

BRITISH-AMERICAN TOBACCO (HOLDINGS) LIMITED

Registered Number 00262254

Annual report and financial statements

For the year ended 31 December 2022

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British-American Tobacco (Holdings) Limited

Strategic Report

The Directors present their Strategic Report on British-American Tobacco (Holdings) Limited (“the Company”) for the year ended 31 December 2022.

Principal activities

The Company acts as an investment holding company in subsidiary undertakings of the British American Tobacco group of companies (the “Group”) which are active in the tobacco and nicotine industries and in addition acts as the principal Group Head Office operating company.

Review of the year ended 31 December 2022

The profit for the financial year attributable to the Company’s shareholder after deduction of all charges and the provision of taxation amounted to £5,458,469,000 (2021: £4,883,510,000).

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 British American Tobacco p.l.c.’s 2022 Annual Report and Form 20-F (“BAT ARA & 20-F”) 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 BAT ARA & 20-F and do not form part of this report.

UK Companies Act 2006: Section 172(1) Statement

The Company is part of the Group and is ultimately owned by British American Tobacco p.l.c. As set out above in the Company’s Strategic Report, the Company’s principal activity is to act as an investment holding company in subsidiary undertakings of the Group which are active in the tobacco and nicotine industries and, in addition, the Company acts as the principal Group Head Office operating company.

Under Section 172(1) of the UK Companies Act 2006 (“the Act”) and as part of the Directors’ duty to the Company’s shareholder to act as they consider most likely to promote the success of the Company, the Directors must have regard for the likely long-term consequences of decisions and the desirability of maintaining a reputation for high standards of business conduct. The Directors must also have regard for the interests of the Company’s employees, business relationships with the Company’s wider stakeholders and the impact of the Company’s operations on the environment and communities in which it operates. Consideration of these factors and other relevant matters is embedded into all Board decision-making and risk assessments throughout the year.

The Company’s key stakeholders are Group undertakings, including its shareholder, financial institutions it engages with in relation to the Company’s financial activities, direct and indirect suppliers to the Company (including services suppliers), employees, and the government, customs, revenue and tax authorities and wider society in countries in which the Company operates.

Primary ways in which the Company engages directly or indirectly, as part of the Group, with its key external stakeholders are summarised on pages 20 to 21 of the BAT ARA & 20-F. The Company engages with other Group undertakings, including its shareholder and financial institutions through regular meetings, intra-group management activities and ongoing dialogue. There is also regular engagement within the Group on finance-related matters which is taken into account in the Company’s decision making.

British-American Tobacco (Holdings) Limited

Strategic Report (continued)

UK Companies Act 2006: Section 172(1) Statement (continued)

Where the Directors do not engage directly with the Company's stakeholders, they are kept updated on stakeholder perspectives, including through the use of management reporting and board notes relating to matters presented to the Board during the year which set out stakeholder considerations as applicable to matters under consideration. This enables the Directors to maintain an effective understanding of what matters to those stakeholders and to draw on these perspectives in Board decision-making.

In relation to employee engagement, a range of internal communications and engagement channels were used during the year to support effective engagement with Group company employees. The primary engagement channels for Group company employees based in the UK (including the Company's employees) include town hall sessions, employee council meetings, the Your Voice employee survey and webcasts as set out on pages 20, 88, 140 and 169 of the BAT ARA & 20-F. The Group's 'Speak Up' channels are also available to all Company employees (as set out on page 66 of the BAT ARA & 20-F).

In accordance with the Group's overall governance and internal controls framework and in support of the Company's purpose as part of the Group, the Company applies and the Directors have due regard to all applicable Group policies and procedures, including the Group Statement of Delegated Authorities ("SoDA"), and the Group Standards of Business Conduct, International Marketing Principles, Health and Safety Policy, and Environment Policy as set out on pages 45 and 91 of the BAT ARA & 20-F. As a Group company, the Company acts in accordance with the Group's policies in relation to the safeguarding of human rights and community relationships, which are set out on page 45 of the BAT ARA & 20-F.

Certain authorities for decision making are delegated to management under the SoDA, part of the Group's governance and internal controls framework through which robust corporate governance, risk management and internal control are promoted within the Group. Application of the SoDA does not derogate from any requirement for Board review, oversight or approval in relation to the Company's activities.

The Directors receive training in relation to their role and duties as a Director on a periodic basis. All newly appointed Directors receive training in respect of their roles and duties on appointment, including on directors' duties under Section 172 of the Act. Director training is provided through the Company Secretary.


The principal decisions made by the Directors during the year included the review and approval of the Company's annual Modern Slavery Act Statement, the liquidation of a subsidiary company and organisational changes. Examples of how stakeholder considerations and other relevant factors have been taken into account during the decision making process in these contexts are set out below.

The Board reviewed and approved the Company's annual Modern Slavery Act Statement for adoption by the Company. Key stakeholder interests taken into consideration in making this decision include those of the Company's shareholder, direct and indirect suppliers and customers, employees, and government authorities and wider society in countries in which the Company operates.

During the year the Directors also reviewed the Company's organisational structure and activities and the position, activities and subsequent liquidation of one of its subsidiaries, South Western Nominees Limited. Key factors taken into consideration in these contexts included the anticipated benefits of the reorganisation and liquidation to drive greater efficiencies in the processes and ways of working for the Company and its shareholder, as part of the wider Group, and the interests of the Company's employees.

Principal decisions are those decisions and discussions by the Board that are strategic or material to the Company and those of significance to any of Company's key stakeholders.

By Order of the Board

DocuSigned by:

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Syed Javed Iqbal
Director

24 August 2023

British-American Tobacco (Holdings) Limited**Directors' Report**

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2022.

In accordance with Section 414C(11) of the Act, the Directors have provided an indication of likely future developments in the business of the Company in the Strategic Report under the heading "Review of the year ended 31 December 2022"

Dividends

During the year the Company paid dividends amounting to £4,840,000,000 (2021: £5,115,000,000).

Board of Directors

The names of the persons who served as Directors of the Company during the period 1 January 2022 to the date of this report are as follows:

	Appointments in the period	Resignations in the period
Jerome Bruce Abelman		
Marina Fagundes Bellini		31 March 2022
Jack Bowles		13 May 2023
Luciano Comin		
Mihovil James Dijanosic		
Syed Javed Iqbal	01 April 2022	
Zafar Aslam Khan		
Hae In Kim		30 June 2023
Paul Rutger Lageweg		30 June 2023
Tadeu Luiz Marroco		
Guy Meldrum		30 June 2023
James Murphy	01 February 2023	
David O'Reilly		28 February 2023
Frederico Pinto Monteiro	01 April 2023	
Johan Maurice Vandermeulen		
David Stephen Waterfield	01 July 2023	
Kingsley Wheaton		

Directors' indemnities

Throughout the period 1 January 2022 to the date of this report, qualifying third party indemnities have been in force under which Jack Bowles (until 13 May 2023) and Tadeu Luiz Marroco as Directors of the Company, were, 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 incur in or about the execution of their duties to the Company or as a result of things done by each of them as a Director on behalf of the Company.

Research and development

No research and development expenditure has been incurred during the year (2021: £nil).

Auditor

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

British-American Tobacco (Holdings) Limited

Directors' Report (continued)

UK Companies Act 2006: Stakeholder engagement statement

The Company's Section 172(1) statement set out in the Strategic Report on pages 2 and 3 summarises how the Directors have regard to the need to foster business relationships with customers, suppliers and other external stakeholders when making decisions on behalf of the Company. Further information regarding stakeholder engagement on behalf of the Company at Group level is provided on pages 20 to 21 of the BAT ARA & 20-F.

Employees

The average number of employees employed by the Company during the year was 738 (2021: 819).

The Company has employment policies which are committed to providing a work environment that is free from harassment, bullying and discrimination – these policies are available online to all staff. The Company is committed to ensuring there is no discrimination against people with disabilities who apply to join the Company and anyone within the Company with a disability is awarded the same opportunities for promotion, training, and career development as other staff. The Company aims to establish and maintain a safe working environment for all staff, including those with disabilities

The Company utilises a range of initiatives to actively encourage employee involvement in the Group's business including individual discussions, team briefings and publications. The Company actively encourages employee share ownership through participation in the employee share plans, such as the Share Reward Scheme. Further information is set out at pages 163 and 268 of the BAT ARA & 20F.

