South Africa				
<i>Waterway House South, 3 Dock Road, V&A Waterfront, Cape Town 8000, South Africa</i>				
Tobacco Research and Development Institute (Pty) Limited	Ordinary	0.00	100.00	100.00
W.D. & H.O. Wills (Pty) Limited	Ordinary	0.00	100.00	100.00
Westminster Tobacco Company (Cape Town & London) (Pty) Limited	Ordinary ZAR 0.01 each	0.00	100.00	100.00
Winfield Tobacco Corporation (Pty) Limited	Ordinary	0.00	100.00	100.00
Winston Tobacco Company Limited	Ordinary	0.00	100.00	100.00
Sri Lanka				
<i>178 Srimath Ramanathan Mawatha, Colombo, 15, Sri Lanka</i>				
Ceylon Tobacco Company Plc	Ordinary	0.00	84.13	84.13
Spain				
<i>Torre Espacio, Paseo de la Castellana, 259D, 28046 Madrid, Spain</i>				
British American Tobacco Espana, S.A.	Euro	0.00	100.00	100.00
Swaziland				
<i>Rhus Office Park, Kal Grant Street, P.O. Box 569, Mbabane, Swaziland</i>				
British American Tobacco Swaziland (Pty) Limited	Issued	0.00	50.00	50.00
Switzerland				
<i>Zählerweg 4, 6300 Zug, Switzerland</i>				
British American Tobacco International Limited	Ordinary	0.00	100.00	100.00
Tanzania				
<i>Acacia Estate Building, Kinondoni Rd, P.O. Box 72484, Dar es Salaam, Tanzania</i>				
BAT Distribution Tanzania Limited	Ordinary	100.00	0.00	100.00
Turkey				
<i>Orjin Maslak is Merkezi, Eski Büyükdere Caddesi, No: 27, Kat: 9-10, Maslak, Sanyer, İstanbul, Türkiye - PK: 34485</i>				
British American Tobacco Tutun Mamulleri Sanayi ve Ticaret Anonim Sirketi	registered	0.00	100.00	100.00
Ukraine				
<i>21 Nezalezhnosti Str, Pryluky, Chernihiv Region, 17502 Ukraine</i>				
PJSC "AT B.A.T.- Prilucky Tobacco Company"	Ordinary	0.00	100.00	100.00
United Kingdom				
<i>Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom</i>				
Allen & Ginter (UK) Limited	Ordinary	0.00	100.00	100.00
B.A.T Far East Development Limited	Ordinary	0.00	100.00	100.00
B.A.T Far East Holding Limited	Ordinary	0.00	100.00	100.00
B.A.T Far East Leaf Limited	Ordinary	0.00	100.00	100.00
B.A.T Guangdong Limited	Ordinary	0.00	100.00	100.00
B.A.T Guizhou Limited	Ordinary	0.00	100.00	100.00
B.A.T. (Westminster House) Limited	Ordinary	100.00	0.00	100.00
B.A.T. China Limited	Ordinary	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
United Kingdom				
<i>Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom</i>				
BAT Finance COP Limited	Ordinary	100.00	0.00	100.00
Big Ben Tobacco Company Limited	Ordinary	0.00	100.00	100.00
British American Tobacco (GLP) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco (Serbia) Limited	Ordinary	100.00	0.00	100.00
British American Tobacco China Holdings Limited	Ordinary	100.00	0.00	100.00
British American Tobacco International Holdings (UK) Limited	Ordinary	100.00	0.00	100.00
British American Tobacco Investments (Central & Eastern Europe) Limited	Ordinary	100.00	0.00	100.00
British American Tobacco Italy Investments Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Italy Limited	Ordinary B	0.00	100.00	100.00
British American Tobacco Italy Limited	Ordinary C	0.00	100.00	0.00
British American Tobacco Italy Limited	Redeemable Preference A	0.00	100.00	0.00
British American Tobacco Korea (Investments) Limited	Ordinary	100.00	0.00	100.00
British American Tobacco Malaysia (Investments) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco Peru Holdings Limited	Ordinary	100.00	0.00	100.00
British American Tobacco UK Pension Fund Trustee Limited	Ordinary	0.00	100.00	100.00
