

Company Number : 05319159

## **TABACALERA DE GARCIA UK LIMITED**

### **Financial Statements**

**For the year ended 30 September 2022**



## **TABACALERA DE GARCIA UK LIMITED**

### **Company Information**

<b>Directors</b>	R D Wilkey
	D M Tillekeratne
<b>Company Secretary</b>	G P Bonnar
<b>Registered Number</b>	05319159
<b>Registered Office</b>	121 Winterstoke Road
	Bristol.
	BS3 2LL

# **TABACALERA DE GARCIA UK LIMITED**

## **Strategic Report**

The Directors present their Strategic Report together with the Directors' Report and unaudited financial statements of Tabacalera de Garcia UK Limited (the Company) for the year ended 30 September 2022.

### **Review of the business**

The principal activity of the Company continued to be that of holding investments.

The Company is a wholly owned indirect subsidiary of Imperial Brands PLC, which is the ultimate parent company within the Imperial Brands group (the Group), and the Directors of the Group manage operations at a Group level. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group's UK operations, which include the Company, are discussed in 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 addition, the Directors of the Group manage the Group's risks at a Group level, rather than at an individual entity level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the business of the Company. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's Annual Report, which does not form part of this report.

In the normal course of business, the Group is exposed to market, liquidity and credit risk. The 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 subsidiary of the Company is shown at the end of this report.

### **Financial results**

The results for the Company show profit for the financial year of \$2,836 (2021: \$2,092), and total equity at 30 September 2022 of \$121,454,908 (2021: \$121,452,072).

The Directors do not recommend the payment of a final dividend (2021: \$nil).

### **Future Developments**

The year end financial position was considered satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future.

### **Streamlined Energy and Carbon Reporting (SECR)**

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

# TABACALERA DE GARCIA UK LIMITED

## Strategic Report

### Statement on Section 172 of the Companies Act 2006

The ongoing sustainable success of the Company is dependent on its relationship with stakeholders.

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

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

Building and maintaining trust with our stakeholders underpins the success and reputation of the Company. Through stakeholder collaboration we aim to develop the Company and uphold high standards of governance. The stakeholders of the Company consist of other Imperial Brands PLC group companies. Company activities are enacted with due regard to other companies within the Imperial Brands PLC Group and applicable rules and regulations.

### Climate change

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

### Employees

The Company does not have any employees.

On behalf of the Board



David Tillekeratne (Dec 21, 2022 11:29 GMT)

D M Tillekeratne

Director

21 December 2022

# **TABACALERA DE GARCIA UK LIMITED**

## **Directors' Report**

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

### **Future developments and going concern**

Future Developments are set out in the Strategic Report.

The Directors are satisfied that the Company has adequate resources to meet its operational needs for the foreseeable future and accordingly they 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 9 to the financial statements.

### **Dividends**

As set out in the Strategic Report, the Directors do not recommend the payment a final dividend (2021: \$nil), nor have any interim dividends been paid during the year (2021: \$nil).

### **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:

R D Wilkey

T M Williams (resigned 28 February 2022)

D M Tillekeratne (appointed 1 March 2022)

### **Employees**

The Company does not have any employees.

### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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 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).

# TABACALERA DE GARCIA UK LIMITED

## Directors' Report

### Statement of Directors' responsibilities (continued)

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

On behalf of the Board



David Tillekeratne (Dec 21, 2022 11:29 GMT)

D M Tillekeratne

Director

21 December 2022

## TABACALERA DE GARCIA UK LIMITED

### Income Statement

For the year ended 30 September

(In \$ )	Note	2022	2021
Finance income	5	2,836	2,092
Net finance income		2,836	2,092
<b>Profit before tax</b>		<b>2,836</b>	<b>2,092</b>
Tax on profit	6	-	-
<b>Profit for the financial year</b>		<b>2,836</b>	<b>2,092</b>

The Company has no other comprehensive income or expense other than that included above and, therefore, no separate Statement of Comprehensive Income has been prepared.

## TABACALERA DE GARCIA UK LIMITED

### Balance Sheet

At 30 September

(In \$ )	Note	2022	2021
<b>Fixed assets</b>			
Investments	7	120,506,000	120,506,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	948,908	946,072
<b>Net current assets</b>		<b>948,908</b>	<b>946,072</b>
<b>Net assets</b>		<b>121,454,908</b>	<b>121,452,072</b>
<b>Equity</b>			
Called up share capital	9	2	2
Share premium account		110,255,000	110,255,000
Retained earnings		11,199,906	11,197,070
<b>Total equity</b>		<b>121,454,908</b>	<b>121,452,072</b>


The notes on pages 9 to 14 are an integral part of these financial statements.