UK Companies Act 2006: Employee Engagement Statement

The Company's Section 172(1) statement set out in the Strategic Report on pages 2 to 3 summarises the Directors' approach to engaging with the Company's employees, and how the Directors have regard to their interests when making decisions. Further information regarding methods of engagement with BAT Group Company employees based in the UK (including the Company's employees) is provided in the Corporate Governance Statement below and on pages 88 to 89 of the BAT ARA & 20-F.

UK Companies Act 2006: Corporate Governance Statement

This section reports on the corporate governance arrangements applied by the Company during the year. British American Tobacco p.l.c., the Company's ultimate parent company and a UK premium listed company, has adopted and reports in accordance with the UK Corporate Governance Code 2018.

As a member of the Group and a private limited company, the Company has adopted, and the Directors have due regard to, the Group's overall governance framework and all applicable Group policies and procedures, including the SoDA, as summarised in the Strategic Report.

Within this framework, the Company maintains its own corporate governance arrangements reported below, designed to promote high standards of corporate governance and the Company's long-term sustainable success. These arrangements are considered most appropriate for the Company as a wholly-owned subsidiary of British American Tobacco p.l.c.

Purpose and Leadership

- The Company's purpose and strategy is in full alignment with the overall strategy of the Group, and the Group's purpose to build A Better Tomorrow™.
- The Company's culture is guided by the BAT Ethos, to be bold, fast, empowered, responsible and diverse. The Directors support and uphold the values of the BAT Ethos to foster a vibrant and rewarding workplace.
- The Directors are kept updated on stakeholder perspectives, the impact of decisions on relevant stakeholders and engagement conducted with stakeholders where applicable, through the use of management reporting and board notes relating to matters presented to the Board during the year. This enables the Directors to maintain an effective understanding of what matters to those stakeholders and to draw on these perspectives in Board decision-making.

British-American Tobacco (Holdings) Limited

Directors' Report (continued)

Board Composition

- Board is made up of Directors who bring a diverse skill set, background, experience, knowledge and capability to promote effective decision-making, risk management and strategy development for the Company.
- The Board composition reflects the scale and complexity of the Company's operations. The Board comprises 11 Directors at the date of this report and Board composition is kept under review, including in view of events such as internal role changes, acquisitions and strategic developments.

Director Responsibilities

- The Board is collectively responsible to the shareholder of the Company for the Company's long-term sustainable success and for the Company's strategic direction, values, governance and alignment with those of the wider Group.
- Consistent with the Group's overall governance framework, the Board and each individual Director has a well-established understanding of their accountability and responsibilities to promote high standards of corporate governance, effective decision-making, risk management and internal controls in respect of the Company, and in the wider Group context.

Opportunity and Risk

- The principal risks and uncertainties of the Company, including financial risk management, are integrated within the principal risks of the Group and are monitored by audit committees within the Group to provide a framework for identifying, evaluating and managing risks faced by the Group. Further information is provided at pages 116 to 121 of the BAT ARA & 20-F. The key Group risk factors that may be relevant to the Company are disclosed on pages 341 to 361 of the BAT ARA & 20-F.
- The Company maintains its own procedures for risk management and has its own internal controls with a view to safeguarding shareholders' interests and the Company's assets.
- The Company's own procedures and policies for risk management and internal controls are designed to identify, evaluate and manage risks that may impede the Company's objectives and its strategy, but also to identify future opportunities to promote the long-term success of the Company.
- The Group is constantly engaged in considering technological advances and is invested in the development of optimised and efficient ways of working throughout the business.

Remuneration of the Board

- The remuneration policies and practices maintained within the Group are founded on a high degree of alignment and consistency across the organisation and guide decisions on remuneration across the Group's businesses and, where applicable, the Company.
- The Board's remuneration structures and strategy are consistent with the remuneration policies and practices maintained within the Group. In reviewing remuneration, consideration is given to the level of individual experience, scope of role, responsibility, individual performance and pay levels in applicable peer groups.
- The Remuneration Committee of British American Tobacco p.l.c. reviews workforce remuneration and related policies across the Group, and the alignment of remuneration strategy with Group culture. Further information is disclosed on pages 168 to 169 of the BAT ARA & 20-F.

Stakeholder Relationships and Engagement

- The Board's approach to stakeholder engagement and consideration of stakeholders in key decisions in 2022 are set out above in the Strategic Report.
- Primary ways in which the Company engages directly or indirectly, as part of the Group, with its key stakeholders are summarised at pages 20 to 21 of the BAT ARA & 20-F.

British-American Tobacco (Holdings) Limited

Directors' Report (continued)

- The primary engagement channels for Group company employees based in the UK (including the Company's employees) included town hall sessions, employee council meetings, the 'Your Voice' employee survey, and webcasts, as set out further on pages 88, 89, 140 and 169 of the BAT ARA & 20-F.
- Further details of employee engagement information, consultation, regard to employee interests, share schedule participation and the achievement of common awareness of the financial and economic factors affecting the performance of the Group are set out on pages 22 to 23 and 83 to 89 of the BAT ARA & 20-F.

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.

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

Under applicable 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 Act. 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.

British-American Tobacco (Holdings) Limited

Directors' Report (continued)


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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Act.

By Order of the Board

DocuSigned by:

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Syed Javed Iqbal
Director

24 August 2023

Independent Auditor's Report to the members of British-American Tobacco (Holdings) Limited

Opinion

We have audited the financial statements of British-American Tobacco (Holdings) Limited ("the Company") for the year ended 31 December 2022 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 2022 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.

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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent Auditor's Report to the members of British-American Tobacco (Holdings) Limited (continued)

- Enquiring of directors and inspection of policy documentation as to the Company's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no complex revenue transactions. We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals who typically do not post journal entries or are not authorised to do so and those posted to unrelated, unusual or seldom used accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

Independent Auditor's Report to the members of British-American Tobacco (Holdings) Limited (continued)

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 7, 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.

DocuSigned by:

Nicole Price

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Nicole Price (Senior Statutory auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

24 August 2023

British-American Tobacco (Holdings) Limited

Profit and loss account for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Continuing operations			
Other operating income	2	268,698	564,856
Other operating expenses	3	(224,253)	(520,672)
Operating profit		44,445	44,184
Income from shares in Group undertakings	4	5,518,835	4,810,610
Interest receivable and similar income	5	23,492	97
Interest payable and similar expenses	6	(112,690)	(56,685)
Profit before tax		5,474,082	4,798,206
Taxation	7	(15,613)	85,304
Profit for the financial year		5,458,469	4,883,510

Statement of other comprehensive income for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Profit for the financial year		5,458,469	4,883,510
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gain arising from defined benefit pension scheme	15	120,263	2,244
Deferred tax on actuarial gain		(30,066)	9,411
Effective portion of changes in fair value of cash flow hedges	17	(84,300)	55,506
Total other comprehensive income for the year		5,897	67,161
Total comprehensive income for the year		5,464,366	4,950,671

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

British-American Tobacco (Holdings) Limited

Statement of changes in equity for the year ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Cash flow hedge reserve £'000	Profit and loss account £'000	Total Equity £'000
1 January 2021	124,898	23,183,910	(11,675)	1,335,168	24,632,301
Total comprehensive income					
Profit for the financial year	—	—	—	4,883,510	4,883,510
Other comprehensive income	—	—	55,506	11,655	67,161
Total comprehensive income for the year	—	—	55,506	4,895,165	4,950,671
<i>Transactions with owners, recorded directly in equity</i>					
Equity share scheme expense	—	—	—	(32,751)	(32,751)
Exercise of equity-settled share options	—	—	—	(34)	(34)
Dividends paid				(5,115,000)	(5,115,000)
31 December 2021	124,898	23,183,910	43,831	1,082,548	24,435,187
Total comprehensive income					
Profit for the financial year	—	—	—	5,458,469	5,458,469
Other comprehensive income	—	—	(84,300)	90,197	5,897
Total comprehensive income for the year	—	—	(84,300)	5,548,666	5,464,366
<i>Transactions with owners, recorded directly in equity</i>					
Equity share scheme expense	—	—	—	(16,198)	(16,198)
Dividends paid	—	—	—	(4,840,000)	(4,840,000)
31 December 2022	124,898	23,183,910	(40,469)	1,775,016	25,043,355