Chelwood Trading & Investment Company Limited	Ordinary	0.00	100.00	100.00
Lord Extra Limited	Ordinary	100.00	0.00	100.00
Myddleton Investment Company Limited	Ordinary	0.00	100.00	100.00
Precis (2396) Limited	Ordinary	0.00	100.00	100.00
Ridirectors Limited	Ordinary	0.00	100.00	100.00
Rothmans International Limited	Ordinary	0.00	100.00	100.00
Rothmans International Services Limited	Ordinary	0.00	100.00	100.00
Rothmans Trading Limited	Ordinary	0.00	100.00	100.00
Venezuela Property Company Limited	Ordinary	0.00	100.00	100.00
<i>One, Eton Street, Richmond Upon Thames, London, TW9 1EF, United Kingdom</i>				
British American Tobacco UK Limited	Ordinary	100.00	0.00	100.00
<i>Globe House, 4 Temple Place, London, WC2R 2PG, United Kingdom</i>				
British American Tobacco (2009 PCA) Limited	Ordinary	0.00	100.00	100.00
British American Tobacco (Corby) Limited	Ordinary	100.00	0.00	100.00
British American Tobacco Taiwan Logistics Limited	Ordinary	0.00	100.00	100.00
British American Ventures Limited	Ordinary	100.00	0.00	100.00
Precis (1789) Limited	Ordinary	100.00	0.00	100.00
Precis (1790) Limited	Ordinary	100.00	0.00	100.00
Precis (1814) Limited	Ordinary	100.00	0.00	100.00
Precis (1814) Limited	Redeemable Preference RUB	100.00	0.00	0.00
Precis (1814) Limited	Redeemable Preference ZAR	100.00	0.00	0.00
Rothmans International Enterprises Limited	Ordinary	0.00	100.00	100.00
Rothmans International Enterprises Limited	SS£1	0.00	100.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
United States				
<i>2710 Gateway Oaks Drive, Suite 150N, Sacramento CA 95833, United States</i>				
Genstar Pacific Corporation	Common	0.00	100.00	100.00
<i>251 Little Falls Drive, Wilmington, DE 19808, United States</i>				
Imasco Holdings Group, Inc.	Class a common of no par value	0.00	100.00	100.00
Imasco Holdings, Inc.	Class a common of no par value	0.00	100.00	100.00
ITL (USA) Limited	Class a common of no par value	0.00	100.00	100.00
Uruguay				
<i>Juncal 1392, Montevideo, Uruguay</i>				
Kellian S.A.	Registered Common	0.00	100.00	100.00
Venezuela				
<i>Registro Mecantil Primero de la Circunscripción, Judicial des Distrito, Capital y Estado, Miranda, Venezuela</i>				
Agrega de Venezuela, Agreven, C.A.	Ordinary	0.00	50.00	50.00
Agrobigott, C.A.	Ordinary	0.00	100.00	100.00
<i>Avenida Francisco de Miranda, Edificio Bigott, Los Ruices, Caracas – Estado Miranda, 1010, Venezuela</i>				
Compania Anonima Cigarrera Bigott Sucesores	Ordinary	0.00	100.00	100.00
Distribuidora Bigott, C.A.	Issued	0.00	100.00	100.00
Vietnam				
<i>Area 8, Long Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam</i>				
British American Tobacco - Vinataba (JV) Limited	Quota	0.00	70.00	70.00
<i>20/F Kumho Mplaza Saigon, 39 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam</i>				
East Asia Area Services Company Limited	Charter Capital of USD 200,000	0.00	100.00	100.00
Zambia				
<i>20992 Kafue Road, P O Box 30622, Lusaka, Zambia</i>				
British American Tobacco (Zambia) plc	Ordinary	0.00	78.08	78.08
Zimbabwe				
<i>Manchester Road 1, Southerton, Harare, Zimbabwe</i>				
American-Cigarette Company (Overseas) (Private) Ltd	Ordinary	0.00	100.00	100.00
Rothmans Limited	Ordinary	0.00	100.00	100.00
Rothmans of Pall Mall (Malawi) Limited	Ordinary	0.00	100.00	43.13
Bolivia				
<i>La Paz, Calle 3 No. 260, La Paz, Bolivia</i>				
BAT Bolivia S.R.L.	Ordinary	99.00	1.00	100.00