For the year ending 30 September 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the Directors have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 6 to 14 were approved by the Board of Directors on 21 December 2022 and signed on its behalf by:

  
David Tillekeratne (Dec 21, 2022 11:29 GMT)

**D M Tillekeratne**  
**Director**  
21 December 2022  
Company Number : 05319159



## TABACALERA DE GARCIA UK LIMITED

### Statement of Changes in Equity

For the year ended 30 September

(In \$ )	Called up share capital	Share premium account	Retained earnings	Total equity
<b>At 1 October 2021</b>	<b>2</b>	<b>110,255,000</b>	<b>11,197,070</b>	<b>121,452,072</b>
Profit for the financial year	-	-	2,836	2,836
<b>At 30 September 2022</b>	<b>2</b>	<b>110,255,000</b>	<b>11,199,906</b>	<b>121,454,908</b>
<b>At 1 October 2020</b>	<b>2</b>	<b>110,255,000</b>	<b>11,194,978</b>	<b>121,449,980</b>
Profit for the financial year	-	-	2,092	2,092
<b>At 30 September 2021</b>	<b>2</b>	<b>110,255,000</b>	<b>11,197,070</b>	<b>121,452,072</b>

# TABACALERA DE GARCIA UK 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 2022 were authorised for issue by the board of directors on 21 December 2022, and the balance sheet was signed on the board's behalf by D M Tillekeratne. The Company 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 US dollars except when otherwise indicated.

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

# TABACALERA DE GARCIA UK 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; and
  - (ii) 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;
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group; and
- IFRS 7 'Financial Instruments: Disclosures'.

# TABACALERA DE GARCIA UK LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars (\$) at the rates of exchange ruling at the balance sheet date.

Transactions in currencies other than US dollar 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.

#### Interest

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

#### Taxes

The tax expense for the period 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.

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.

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

#### Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. Financial assets are de-recognised when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is extinguished.

# TABACALERA DE GARCIA UK LIMITED

## Notes to the Financial Statements

### 2. Accounting policies (continued)

#### Financial Instruments (continued)

Non-derivative financial assets are classified as loans and receivables. Receivables are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method, subject to reduction for allowances for estimated irrecoverable amounts. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of those receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, and is recognised in the income statement. For interest-bearing assets, the carrying value includes accrued interest receivable.

#### 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.

#### *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.

### 3. Operating profit

Expenses of the Company, including audit fees of \$nil (2021: \$nil) were met by Imperial Tobacco Limited, a wholly owned subsidiary of Imperial Brands PLC, the ultimate parent company.

### 4. Directors and employees

The Company has no employees other than the Directors (2021: none), who did not receive any remuneration (2021: \$nil).

The emoluments of the Directors are paid by Imperial Tobacco Limited a wholly owned indirect subsidiary of Imperial Brands PLC, the ultimate parent company. The Directors' services to the Company and to a number of fellow subsidiaries below the ultimate parent company are of a non-executive nature and their emoluments and retirement benefits are deemed to be wholly attributable to their services to Imperial Tobacco Limited and the ultimate parent company. Accordingly, no emoluments or retirement benefits are disclosed in these financial statements.

# TABACALERA DE GARCIA UK LIMITED

## Notes to the Financial Statements

### 5. Finance Income

(In \$ )	2022	2021
Interest receivable from group undertakings	2,836	2,092

### 6. Tax on profit

No tax was chargeable in either the year ending 30 September 2022 or the year ending 30 September 2021.

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

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

(In \$ )	2022	2021
Profit before taxation	2,836	2,092
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.0 per cent (2021: 19.0 per cent).	539	397
<b>Tax effects of:</b>		
Group relief surrendered	5,134	4,984
UK-UK transfer pricing adjustment	(5,673)	(5,381)
<b>Total tax charged to the income statement</b>	-	-

The corporation tax charge for the year has been adjusted by \$5,134 (2021: \$4,984) due to the surrender of group relief for nil consideration (2021: nil) to other Imperial Brands PLC companies.

#### Factors affecting future tax charges

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

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

### 7. Investments

(In \$ )	Investment in subsidiary undertakings
At 30 September 2022 and 30 September 2021	120,506,000

Investments represent 6.5 per cent of the ordinary share capital of Altadis Holdings USA Inc, a company registered in the USA.

The Directors believe that the carrying value of the investment is supported by its underlying assets.

## TABACALERA DE GARCIA UK LIMITED

### Notes to the Financial Statements

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

(In \$ )	2022	2021
Amounts owed by group undertakings	948,908	946,072

Amounts owed by group undertakings are interest bearing, have no fixed date for repayment and are repayable on demand.

#### 9. Called up share capital

(In \$ )	2022	2021
Authorised, allotted, called up and fully paid		
1 (2021: 1) Ordinary share of £1 each	2	2

#### 10. 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.

#### 11. Related undertakings

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

The immediate parent undertaking of Tabacalera de Garcia UK Limited at 30 September 2022 was Tabacalera de Garcia Ltd (Bermuda), a company incorporated and registered in Bermuda.

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

Name	Country of incorporation	Principal activity and registered address	Percentage owned
Altadis Holdings USA Inc	United States of America	Holding investments in subsidiary companies 714 Green Valley Road, Greensboro, NC27408 USA	6.50%

The investment is directly held, unlisted, has 1 type of ordinary share capital and a reporting period ending in September each year. The shareholding has been held throughout the year.