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


British-American Tobacco (Holdings) Limited

Balance sheet as at 31 December 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	8	27,458	38,939
Investments in Group undertakings	9	27,729,079	27,726,079
		27,756,537	27,765,018
Current assets			
Debtors: amounts falling due within one year	10	1,395,606	781,162
Debtors: amounts falling due after one year		1,035	3,350
Deferred tax assets	13	189,858	235,255
Derivatives financial instruments - assets		1,992	47,223
Derivative financial instruments – assets falling due after one year		—	899
Cash at bank and in hand		28,288	27,014
		1,616,779	1,094,903
Creditors: amounts falling due within one year	11a	(245,991)	(4,058,800)
Derivatives financial instruments - liabilities		(42,700)	(4,110)
Net current assets/ (liabilities)		1,328,088	(2,968,007)
Total assets less current liabilities		29,084,625	24,797,011
Creditors: amounts falling due after more than one year	11b	(3,821,927)	(17,333)
Provisions for liabilities and other charges	12	(36,931)	(28,773)
Retirement benefit liabilities	15	(182,269)	(315,718)
Derivatives financial instruments liabilities		(143)	—
Net assets		25,043,355	24,435,187
Capital and reserves			
Called up share capital	14a	124,898	124,898
Share premium account	14b	23,183,910	23,183,910
Profit and loss account	14c	1,775,016	1,082,548
Cash flow hedge reserve	14d	(40,469)	43,831
Total shareholders' funds		25,043,355	24,435,187

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

The financial statements on pages 12 to 40 were approved by the Directors on 24 August 2023 and signed on behalf of the Board.

DocuSigned by:

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Syed Javed Iqbal
 Director

Registered number
 00262254

British-American Tobacco (Holdings) Limited**Notes to the financial statements for the year ended 31 December 2022****1 Accounting policies****Basis of preparation**

The Company is a private company incorporated, domiciled and registered in England in the UK. The registered number is 00262254 and the registered address is Globe House, 4 Temple Place, London, WC2R 2PG.

The financial statements of the Company have been prepared in accordance with the Act and in accordance with FRS 101 *Reduced Disclosure Framework*.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards but makes amendments where necessary in order to comply with the Act, and has taken advantage of certain disclosure exemptions available under FRS 101, including those relating to the 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 financial statements.

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 Act.

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 financial statements.

The most significant items include:

- the review of asset values and impairment testing of financial and non-financial assets including investments in fellow Group undertakings;
- the estimation of and accounting for retirement benefits costs; and
- the estimation of amounts to be recognised in respect of taxation and legal matters.

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

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. All exchange differences are taken to the profit and loss account in the year except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

British-American Tobacco (Holdings) Limited**Notes to the financial statements for the year ended 31 December 2022****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 substantively 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 International Accounting Standard ("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.

As a UK-resident wholly-owned subsidiary within 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.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis to write off the assets over their useful economic life. No depreciation is provided on freehold land or assets classified as held for sale. Freehold and leasehold property are depreciated at rates between 2.5% and 4% per annum, and plant and equipment at rates between 5% and 25% per annum. Assets in the course of construction are not depreciated until brought into operational use.

Investments in Group undertakings

Investments in Group undertakings are stated at cost, together with subsequent capital contributions, less provisions for any impairment in value, where appropriate.

Dividends

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

Retirement benefits

The Company operates and participates in both defined benefit and defined contribution schemes. The net deficit or surplus for each defined benefit pension scheme is calculated in accordance with IAS 19 *Employee Benefits*, based on the present value of the defined benefit obligation at the balance sheet date less the fair value of the scheme assets adjusted, where appropriate, for any surplus restrictions or the effect of minimum funding requirements.

Actuarial gains and losses, changes in unrecognised scheme surpluses and minimum funding requirements are recognised in full through other comprehensive income. Past service costs or credits resulting from amendments to benefits are recognised immediately.

For defined benefit schemes, the actuarial cost charged to profit from operations consists of current service cost, net interest on the net defined benefit liability or asset, past service cost and the impact of any settlements.

British-American Tobacco (Holdings) Limited**Notes to the financial statements for the year ended 31 December 2022****1 Accounting policies (continued)**

Some benefits are provided through defined contribution schemes and payments to these are charged as an expense as they fall due.

Financial instruments

The Company's business model for managing financial assets is 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).

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

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 reperformed periodically to ensure that the hedge has remained, and is expected to remain, highly effective.

Hedge accounting is discontinued when a hedging instrument is derecognised (e.g. through expiry or disposal), or no longer qualifies for hedge accounting. Where the hedged item is a highly probable forecast transaction, 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.

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. Non-derivative financial assets apart from investments in associates are classified on initial recognition as amounts owed by Group undertakings and other debtors.

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

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

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022**1 Accounting policies (continued)**

receivables has increased significantly since initial recognition, allowances are measured at an amount equal to the lifetime expected credit loss.

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 recoverable amount which is the higher of the asset's fair value less costs to sell and its value in use.

Leases

The Company applies IFRS 16 *Leases* to contractual arrangements which are, or contain, leases of assets, and consequently recognises right-of-use assets and lease liabilities at the commencement of the leasing arrangement, with the assets included as part of property, plant and equipment (note 8) and the liabilities included as part of creditors (note 11).

The Company has adopted several practical expedients available under the Standard including not applying the requirements of IFRS 16 to leases of intangible assets, applying the portfolio approach where appropriate to do so, not applying the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration) and to leases of low-value assets. Except for property-related leases, non-lease components are not separated from lease components.

Lease liabilities are initially recognised at an amount equal to the present value of estimated contractual lease payments at the inception of the lease, after taking into account any options to extend the term of the lease. Lease commitments are discounted to present value using the interest rate implicit in the lease if this can be readily determined, or the applicable incremental rate of borrowing, as appropriate. Right-of-use lease assets are initially recognised at an amount equal to the lease liability, adjusted for initial direct costs in relation to the assets, then depreciated over the shorter of the lease term and their estimated useful lives.

Other operating expenses

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

Income

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

2 Other operating income

Other operating income predominantly comprises technical and advisory fees and IT recharges from fellow Group undertakings.

	2022	2021
	£'000	£'000
Technical and advisory fees	237,417	228,178
IT recharges	15,041	313,575
Other income	16,240	23,103
	268,698	564,856

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

3 Other operating expenses

	2022 £'000	2021 £'000
Staff costs	116,214	171,556
Depreciation of tangible assets	13,922	14,218
Amortisation of intangible assets	—	59,146
Impairment of tangible assets	1,317	—
Gain on disposal of tangible assets	(165)	(701)
Impairment of intangible assets	—	6,346
Exchange losses	268	459
Impairment (reversal)/Impairment loss on loans to Group undertakings	(33,486)	15,106
Other operating expenses	68,522	80,451
Expected credit loss allowance	1,000	—
Write off of tangible assets	—	634
Utilities charges	8,233	7,005
Auditor's remuneration:		
- For the audit of the financial statements of the ultimate parent undertaking	11,127	12,054
- For the audit of the financial statements of the Company	131	80
Taxation advisory services	7,822	2,955
Other advisory services	25,326	26,451
Cost of sales	—	91,037
IT Services	4,022	42,112
Other operating expense capitalised to work in progress	—	(8,237)
	224,253	520,672

	2022 £'000	2021 £'000
Staff costs:		
Wages and salaries	86,020	140,984
Social security costs	8,338	14,337
Other pension costs – administration costs	20	—
Unfunded defined benefit scheme pension costs (note 15)	5,508	3,337
Defined contribution scheme pension cost (note 15)	5,437	5,886
Other pension recharges	—	(1,260)
Share-based payments (note 16)	78,521	67,617
Contributions from other Group undertakings to share based payments	(67,630)	(54,096)
Staff costs capitalised to work in progress	—	(5,249)
	116,214	171,556

The Company acts as contractual employer and recharges the costs as appropriate to other Group undertakings where its employees perform work on behalf of other Group undertakings. Additionally, the Company is recharged for work performed for the Company by employees employed by other Group undertakings.