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

8 Investments (continued)

(1) Shares in Group undertakings (continued)

Company name	Share class	Direct Interest	Subsidiary Interest	Attributable Interest
Rwanda				
<i>Soras Building, 2nd Flr, Boulevard de la Revolution P.O Box 650 Kigali, Rwanda</i>				
British American Tobacco Rwanda Limited	Issued	0.00	71.43	71.43
Uganda				
<i>7th Floor TWED Towers, Plot 10, Kafu Road, Nakasero, P.O. Box 7100, Kampala, Uganda</i>				
British American Tobacco Uganda Limited	Ordinary	0.00	20.00	20.00
Vietnam				
<i>Lot 45C/I, Road #7, Vinh Loc Industrial Park, Binh Chanh District, Ho Chi Minh City, Vietnam</i>				
VINA-BAT Joint Venture Company Limited	Registered Charter Capital	0.00	49.00	49.00
Zimbabwe				
<i>Manchester Road 1, Southerton, Harare, Zimbabwe</i>				
British American Tobacco Zimbabwe (Holdings) Limited	Ordinary	0.00	43.13	43.13

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

8 Investments (continued)

(2) Indirect investments in Associated Undertakings and joint ventures

Company name	Share class	Direct Interest	Subsidiary interest	Attributable interest
Croatia <i>Slavonska avenija 11a, 10000 Zagreb, Croatia</i> Tisak d.d.	Ordinary	0.00	41.86	41.86
India <i>Virginia House, 37, J.L. Nehru Road, Kolkata, 700 071, India</i> ITC Limited	Ordinary shares of IR1 each	0.00	29.56	29.56
<i>Azamabad, Andhra Pradesh, Hyderabad, 500 020, India</i> VST Industries Limited	Ordinary	0.00	32.16	32.16
Nepal <i>Shree Bal Sadan, Gha 2-513, Kantipath, Kathmandu, Nepal</i> Surya Nepal Pvt. Limited	Ordinary	0.00	49.00	14.48
Serbia <i>Temerinska 102, Novi Sad, 21000, Serbia</i> Veletabak d.o.o.	Ordinary	0.00	25.00	25.00
Yemen <i>P.O. Box 5302, Hoban, Taiz, Yemen</i> United Industries Company Limited	Ordinary	0.00	32.17	32.17

(3) Joint Operation

Company name	Share class	Direct Interest	Subsidiary interest	Attributable interest
Hong Kong <i>29/F, Oxford House, 979 King's Road, Taikoo Place, Quarry Bay, Hong Kong</i> CTBAT International Co. Limited	Ordinary	% 0.00	% 50.00	% 50.00

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

8 Investments (continued)

(4) Shareholdings at cost less provisions

	Shareholdings at cost less provisions £'000
Cost	
1 January 2018	14,586,590
Additions	66,696
Effect of fair value hedge: exchange gain on revaluation of Euro investment (note 10b)	4,341
31 December 2018	14,657,627
Impairment provisions	
1 January 2018	(2,259,356)
31 December 2018	(2,259,356)
Net book value	
1 January 2018	12,327,234
31 December 2018	12,398,271

During the year the company has made a further £65,196,000 equity injection in British-American Tobacco Romania Investment S.R.L. The remaining balance of additions during the year relate to other smaller acquisitions of Group undertakings.

- (5) The Directors are of the opinion that the individual investments in the subsidiary undertakings have a value not less than the amount at which they are shown in the balance sheet and that the differences in fair value of investments which classify as other investments at fair value and their current book value is not material.

9 Debtors

a) Debtors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed by Group undertakings	1,373,669	1,890,687
Other debtors - gross	11,910	11,029
Other debtors - allowance for bad debts	(10,500)	(10,500)
Other debtors	1,410	529
Deferred tax asset	20,482	26,088
	1,395,561	1,917,304

Included within amounts owed by Group undertakings is an amount of £787,880,000 (2017: £1,278,530,000) which is unsecured, interest bearing and repayable on demand. The interest rate is based on LIBOR.

Included in amounts owed by Group undertakings there is also an amount of CLP 106,000,000,000 (£119,926,000) (2017: presented in amounts falling after one year CLP 106,000,000,000 (£127,417,000)) which is unsecured, interest bearing and repayable in 2019.

Included within amounts owed by Group undertakings there is an amount of ZAR 6,204,600,000 (GBP 338,665,000) (2017: presented in amounts falling after one year ZAR 6,204,600,000 (GBP 370,489,000)) which represent redeemable preference shares issued by PreciS (1814) Limited.

All other amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

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

	2018 £'000
1 January 2018	26,088
Deferred tax asset utilised during the year	(5,606)
31 December 2018	20,482

The deferred tax asset has been recognised in respect of carried forward tax losses.

b) Debtors: amounts falling due after one year

	2018 £'000	2017 £'000
Amounts owed by Group undertaking - gross	530,665	514,432
Allowance for aged receivables	(29,989)	(16,526)
Amounts owed by Group undertakings - net	500,676	497,906

Included in amounts owed by Group undertakings as at 31 December 2018 there is balance of £106,018,000 (RUB 9,367,032,000) (2017: presented in amounts falling within one year 120,276,000 (RUB 9,367,032,000)) which is due in 2021 and a balance of £406,728,000 (BRL 2,007,673,000) (2017: presented in amounts falling due within one year £447,422,000 (BRL 2,007,673,000)) which is due in 2023.

The allowance for aged receivables is related to the 174,764,000 HKD (£17,527,000) (2017: 174,764,000 HKD (£16,526,000)) provided to the Far East Group entities and to allowance for receivables calculated as effect of IFRS 9 adoption.

