

British American Tobacco Holdings Belgium

Registered Number FC028222 England

Registered Number 0475.952.868 Belgium

Directors' report and financial statements

For the year ended 31 December 2021



British American Tobacco Holdings Belgium

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British American Tobacco Holdings Belgium**Profit and loss account for the year ended 31 December 2021**

Continuing operations	Note	2021 £'000	2020 £'000
Other operating expense	2	-	-
Operating result		-	-
Interest receivable and similar income	3	-	3
Interest payable and similar expense	3	(3)	-
(Loss)/ Profit before taxation		(3)	3
Tax on profit	4	-	-
(Loss)/ Profit before taxation		(3)	3

There are no recognised gains or losses other than the loss for the financial year and therefore no Statement of other comprehensive income is required.

Statement of changes in equity for year ended 31 December 2021

	Called up share capital £'000	Legal reserve £'000	Profit and loss account £'000	Translation reserve £'000	Total Equity £'000
1 January 2020	48	4	5	1	58
Loss for the financial year	-	-	3	-	3
31 December 2020	48	4	8	1	61
Profit for the financial year	-	-	(3)	-	(3)
31 December 2021	48	4	5	1	58

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

British American Tobacco Holdings Belgium

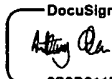
Balance sheet at 31 December 2021

	Note	2021 £'000	2020 £'000
Current assets			
Debtors: amounts falling due within one year	5	58	61
Net current assets		58	61
Total assets less current liabilities		58	61
Capital and reserves			
Called up share capital	6	48	48
Legal reserves		4	4
Profit and loss account		5	8
Translation reserve		1	1
Total shareholders funds		58	61

The functional currency of British American Tobacco Holdings Belgium (the "Company") has changed from EUR to GBP effective from 1 January 2015.

The financial statements on pages 2 to 7 were approved by the Directors on 16 March 2022 and signed on behalf of the Board.

A.M.H. Cohn
Director

DocuSigned by:

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British American Tobacco Holdings Belgium

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

Basis of accounting

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 ("the Act") 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 accounting standards in conformity with the requirements of the Act, but makes amendments where necessary in order to comply with the Act, and where advantage of certain disclosure exemptions available under FRS 101 have been taken, including those relating to preparation of a cash flow statement or disclosures regarding financial instruments and transactions with related parties.

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 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 estimation of amounts to be recognised in respect of taxation and legal matters; and
- the exemptions taken under IFRS 1 on the first time adoption of FRS at 1 January 2014.

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 part of the British American Tobacco group of companies (the "Group") and 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 accounting policies set out below, unless otherwise stated, have 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 the functional currency of the Company are retranslated at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities expressed in currencies other than the functional currency of the Company are translated at rates of exchange ruling at the end of the financial year.

Income

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

Operating expenses

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

British American Tobacco Holdings Belgium**Notes to the financial statements for the year ended 31 December 2021****1 Accounting policies (continued)****Taxation**

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

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the balance sheet date.

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

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 income statement 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.

The Company has exposures in respect of the payment or recovery of a number of taxes. Liabilities or assets for these payments or recoveries are recognised at such time as an outcome becomes probable and when the amount can reasonably be estimated.

As a UK resident wholly-owned subsidiary of the Group, the Company is eligible to surrender tax losses to, or claim tax losses from, fellow members of the same UK group for the purposes of calculating corporation tax due in the UK ("Group Relief").

It is Group policy that tax losses are surrendered unless the entity generating the losses has a particular requirement to carry the losses forward. It is also Group policy not to reimburse entities for Group Relief surrendered unless, on a stand-alone basis and assuming the entity were not in the Group, those losses are judged to have value to the entity generating the loss.

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. The majority of financial assets are held in order to collect contractual cash flows (typically cash and cash equivalents and loans and other receivables) but some assets (typically investments) are held for investment potential.

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

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

Non-derivative financial assets are classified on initial recognition in accordance with the Group's business model as investments or loans and receivables. Loans and receivables include amounts owed by Group undertakings and Other debtors, which are non-derivative financial assets with fixed or determinable payments that are solely payments of principal and interest on the principal amount outstanding, that are primarily held in order to collect contractual cash flows. These balances are measured at amortised cost, using the effective interest rate method, and are stated net of allowances for credit losses.

Where interest bearing receivables and payables have their floating rates based on benchmark rates, such as LIBOR, the Company accounted for the application of replacement benchmark rates in accordance with the Amendments to IFRS 9 *Financial Instruments* published in 2019 (phase 1) and 2020 (phase 2) when applicable. The replacement rate (SONIA) has been applied since August 2021.

British American Tobacco Holdings Belgium**Notes to the financial statements for the year ended 31 December 2021****Accounting policies (continued)****Impairment of financial assets held at amortised cost**

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.

2 Other operating expenses

There were no employees during the year (2020: none).

None of the Directors received any remuneration in respect of their services as a Director of the Company during the year (2020: £nil).

3 Interest receivable/ (payable) and similar income/ (expenses)

	2021 £'000	2020 £'000
Interest (payables)/receivable from Group undertakings	(3)	3

4 Taxation**Factors affecting the taxation charge**

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

The taxation charge for the year differs from the charge that would be expected based on the statutory 19% (2020: 19%) rate of corporation taxation in the UK. The major causes of this difference are listed below:

	2021 £'000	2020 £'000
Profit for the year	(3)	3
Total tax expense	-	-
Profit excluding taxation	(3)	3
Tax using the UK corporation tax rate of 19.00% (2020: 19.00%)	(1)	1
Group relief surrendered/(claimed) for nil consideration	1	(1)
Total tax expense	-	-

5 Debtors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed by Group undertakings	58	61

Amounts owed by Group undertakings are unsecured, interest bearing and repayable on demand.

The variable interest rate is in accordance with the Group's intercompany lending agreements. During 2021, the standard lending agreements within the Group were revised to take account of global benchmark interest rate reform. Prior to 1 August 2021 the applicable rate was based on the London InterBank Interest Rate (LIBOR) and with effect from this date it is based on the Sterling Overnight Index Average (SONIA). Management consider the replacement rates in the revised intercompany agreement to be economically equivalent to those used previously. The impact of the change in rates was not significant to the Company.

British American Tobacco Holdings Belgium**Notes to the financial statements for the year ended 31 December 2021****6 Called up share capital**

Ordinary shares	2021	2020
Allotted, called up and fully paid		
- value	€61,500	€61,500
- number	78,113	78,113

The functional currency of the Company has changed from EUR to GBP effective 1 of January 2015. The share capital of the Company has been translated to GBP at the rate of 1.288583, resulting thus in a share capital of £47,727.

7 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.

8 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 Investment Company 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