The average number of employees employed by the Company during the year was 738 (2021: 819).

Additionally, the Company has a number of employees of other Group undertakings who are assigned, either fully or partly, to perform work for the Company. The average number of employees assigned by other Group undertakings was 25 (2021: 32).

The net number of persons engaged on Company business after taking account of assignments was 483 (2021: 526). The salary costs reflected in the financial statements relate to the net employment costs after assignment.

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

3 Other operating expenses (continued)

The average monthly number of persons (including Directors) employed by the Company by activity during the year was:

	2022 Number	2021 Number
Administration	738	819

The aggregate emoluments of the Directors payable by the Company or its subsidiary undertakings in respect of their services to those companies while Directors of the Company were:

	2022 £'000	2021 £'000
Aggregate emoluments	16,282	13,039

	2022 Number	2021 Number
Directors exercising share options during the period	10	11
Directors entitled to receive shares under a long term incentive scheme	11	10
Directors retirement benefits accruing under a defined benefit scheme	—	—
Directors retirement benefits accruing under a defined contribution scheme	11*	11

*The Defined Contribution Unapproved Unfunded Retirement Benefit Schemes ("DC UURBS") credits accrued in the year are increased in line with the Company's Weighted Average Cost of Debt and the scheme is therefore treated as a defined benefit scheme under IAS 19.

Highest paid director

	2022 £'000	2021 £'000
Aggregate emoluments	1,911	1,424

Included in the total aggregate emoluments above is payment for compensation for loss of office of £nil (2021: £nil).

The above figures do not include Messrs J. Bowles and T. Marroco who receive remuneration in respect of their services as Directors of British American Tobacco p.l.c. and do not receive any remuneration in their capacity as Directors of the Company. Their remuneration is disclosed in the BAT ARA & 20-F.

4 Income from shares in Group undertakings

	2022 £'000	2021 £'000
Income from shares in Group undertakings	5,518,835	4,810,610

Income receivable from Group undertakings mainly represents dividends received from Louisville Securities Limited and British American Tobacco Exports Limited.

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

5 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest receivable from Group undertakings	20,415	15
Fair value gain	—	82
Exchange gains	2,828	—
Other similar income	249	—
	23,492	97

6 Interest payable and similar expenses

	2022 £'000	2021 £'000
Exchange losses	—	1,236
Interest payable to Group undertakings	111,565	54,632
Other costs	1,125	817
	112,690	56,685

7 Taxation

(a) Recognised in the profit and Loss account

	2022 £'000	£'000	2021 £'000	£'000
<i>UK corporation tax</i>				
Current tax on income for the period	—		—	
Adjustments in respect of prior periods	—		—	
Double taxation relief	—		—	
<i>Foreign tax</i>				
Current tax on income for the period	282		215	
Total current tax		282		215
<i>Deferred tax</i>				
Origination and reversal of temporary differences	(4,878)		(60,433)	
Adjustments in respect of prior periods	21,749		(25,086)	
Effect of rate change	(1,540)		—	
Total deferred tax		15,331		(85,519)
Total income tax expense/ (credit)		15,613		(85,304)

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

7 Taxation (continued)

(b) Factors affecting the taxation charge

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 deferred tax asset at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related temporary differences.

The taxation charge for the year differs from the charge that would be expected based on the statutory 19% (2021: 19%) rate of corporation taxation in the UK. The major causes of this difference are listed below:

	2022	2021
	£'000	£'000
Profit for the financial year	5,458,469	4,883,510
Total tax expense/ (credit)	15,613	(85,304)
Profit before tax	5,474,082	4,798,206
Tax using the UK corporation tax rate of 19% (2021: 19%)	1,040,076	911,659
Adjustments in respect of prior periods	21,749	(25,086)
Non-deductible expenses	7,943	14,965
Income non-taxable	(1,076,050)	(931,607)
Transfer pricing adjustments	464	(106)
Tax rate changes	(1,540)	(46,624)
Group Relief surrendered/(claimed) for nil consideration	22,689	(8,720)
Effects of overseas tax rates	282	215
Total tax expense/ (credit)	15,613	(85,304)

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

8 Tangible assets

	Freehold property £'000	Leasehold property £'000	Plant and equipment £'000	Under construction £'000	Total £'000
Cost					
1 January 2022	47,116	53,411	69,429	571	170,527
Additions	—	—	2,362	1,448	3,810
Reallocations	—	—	1,558	(1,558)	—
Disposals	—	—	(1,111)	—	(1,111)
31 December 2022	47,116	53,411	72,238	461	173,226
Accumulated depreciation and impairment					
1 January 2022	(40,417)	(28,700)	(62,471)	—	(131,588)
Charge for the year	(724)	(9,566)	(3,632)	—	(13,922)
Impairment charge	(1,088)	—	(229)	—	(1,317)
Disposals	—	—	1,059	—	1,059
31 December 2022	(42,229)	(38,266)	(65,273)	—	(145,768)
Net book value					
1 January 2022	6,699	24,711	6,958	571	38,939
31 December 2022	4,887	15,145	6,965	461	27,458

Notes to the financial statements for the year ended 31 December 2022

9 Investments

(1) Shares in Group undertakings

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
Argentina	San Martin 140, Floor 14, City of Buenos Aires, Argentina	BAT Operaciones S.A.U.	Ordinary	0.00	100.00	49.50
Bahrain	Flat 2115, Building 2504, Road 2832, Block 428 Al Seef Area, Kingdom of Bahrain	British American Tobacco Middle East W.L.L.	Ordinary	0.00	100.00	100.00
Benin	Cotonou, Lot Numero H19, Quartiers Les Cocofiers, 01 BP 2520, Benin	British American Tobacco Benin SA	Ordinary	0.00	100.00	100.00
Burkina Faso	Ouagadougou, Avenue Yennega BP: 882, Ouagadougou, Burkina Faso	Tobacco Marketing Consultant Burkina Faso SARL	Ordinary	0.00	100.00	100.00
Cambodia	516, National Road No. 2, Phum Prek Ta Nu, Sangkat Chak Ang Re Leu, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia	British American Tobacco (Cambodia) Limited	Ordinary	0.00	71.00	71.00
Cambodia	1121 National Road 2, Prek Tanou Village, Sangkat Chak Ang Re Leu, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia	British American Tobacco (Cambodge) International Limited	Ordinary	0.00	100.00	100.00
Cayman Islands	Trident Trust Company (Cayman) Ltd., One Capital Place, PO Box 847, Grand Cayman, KY1-1103, Cayman Islands	R.J. Reynolds Tobacco (Ci), Co.	Ordinary	0.00	100.00	100.00
Chile	Isidora Goyenechea 3000, Piso 15, of 1501, Las Condes, Santiago, Chile	BAT Chile S.A.	Ordinary	0.00	100.00	49.52
Chile	Isidora Goyenechea 3000, Piso 15, of 1501, Las Condes, Santiago, Chile	Inversiones Casablanca S.A.	Ordinary	0.00	100.00	99.99
Chile	Isidora Goyenechea 3000, Piso 15, of 1501, Las Condes, Santiago, Chile	British American Tobacco Chile Operaciones S.A.	Ordinary	0.00	99.52	49.50
Denmark	Bemstorffsgade 50, 1577 Copenhagen, Denmark	British American Tobacco Denmark NS (House of Prince NS)	Ordinary	0.00	100.00	100.00
Denmark	Bemstorffsgade 50, 1577 Copenhagen, Denmark	Precis (1789) Denmark NS	Ordinary	0.00	100.00	100.00
Egypt	Administrative unit no.1 , 5th Floor, Building S2B, Sector A, Downtown Mall Katameya,5th settlement, New Cairo, Egypt	BETCO for General Services and Marketing LLC	Ordinary	0.00	100.00	100.00
Egypt	Administrative unit no.1 , 5th Floor, Building S2B, Sector A, Downtown Mall Katameya,5th settlement, New Cairo, Egypt	BETCO for Trade and Distribution LLC	Ordinary	0.00	100.00	100.00
Egypt	Administrative unit no.1 , 5th Floor, Building S2B, Sector A, Downtown Mall Katameya,5th settlement, New Cairo, Egypt	British American Tobacco Egypt LLC	Ordinary	0.00	100.00	100.00
Fiji	Lady Maria Road, Nabua, Suva, Fiji	British American Tobacco (Fiji) Marketing Pte Limited	Ordinary	0.00	100.00	50.00
Fiji	Lady Maria Road, Nabua, Suva, Fiji	Central Manufacturing Company Pte Limited	Ordinary	0.00	100.00	15.00
Hong Kong	LEHMAN, LEE & XU CORPORATE SERVICES, Suite 3313, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong	Reynolds Asia-Pacific Limited	Ordinary	0.00	100.00	100.00