The movement in allowance account is as follows:

	2018 £'000
1 January 2018	16,526
Provided during the year	12,463
Exchange difference	1,000
31 December 2018	29,989

10**Creditors****a) Creditors: amounts falling due within one year**

	2018 £'000	2017 £'000
Amounts owed to Group undertakings	236,885	853,565
Other creditors	154	288
Taxation and social security	2,806	-
	239,845	853,853

Notes to the financial statements for the year ended 31 December 2018**10 Creditors (continued)****Creditors: amounts falling due within one year (continued)**

As at 31 December 2018 the amounts owed to Group undertakings represent the redeemable preference shares in amount of CLP 106,000,000,000 (£119,926,000) (2017: CLP 106,000,000,000 (£127,417,000)) issued towards Weston (2009) Limited. The shares are redeemable in 2019.

All other amounts are unsecured, interest free and repayable on demand.

b) Creditors: amounts falling due after more than one year

	2018	2017
	£'000	£'000
Amounts owed to Group undertakings - long term	800,302	127,416
Deferred income	2,017	2,017
	802,319	129,433

Included in amounts owed to Group undertakings is an amount of £393,574,000 (EUR 438,489,000) (2017: £389,235,000 (EUR 438,489,000)) which is unsecured, interest bearing and repayable in November 2021. The interest rate is based on EUR LIBOR. The borrowing has been designated as a fair value hedge of the exchange portion of the fair value risk of the investment in British American Tobacco International (Holdings) B.V. (Note 8(4)).

Included in amounts owed to Group undertakings there is also an amount of £406,728,000 (BRL 2,007,673,000) (2017: BRL 2,007,673,000 (£447,422,000)) which represent redeemable preference shares issued to its direct parent Weston (2009) Limited.

Deferred income represents the portion of the receipt related to the Franked Investment Income Global Litigation Order ("FIIGLO") allocated to the Company. The total gross amount received from HM Revenue and Customs ("HMRC") by the Group was £1,225,244,000 in three separate payments. HMRC held back £261,000,000 on the second payment received by the Group, contending that it represents a new 45% tax on the interest component of restitution claims against HMRC. The total cash allocated to the Company was £2,017,000.

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

11 Called up share capital

Ordinary shares of £1 each	2018	2017
Allotted, called up and fully paid		
- value	£7,443,334,328	£7,443,334,328
- number	7,443,334,328	7,443,334,328

12 Derivative financial instruments

	2018	2018	2017	2017
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Cash flow hedges				
- Forward foreign currency contracts	-	76	223	1,429
Held for trading*				
- Forward foreign currency contracts	3	35	22	-
	3	111	245	1,429

*As explained in note 1, some derivative financial instruments are not designated as hedges and so are required to be classified as held-for-trading.

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

12 Derivatives financial instruments

The Company's operations expose it to currency risk as income from shares in Group undertakings is denominated in foreign currencies other than sterling. The exposure is hedged with forward foreign exchange contracts. The total amount of effective hedge recognised in the cash flow hedge reserve as at 31 December 2018 was £108,000 (2017: £730,000). The remaining balance has been recognised in the Profit and loss account for the year.

13 Related party disclosures

As a wholly owned subsidiary the Company has taken advantage of the exemption under FRS 101 from disclosing transactions with other subsidiary undertakings of the British American Tobacco p.l.c. Group.

14 Contingent liabilities

The Company provides guarantees to third parties in the normal course of business and at 31 December 2018 had given performance guarantees in respect of export and excise commitments, by Group undertakings and certain key suppliers of up to £1,349,837,000 (2017: £1,348,344,773). In addition, the Company has guaranteed the borrowings of certain subsidiaries and key suppliers of up to £130,195,000 (2017: £122,577,000). The changes in fair values of these financial guarantees are not material and have not been provided for.

15 Post balance sheet event

On 2 April 2019, the European Commission ("EC") announced in a press release that it found that certain aspects of the Group Financing Exemption within the UK Foreign Company ("CFC") rules that applied from 1 January 2013 to 31 December 2018 constituted illegal State Aid. The UK CFC rules are provisions which allow the UK to tax the income of overseas subsidiaries, controlled by a UK corporate parent, where that income is deemed to be artificially diverted from the UK. The Company fully complied with the legislation as it applied at the time. The Company is assessing the impact, if any, from the EC ruling at this time. It is currently unclear as to what tax, if any, is due, how it should be calculated, and how it would be settled.

16 Parent undertakings

The Company's ultimate parent undertaking and ultimate controlling party is British American Tobacco p.l.c. being incorporated in the United Kingdom and registered in England and Wales. The Company's immediate parent undertaking is Weston (2009) Limited. Group financial statements are prepared only at the British American Tobacco p.l.c. level and may be obtained from:

The Company Secretary
Globe House
4 Temple Place
London
WC2R 2PG