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(1) Shares in Group undertakings (continued)

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
Iraq	Empire Business Tower, Building C5, 2nd floor, Erbil, Kurdistan Region of Iraq	B.A.T. Iraqia Company for Tobacco Trading Limited	Ordinary	0.00	100.00	100.00
Isle of Man	2nd Floor, St Mary's Court, 20 Hill Street, Douglas, IM1 1EU, Isle of Man	Abbey Investment Company Limited	Ordinary	0.00	100.00	100.00
Italy	Via Amsterdam 147, 00144 Rome, Italy	British American Tobacco Italia S.p.A.	Ordinary	0.00	100.00	100.00
Italy	Località Bagnoli della Rosandra, snc, 34018 San Dorligo della Valle (TS), Italy	BAT Trieste S.p.A.	Ordinary	0.00	100.00	100.00
Japan	Midtown Tower 20F, 9-7-1 Akasaka, Minato-ku, Tokyo, Japan	British American Tobacco Japan, Ltd.	Ownership interest	0.00	100.00	100.00
Kenya	8 Likoni Road, Industrial Area, P.O. Box 30000-00100, Nairobi, Kenya	British American Tobacco Area Limited	Ordinary	0.00	50.00	50.00
Korea, Republic of	22nd FL, West Tower, MiraeAssetCENTER1, 26, Eulji-ro 5-gil, Jung-gu, Seoul, Korea (the Republic of)	British American Tobacco Korea Limited	Common	0.00	100.00	100.00
Kuwait	Unit 21, 35th Floor, Al Hamra Tower, Al Shohada St. Kuwait City, Kuwait	BAT Kuwait for Wholesale and Retail Trading Company (S.P.C)	Ordinary	0.00	100.00	100.00
Malaysia	12th Floor, Menara Symphony, No. 5, Jalan Prof Khoo Kay Kim, Seksyen 13, 46200, Petaling Jaya, Selangor Darul Ehsan, Malaysia	British American Tobacco GSD (Kuala Lumpur) Sdn Bhd	Ordinary	0.00	100.00	100.00
Malaysia	Level 19, Guoco Tower, Damansara City, No. 6 Jalan Damantela, Bukit Damansara, 50490, Kuala Lumpur, Malaysia	British American Tobacco (Malaysia) Berhad	Ordinary	0.00	50.00	32.49
Malaysia	Level 19, Guoco Tower, Damansara City, No. 6 Jalan Damantela, Bukit Damansara, 50490, Kuala Lumpur, Malaysia	Commercial Marketers and Distributors Sdn. Bhd.	Ordinary	0.00	100.00	32.49
Malaysia	Level 19, Guoco Tower, Damansara City, No. 6 Jalan Damantela, Bukit Damansara, 50490, Kuala Lumpur, Malaysia	Rothmans Brands Sdn. Bhd. (in Liquidation)	Ordinary	0.00	100.00	32.49
Malaysia	Level 19, Guoco Tower, Damansara City, No. 6 Jalan Damantela, Bukit Damansara, 50490, Kuala Lumpur, Malaysia	Tobacco Importers and Manufacturers Sdn. Bhd.	Ordinary	0.00	100.00	32.49
Mexico	Francisco I Madero 2750 Norte, ZipCode 64000, Monterrey, Nuevo Leon, Mexico	BAT DBS Mexico S.A De C.V	Class A Ordinary Share	0.00	100.00	100.00
Mexico	Francisco I Madero 2750 Norte, ZipCode 64000, Monterrey, Nuevo Leon, Mexico	BAT DBS Mexico S.A De C.V	Class B Ordinary Share	0.00	100.00	100.00
Mali	DJELIBOUGOU-Immeuble BASSARO- BP 2065, Bamako -Mali	British American Tobacco (Mali) sari	Ordinary	0.00	100.00	100.00
Netherlands	Handelsweg 53 A, 1181 ZA, Amstelveen, Netherlands	British American Tobacco Holdings (Malaysia) B.V.	Ordinary	0.00	100.00	64.97
Norway	Dronning Eufemias gate 42. 0191 Oslo, Norway	British American Tobacco Norway AS	Ordinary	0.00	100.00	100.00
Pakistan	Serena Business Complex. Khayaban-e-Suhrwardy, Islamabad, Pakistan	Pakistan Tobacco Company Limited	Ordinary	0.00	94.34	94.34

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(1) Shares in Group undertakings (continued)

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
Pakistan	Bun Khurma Chichian Road, Mirpur Azad Jammu & Kashmir, Pakistan	Phoenix (Private) Limited	Ordinary	0.00	100.00	94.65
Poland	Krakowiakow 46, 02-255, Warszawa, Poland	BAT DBS Poland sp. z.o.o.	Ordinary	0.00	99.99	99.99
Poland	Ul. Tytoniowa 16, 16-300, Augustow, Poland	British-American Tobacco Polska SA	Ordinary	0.00	100.00	34.64
Poland	Krakowiakow 48, 02-255, Watszawa, Poland	British American Tobacco Polska Trading sp. z o.o.	Ordinary	0.00	100.00	34.64
Qatar	PO Box 6689, 41 Floor, Tomado Tower, West Bay,Doha, Qatar	British American Tobacco Q LLC	Ordinary	0.00	100.00	100.00
Romania	319 Splaiul Independentei, Serna Pare "City Buiding";1st Floor, 6th Sector, Bucharest, Romania	British American Shared Services (Europe) S.R.L.	Ordinary	0.00	100.00	100.00
Romania	319 Splaiul Independentei, Serna Pare "City Buiding";1st Floor, 6th Sector, Bucharest, Romania	BRITISH American GBS Recruitment S.R.L.	Ordinary	0.00	100.00	100.00
Saudia Arabia, Kingdom of	7051 Al Amir Sultan-Al Salamah District, Unit 1302..Jeddah 23525 - 2661, Saudi Arabia	BAT Arabia for Trading	Ordinary	0.00	100.00	100.00
Saudi Arabia, Kingdom of	7051 Al Amir Sultan-Al Salamah District, Unit 1302. Jeddah 23525 - 2661, Saudi Arabia	BAT Saudia for Trading	Ordinary	0.00	100.00	100.00
Saudi Arabia, Kingdom of	*Office Pending*	Regional HQ of British American Tobacco Middle East - Single Person Company	Ordinary	0.00	100.00	100.00
Senegal	Almadies, Route Hotel Meridien en Face Club Med, Dakar, Senegal BP 3174	Tobacco Marketing Consultant TMC S.A.R.L (in liquidation)	Ordinary	0.00	100.00	100.00
Solomon Islands	Kukum Highway, Ranadi, Honiara, Honiara, Solomon Islands	Solomon Islands Tobacco Company Limited	Ordinary	0.00	50.00	50.00
South Africa	Waterway House South, 3 Dock Road, V&A Waterfront, Cape Town, Western Cape 8002, South Africa	British American Shared Services Africa Middle East (Pty) Limited	Ordinary	0.00	100.00	100.00
Sudan	Byblos Tower, Al-Muk Nemer Street, Postal Code 11111, P.O Box 1381, Khartoum, Sudan.	Blue Nile Cigarette Company Limited	Ordinary	0.00	100.00	100.00
Sweden	Vastra Tradgardsgatan 15, 111 53 Stockholm, Sweden	British American Tobacco Sweden AB	Ordinary	0.00	100.00	100.00
Sweden	Stenaldersgatan 23, 213 76 Malmo, Sweden	Fiedler & Lundgren AB	Ordinary	0.00	100.00	100.00
Sweden	Hyllie Boulevard 32, 215 32 Malmo, Sweden	Niconovum AB	Ordinary	0.00	100.00	100.00
Switzerland	Route de France 17, 2926 Bancourt, Switzerland	British American Tobacco Switzerland S.A.	Ordinary	0.00	100.00	100.00
Switzerland	clo British American Tobacco Switzerland S.A., Route de France 17, 2926 Bancourt, Switzerland	BAT Switzerland Vending SA	Ordinary	0.00	100.00	100.00
Switzerland	clo NBA Fiduciaire S.A., Route de la Glane 107, clo NBA Fiduciaire S.A. 1752 Villars-sur-Glane, Switzerland	Intertab S.A.	Registered	0.00	50.00	50.00
Tanzania, United Republic of	Acacia Estate Building, Kinondoni Road, P.O Box 288, Dar es Salaam.Tanzania	British American Tobacco (Tanzania) Limited (in liquidation)	Ordinary	0.00	100.00	100.00
Tanzania, United Republic of	Acacia Estate Building, Kinondoni Road, P.O Box 288, Dar es Salaam.Tanzania	Zanzibar Distribution Company Limited (In liquidation)	Ordinary	0.00	99.00	99.00
Tanzania, United Republic of	Acacia Estate Building, Kinondoni Road, P.O Box 288, Dar es Salaam.Tanzania	International Cigarette Distributors Limited (in liquidation)	Ordinary	0.00	99.00	99.00

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(1) Shares in Group undertakings (continued)

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
Trinidad and Tobago	Corner Eastern Main Road and Mt. D'or Road, Champs Fleurs, Trinidad and Tobago	The West Indian Tobacco Company Limited	Ordinary	0.00	50.13	50.13
Uganda	10th Floor, Lotis Towers, Plot 16 Mackinnon Road, Nakasero, Kampala, Uganda	British American Tobacco Uganda Limited	Ordinary	0.00	90.00	70.00
United Arab Emirates	Jumeriah Business Centre 3, 37th Floor, Jumeirah Lake Towers, Dubai, P.O. Box 337222, United Arab Emirates	British American Tobacco GCC DMCC	Ordinary	0.00	100.00	100.00
United Arab Emirates	Jumeriah Business Centre 3, 37th Floor, Jumeirah Lake Towers, Dubai, P.O. Box 337222, United Arab Emirates	British American Tobacco ME DMCC	Ordinary	0.00	100.00	100.00
United Arab Emirates	Jumeriah Business Centre 3, 37th Floor, Jumeirah Lake Towers, Dubai, P.O. Box 337222, United Arab Emirates	British American Tobacco International DMCC	Ordinary	0.00	100.00	100.00
United Arab Emirates	2302-08, Smart Heights, Al Thanyah First, Dubai, United Arab Emirates	BAT Middle East For Trading L.L.C	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 4 Temple Place, London, WC2R 2PG, United Kingdom	B.A.T Additional Retirement Benefit Scheme Trustee Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 4 Temple Place, London, WC2R 2PG, United Kingdom	British American Global Shared Services Limited	Ordinary	100.00	0.00	100.00
United Kingdom	Globe House, 4 Temple Place, London, WC2R 2PG, United Kingdom	Louisville Securities Limited	Ordinary	100.00	0.00	100.00
United Kingdom	Globe House, 4 Temple Place, London, WC2R 2PG, United Kingdom	British American Tobacco Healthcare Trustee Limited	Ordinary	100.00	0.00	100.00
United Kingdom	212-218 Upper Newtownards Road, Belfast, BT4 3ET, Northern Ireland	Murray, Sons & Company, Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Advanced Technologies (Cambridge) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	B.A.T (U.K. and Export) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	B.A.T Cambodia (Investments) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	B.A.T Services Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	B.A.T Uzbekistan (Investments) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	B.A.T Vietnam Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	BATUS Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Shared Services (GSD) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Shared Services Limited	Ordinary	0.00	100.00	100.00

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(1) Shares in Group undertakings (continued)

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco (AIT) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco (Investments) Limited	Ordinary	100.00	0.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco (Philippines) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco (South America) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco Georgia Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco Global Travel Retail Limited	Ordinary	100.00	0.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco Exports Limited	Ordinary Euro	100.00	0.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British American Tobacco Exports Limited	Ordinary Pound Sterling	100.00	0.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	British-American Tobacco (Mauritius) p.l.c.	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Carreras Rothmans Limited	6% first preference shares	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Carreras Rothmans Limited	6% second preference shares	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Carreras Rothmans Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Powhattan Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Rothmans Exports Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Rothmans International Tobacco (UK) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Rothmans of Pall-Mall (Overseas) Limited (in liquidation)	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Ryservs (1995) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Ryservs (No.3) Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Tobacco Exporters International Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Tobacco Marketing Consultants Limited	Ordinary	0.00	100.00	100.00

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(1) Shares in Group undertakings (continued)

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable Interest
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Westanley Trading & Investment Company Limited	Ordinary	0.00	100.00	100.00
United Kingdom	Globe House, 1 Water Street, London, WC2R 3LA, United Kingdom	Westminster Tobacco Company Limited	Ordinary	0.00	100.00	100.00
United States	5106 Tradeport Dr., Memphis, TN 38141	American Snuff Company, LLC	Membership Interest	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808	BT DE Investments Inc.	Ordinary	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808, United States	B.A.T Capital Corporation	Common Stock of \$1	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808, United States	BATUS Holdings Inc.	Common Stock	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808, United States	BATUS JAPAN, INC.	Common Stock	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808, United States	BATUS Retail Services, Inc.	Common Stock	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808, United States	British American Tobacco (Brands) Inc.	Common	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808, United States	Brown & Williamson Holdings, Inc.	Common Stock	0.00	100.00	100.00
United States	251 Little Falls Drive, Wilmington, DE 19808, United States	Louisville Corporate Services, Inc.	Common Stock of no par value	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Reynolds American Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Vuse Stores LLC	Membership Interest	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Conwood Holdings, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	EXP Homes, LLC	Membership Interest	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Lorillard Licensing Company LLC	Membership Interest	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Lorillard, LLC	Membership Interest	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Niconovum USA, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Northern Brands International, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	R. J. Reynolds Global Products, Inc.	Common Stock	0.00	100.00	100.00

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(1) Shares in Group undertakings (continued)

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	R. J. Reynolds Tobacco Company	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	R. J. Reynolds Tobacco International, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	R. J. Reynolds Vapor Company	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	R.J. Reynolds Tobacco Co.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	R.J. Reynolds Tobacco Holdings, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	RAI Innovations Company	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	RAI International, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	RAI Services Company	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	RAI Strategic Holdings, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Reynolds Marketing Services Company	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Reynolds American Inc	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Reynolds Brands Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Reynolds Technologies, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	RJR Realty Relocation Services, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	RJR Vapor Co., LLC	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Rosswil LLC	Membership Interest	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	S.F. Imports, Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Spot You More:Inc.	Common Stock	0.00	100.00	100.00
United States	401 N. Main Street, Winston-Salem, NC 27101, United States	Santa Fe Natural Tobacco Company, Inc.	Common Stock	0.00	100.00	100.00
United States	Farmers Bank Building, Suite 1402, 301 N. Market Street, Wilmington, DE 19801	Reynolds Finance Company	Common Stock	0.00	100.00	100.00

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(1) Shares in Group undertakings (continued)

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
Uzbekistan	77 Minor Passage, Tashkent, 100084, Uzbekistan	JSC JV "UZBAT A.O."	Ordinary	0.00	97.38	97.38
Uzbekistan	Gulobod Village, Samarkand Region, 140100, Uzbekistan	Foreign Enterprise "SAMFRUIT" JSC	Ordinary	0.00	45.40	45.40

(2) Investments in Associated Undertakings

Country	Address	Company	Share Class	Direct interest	Subsidiary Interest	Attributable interest
Canada	35 English Drive, Moncton, New Brunswick, E1E 3X3, Canada	Organigram Holdings Inc.	Ordinary	0.00	19.43	19.43
Italy	Via Messina 38 20154 Milano (MI), Italy	Erion Care	Ordinary	0.00	25.00	25.00
Nepal	Shree Bal Sadan, Gha 2-513, Kantipath, Kathmandu, Nepal	Surya Nepal Pvt. Limited	Ordinary	0.00	2.00	2.00
Yemen	P.O. Box 14, Sana, Yemen	Kamaran Industry and Investment Company	Ordinary	0.00	25.00	25.00
Yemen	P.O. Box 5302, Hoban, Taiz, Yemen	United Industries Company Limited	Ordinary	0.00	16.00	4.96

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

9 Investments (continued)

(3) Investments at Group undertakings

	Investments in Group Companies £'000
Cost	
1 January 2022	28,200,306
Additions	3,000
31 December 2022	28,203,306
Impairment provisions	
1 January 2022	(474,227)
Charge in the year	—
31 December 2022	(474,227)
Net book value	
1 January 2022	27,726,079
31 December 2022	27,729,079

The Directors are of the opinion that the individual investments in the Group undertakings have a value not less than the amount at which they are shown in the Balance Sheet.

10 Debtors: amounts falling due within one year

Amounts due from Group undertakings have been reported in the balance sheet, net of allowances as follows:

	2022 £'000	2021 £'000
Amounts due from Group undertakings - gross	1,357,525	803,460
Allowances account	(56,059)	(79,724)
Amounts due from Group undertakings - net of allowances	1,301,466	723,736
Other debtors	24,924	18,182
Prepayments and accrued income	55,768	21,756
Government levies	13,448	17,488
	1,395,606	781,162

Included within amounts due from Group undertakings is an amount of £1,162,174,000 (2021: £506,530,000) which is unsecured, interest bearing and repayable on demand. The Company has amounts receivable from fellow Group subsidiaries where 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 LIBOR and with effect from this date it is based on the 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. Amounts due from Group undertakings also include interest free loans that have been fully provided during the year.

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

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

10 Debtors: amounts falling due within one year (continued)

The movement in allowances accounts is as follows:

	2022 £'000
1 January 2022	79,724
Differences in exchange	8,821
Reversed in the year	(33,486)
Provided in the year	1,000
31 December 2022	56,059

The decrease in allowance of £33,486,000 relates to the reversal of an allowance for a loan to a Group undertaking. The increase in allowance of £1,000,000 relates to expected credit losses.

11 Creditors

(a) Amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	39,304	85,981
Amounts owed to Group undertakings	119,127	3,872,813
Taxation and social security	17,062	14,093
Other creditors	609	275
Accruals and deferred income	58,795	75,504
Lease liability	11,094	10,134
	245,991	4,058,800

Accruals and deferred income mainly represent bonus accrual.

Lease liabilities mainly relate to property and other assets leased from a fellow Group undertaking.

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

11 Creditors (continued)

(b) Amounts falling due after one year

	2022 £'000	2021 £'000
FII GLO	1,033	1,049
Amounts owed to Group undertakings	3,814,006	—
Lease liability	6,888	16,284
	3,821,927	17,333

Amounts owed to Group undertakings include a loan in amount of £3,814,006,000 from B.A.T. International Finance p.l.c., due at the end of September 2024. The variable interest rate is based on SONIA.

FII GLO represents the portion of the receipt related to the Franked Investment Income Global Litigation Order 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 £952,000, after an apportioned deduction of £327,000 representing the 45% tax described previously.

Actions challenging the legality of the 45% tax have been lodged by both the Group and other participants in FII GLO.

The payments made by HMRC have been made without any admission of liability and are subject to refund were HMRC to succeed on appeal.

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.

12 Provisions for liabilities

	Share schemes £'000	Other provisions £'000	Total £'000
1 January 2022	18,614	10,159	28,773
Provided in the year	15,928	8,308	24,236
Utilised in the year	(9,686)	(6,392)	(16,078)
31 December 2022	24,856	12,075	36,931

13 Deferred Tax Asset

	1 January 2022 £'000	Recognised in Profit and Loss £'000	Recognised in equity £'000	31 December 2022 £'000
Accelerated capital allowances	123,637	(21,417)	—	102,220
Pensions	78,930	(3,297)	(30,066)	45,567
Provisions	3,708	1,212	—	4,920
Shares	28,980	8,171	—	37,151
Total	235,255	(15,331)	(30,066)	189,858

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

14 Called up share capital

(a) Called up share capital

	2022	2021
Ordinary shares of £1 each		
Allotted, called up and fully paid		
- value	£124,897,643	£124,897,643
- number	124,897,643	124,897,643

The called up share capital account records the nominal value of shares issued.

(b) Share premium account

	2022	2021
- value	£23,183,909,490	£23,183,909,490

(c) Profit and Loss account

The profit and loss account includes all current and prior period retained profits and losses.

(d) Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

15 Retirement Benefit Scheme Liabilities

The Company participates in several retirement benefit schemes, the largest of which is the British American Tobacco UK Pension Fund ("UKPF"). Under FRS 101, where more than one Group employer participates in a defined benefit scheme, if there is no contractual agreement or stated policy for charging the net defined benefit cost for the plan as a whole to individual Group entities, then the net defined benefit cost shall be recognised in the financial statements of the Group entity that is legally the sponsoring employer of the scheme, with the other participating employers recognising costs equal to their contributions to those liabilities. British American Tobacco (Investments) Limited is the Principal Employer and sponsoring employer under IAS 19 of the scheme. The cost recognised by the Company in respect of this scheme was £nil (2021: £nil) for the year (note 3).

On 1 April 2005, the UK defined benefit schemes were closed to new employees; employees joining since that date have been eligible to join a defined contribution pension scheme. With effect from 1 July 2020, UKPF was closed to further accrual of benefits with all active members becoming deferred members of the fund.

The Company operates the Employee Benevolent Fund (EBF), which is an unfunded scheme consisting of Defined Benefit and Defined Contribution Unapproved Unfunded Retirement Benefit Schemes (DB UURBS and DC UURBS respectively). The DC UURBS credits accrued in the year are increased in line with the Company's Weighted Average Cost of Debt and the arrangement is therefore treated as a defined benefit scheme under IAS 19. The scheme is formally valued annually by a qualified independent actuary. The amounts recognised in the balance sheet are determined as follows:

	2022	2021
	£'000	£'000
Present value of unfunded scheme liabilities	(182,269)	(315,718)
	(182,269)	(315,718)

The above net liability is recognised in the Balance Sheet as follows:

	2022	2021
	£'000	£'000
Retirement benefit scheme liabilities	(182,269)	(315,718)
	(182,269)	(315,718)

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

15 Retirement Benefit Scheme Liabilities (continued)

The amounts recognised in the profit and loss account for the defined benefit schemes are as follows:

	2022	2021
	£'000	£'000
Unfunded defined benefit schemes		
Service cost		
– current service cost	1,127	1,211
– past service cost	408	2,518
– settlements and curtailments	(1,549)	(4,773)
– interest on scheme liabilities	5,522	4,381
Total amount recognised in the profit and loss account (note 3)	5,508	3,337

The amounts recognised in other comprehensive income in respect of actuarial gains and losses of the Company are as follows:

	2022	2021
	£'000	£'000
Actuarial gains on scheme liabilities	120,263	2,244
	120,263	2,244

The movements in scheme liabilities are as follows:

	2022	2021
	£'000	£'000
Present value at 1 January	315,718	323,742
Current service cost	1,127	1,211
Past service costs	408	2,518
Settlements and curtailments	(1,549)	(4,773)
Interest on scheme liabilities	5,522	4,381
Benefits paid (cash outflow)	(18,694)	(9,117)
Actuarial gains	(120,263)	(2,244)
Present value at 31 December	182,269	315,718

Scheme liabilities by scheme membership:

	2022	2021
	£'000	£'000
Active members	5,936	5,123
Deferred members	50,218	116,449
Retired members	126,115	194,146
Present value at 31 December	182,269	315,718

Scheme liabilities by benefits earned to date:

	2022	2021
	£'000	£'000
Guaranteed benefits	182,269	315,718
Present value at 31 December	182,269	315,718

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

15 Retirement Benefit Scheme Liabilities (continued)

Actuarial gains shown above can be analysed as follows:

	2022	2021
	£'000	£'000
Actuarial gains:		
- arising from changes in demographic assumptions	124	618
- arising from changes in financial assumptions	127,385	(1,005)
Experience (losses)/ gains	(7,246)	2,631
Total	120,263	2,244

Changes in financial assumptions principally relate to discount rate and inflation rate movements.

The principal actuarial assumptions used, weighted to reflect individual scheme differences are shown below. In both years, discount rates are determined by reference to normal yields on high quality corporate bonds at the balance sheet date.

	2022	2021
	%	%
Rate of increase in pensions in payments	3.20	3.40
Rate of increase in deferred pensions	2.80	3.00
Discount rate	5.00	1.80
General inflation	3.20	3.40
Weighted average duration of liabilities (in years)	15.19	20.04

Mortality assumptions are subject to regular review. The following table has been used for 2022: S2PA (YOB) with the CMI (2021) improvement model with a 1.25% long term improvement rate (2021: CMI (2020)).

Based on the above, the weighted average life expectancy, in years, for mortality tables used to determine benefit obligations is as follows:

	2022	2021
	Years	Years
Member age 65 (current life expectancy)		
- male	22.91	22.85
- female	24.23	24.19
Member age 45 (life expectancy at age 65)		
- male	24.54	24.49
- female	25.95	25.92

Valuation of retirement benefit schemes involves judgements about uncertain future events. Sensitivities in respect of the key assumptions used to measure the principal pension schemes as at 31 December 2022 are set out below. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation, with the exception of the sensitivity to inflation which incorporates the impact of certain correlating assumptions such as salary increases. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation, while asset values also change, and the impacts may offset to some extent.

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

15 Retirement Benefit Scheme Liabilities (continued)

	1 year increase	1 year decrease	0.25 percentage point increase	0.25 percentage point decrease	0.50 percentage point increase	0.50 percentage point decrease
	£'000	£'000	£'000	£'000	£'000	£'000
Average life expectancy – increase/ (decrease) of scheme liabilities	4,959	(4,750)				
Rate of inflation – increase/ (decrease) of scheme			6,533	(5,973)		
Discount rate – (decrease)/increase of scheme liabilities					(11,206)	12,806

Defined Contribution Scheme Costs

On 1 April 2005, the UK defined benefit schemes were closed to new employees, and no new members since then have joined the defined contribution scheme. The cost to the Company was:

	2022 £'000	2021 £'000
Defined contribution schemes recognised in the profit and loss account (note 3)	5,437	5,886

16 Share-based payments

The Group operates a number of share-based payment arrangements of which the three principal ones are:

Long-Term Incentive plan (LTIP) - Performance Share Plan (PSP):

Since 2020, performance-related conditional awards under which shares are released automatically following a 3-year vesting period (5-year period for the Executive Directors). LTIP awards granted up to 2019 are nil-cost options exercisable after three years from date of grant (five years for Executive Directors) with a contractual life of 10 years.

For awards granted in 2021, 2020 and 2019, vesting is subject to performance conditions measured over a 3-year period (for all awards), based on earnings per share (40% of grant), operating cash flow (20% of grant), total shareholder return (20% of grant) and net turnover (20% of grant). Total shareholder return combines the share price and dividend performance of the Company by reference to one comparator group.

For 2022 awards, the performance conditions are based on earnings per share (30% of grant), operating cash flow (20% of grant), total shareholder return (20% of grant), net turnover (15% of the grant) and New Categories revenue growth (15% of the grant).

Participants are not entitled to dividends prior to the vesting or exercise of the awards. A cash equivalent dividend accrues through the vesting period (other than for the Executive Directors where additional shares are delivered in lieu of cash) and is paid on vesting. Both equity and cash-settled PSP awards are granted in March each year.

In the U.S., PSP awards are made over BAT American Depository Shares (ADSs).

Restricted Share Plan (RSP):

Introduced in 2020, conditional awards under which shares are released three years from date of grant, subject to a continuous employment condition during the three-year vesting period. Participants are not entitled to dividends prior to shares vesting. A cash equivalent dividend accrues through the vesting period and is paid on vesting. Both equity and cash settled RSP awards are granted in March or September.

In the U.S., RSP awards are made over BAT American Depository Shares (ADSs).

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Notes to the financial statements for the year ended 31 December 2022

16 Share-based payments (continued)

Deferred Share Bonus Scheme (DSBS)

Granted in connection with annual bonuses, conditional awards under which shares are released three years from date of grant subject to a continuous employment condition during the three-year vesting period. A cash equivalent dividend accrues through the vesting period and is paid quarterly (other than for the Executive Directors where additional shares are delivered in lieu of cash). Both equity and cash - settled DSBS awards are granted in March each year.

The Group also has a number of other arrangements which are not material for the Group, and these are as follows:

Sharesave Scheme (SAYE)

Options granted in March each year by invitation at a 20% discount to the market price. Options under this equity-settled scheme are exercisable at the end of a three-year or five-year savings contract. Participants are not entitled to dividends prior to the exercise of the options. The maximum amount that can be saved by a participant in this way is £6,000 in any tax year.

Share Reward Scheme (SRS)

Conditional shares are granted in April each year (maximum £3,600 in any year) subject to a three-year vesting period. Dividend equivalents accrue through the vesting period and additional shares are delivered at vesting. Awards may be equity or cash - settled.

International Share Reward Scheme (ISRS)

Conditional shares are granted in April each year (up to an equivalent of £3,600 in any year) subject to a three-year vesting period. Dividend equivalents accrue through the vesting period and additional shares are delivered at vesting. Awards may be equity or cash - settled.

Partnership Share Scheme

Employees can allocate part of their pre-tax salary to purchase shares in British American Tobacco p.l.c. (maximum £1,800 in any year). The shares purchased are held in a UK-based trust and are normally capable of transfer to participants tax-free after a five-year holding period.

Share-based payment expense

Please refer to the BAT ARA & 20-F for full disclosures under IFRS 2.

The weighted average share price on exercise of LTIP shares in 2022 was £32.87 (2021: £27.67).

The weighted average share price on exercise of DSBS shares in 2022 was £32.19 (2021: £27.58).

The outstanding shares for the year ended 31 December 2022 had an exercise price range of £31.95 - £35.20 (2021: £26.04 - £28.00). The weighted average remaining contractual life are 1.81 years (2021: 3.68 years) for the LTIP shares and are 1.26 years (2020: 1.28 years) for the DSBS shares.

17 Derivative financial instruments

	2022	2022	2021	2021
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Cash flow hedges				
- Forward foreign currency contracts	1,992	(42,843)	48,122	(4,110)
Current	1,992	(42,700)	47,223	(4,110)
Non - current	—	(143)	899	—

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 cash flow hedge movement for the year was a loss of £84,300,000 (2021: £55,506,000 gain).

British-American Tobacco (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2022

18 Related party disclosures

As a wholly owned subsidiary the Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 'Related party disclosures' from disclosing transactions with other subsidiary undertakings of the Group.

19 Contingent liabilities

In regards to the previously disclosed investigation by the Nigerian Federal Competition and Consumer Protection Commission into alleged violations of the Nigerian Competition and Consumer Protection Act and National Tobacco Control Act, a consent order was entered into between the FCCPC and the, British American Tobacco (Nigeria) Limited and British American Tobacco Marketing (Nigeria) Limited in December 2022 terminating the investigation and associated proceedings, replacing the previous Final Order. Amongst other measures, the Final Order includes provision for the payment in Naira of a penalty equivalent to US\$110 million which it is not anticipated will require any payment from the Company (with no liability therefore recognised in the Company's accounts) and the relevant Nigerian companies will be subject to a two-year period of monitorship.

The Company has cross-guaranteed the funding commitments in respect of, and the liabilities of, the UKPF. Details of the assets and liabilities of this defined benefit scheme are contained in the financial statements of British American Tobacco (Investments) Limited. The last full triennial actuarial valuation of the UKPF was carried out as at 31 March 2020 by a qualified independent actuary.

The valuation showed that the fund had a surplus of £139 million on a Technical Provisions basis, in accordance with the statutory funding objective. The Trustee of the UKPF also has a Long-Term Funding Target to be fully funded on a Solvency Liabilities basis by 2026, and on this basis the UKPF had a surplus of £7 million at the valuation date. On an IAS 19 basis, the UKPF had a surplus at 31 December 2022 of £185 million (2021: £275 million).

Contributions by the principal employer to the UKPF in accordance with the agreed schedule of contributions are expected to be £18 million in each of 2022 and 2023.

20 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 B.A.T Industries p.l.c. Group. Group financial statements are prepared only at Group level and may be obtained from:

The Company Secretary
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London
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