



**INTERIM REPORT**

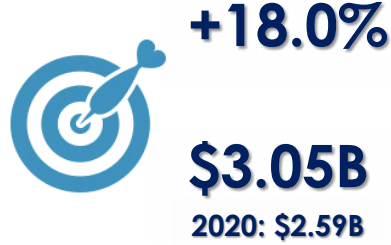
**(NINE MONTHS)  
DECEMBER 31, 2021**

## PERFORMANCE HIGHLIGHTS

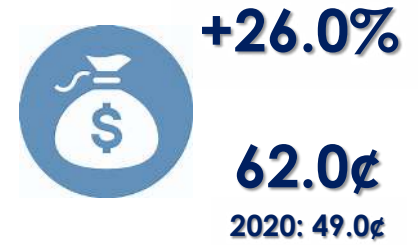
### Operating Revenue



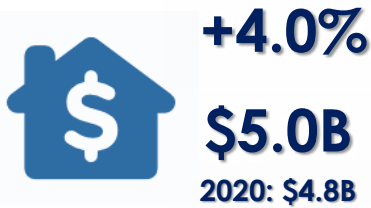
### Net Profit



### Distribution per stock



### Total Assets



### Equity



### Earnings per Share



## CARRERAS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME  
NINE MONTHS ENDED DECEMBER 31, 2021  
(Unaudited)

		9 months to December 31, 2021	9 months to December 31, 2020	3 months to December 31, 2021	3 months to December 31, 2020
	Notes	\$'000	\$'000	\$'000	\$'000
Operating revenue	4	11,723,082	10,158,507	4,533,359	4,004,482
Cost of operating revenue		(6,089,374)	(5,223,228)	(2,368,816)	(2,095,630)
Gross operating profit		5,633,708	4,935,279	2,164,543	1,908,852
Other operating income		110,975	44,744	39,070	234
		5,744,683	4,980,023	2,203,613	1,909,086
Administrative, distribution and marketing expenses		(1,664,713)	(1,509,299)	(665,523)	(510,282)
Impairment loss on trade receivables		(1,699)	(5,583)	(1,411)	(12,218)
<b>PROFIT FROM OPERATIONS</b>		4,078,271	3,465,141	1,536,679	1,386,586
Interest income		12,832	31,730	(8,217)	8,003
Interest expense		(13,778)	(15,477)	(4,593)	(5,814)
<b>NET FINANCE COST</b>		(946)	16,253	(12,810)	2,189
<b>PROFIT BEFORE TAXATION</b>		4,077,325	3,481,393	1,523,869	1,388,775
Taxation	5	(1,026,265)	(886,744)	(375,883)	(356,226)
<b>NET PROFIT FOR THE PERIOD</b>		3,051,060	2,594,650	1,147,986	1,032,549
<b>EARNINGS PER ORDINARY STOCK UNIT</b>	6	<b>62.9¢</b>	<b>53.4¢</b>	<b>23.6¢</b>	<b>21.3¢</b>

## CARRERAS LIMITED

### GROUP STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021


(Unaudited)

Notes	Unaudited 12/31/2021 \$000	Unaudited 12/31/2020 \$000	Audited 3/31/2021 \$000
<b>ASSETS</b>			
Deferred tax asset	90,660	50,549	91,617
Retirement benefit asset	92,500	86,800	92,500
Property, plant and equipment	807,571	753,622	709,072
<b>Non-Current Assets</b>	<b>990,731</b>	<b>890,971</b>	<b>893,189</b>
Cash and cash equivalents	1,784,890	2,179,945	2,228,153
Accounts receivable	1,606,699	1,243,067	1,357,768
Income tax recoverable	2,536	2,536	2,479
Inventories	620,948	513,393	590,841
<b>Current Assets</b>	<b>4,015,073</b>	<b>3,938,941</b>	<b>4,179,241</b>
<b>TOTAL ASSETS</b>	<b>5,005,804</b>	<b>4,829,912</b>	<b>5,072,430</b>
<b>EQUITY</b>			
Share capital <span style="float: right;">7</span>	121,360	121,360	121,360
Unappropriated profits	2,020,514	1,867,129	1,979,182
<b>Total attributable to stockholders of parent</b>	<b>2,141,874</b>	<b>1,988,489</b>	<b>2,100,542</b>
<b>LIABILITIES</b>			
Lease liability	234,315	283,504	261,604
Retirement benefit obligation	326,100	257,700	326,100
<b>Non-current liabilities</b>	<b>560,415</b>	<b>541,204</b>	<b>587,704</b>
Accounts payable	1,238,616	1,363,807	1,466,104
Income tax payable	1,032,700	923,135	27,955
Current portion of lease liability	32,199	13,277	890,125
<b>Current Liabilities</b>	<b>2,303,515</b>	<b>2,300,219</b>	<b>2,384,184</b>
<b>TOTAL LIABILITIES</b>	<b>2,863,930</b>	<b>2,841,423</b>	<b>2,971,888</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>5,005,804</b>	<b>4,829,912</b>	<b>5,072,430</b>

Approved for issue by the Board of Directors on 11th February 2022 and signed on its behalf by:



Paul Hanworth  
Director



Raoul Glynn  
Managing Director

## CARRERAS LIMITED

Group Statement of Changes in Equity  
NINE MONTHS ENDED DECEMBER 31, 2021  
(Unaudited)

	Share Capital \$000	Unappropriated Profits \$000	Total \$000
<b>Balances at March 31, 2020</b>	<b>121,360</b>	<b>1,651,136</b>	<b>1,772,496</b>
Profit for the period	-	2,594,650	2,594,650
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,594,650</b>	<b>2,594,650</b>
<b>Transactions with owners</b>			
Dividends paid, being total transactions with owners	-	(2,378,656)	(2,378,656)
<b>Total transactions with owners</b>	<b>-</b>	<b>(2,378,656)</b>	<b>(2,378,656)</b>
<b>Unaudited Balances at December 31, 2020</b>	<b>121,360</b>	<b>1,867,129</b>	<b>1,988,490</b>
<b>Balances at March 31, 2021</b>	<b>121,360</b>	<b>1,979,182</b>	<b>2,100,542</b>
Profit for the period	-	3,051,060	3,051,060
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>3,051,060</b>	<b>3,051,060</b>
<b>Transactions with owners</b>			
Dividends paid, being total transactions with owners	-	(3,009,728)	(3,009,728)
<b>Total transactions with owners</b>	<b>-</b>	<b>(3,009,728)</b>	<b>(3,009,728)</b>
<b>Unaudited Balances at December 31, 2021</b>	<b>121,360</b>	<b>2,020,514</b>	<b>2,141,874</b>

## CARRERAS LIMITED

Group Statement of Cash Flows  
NINE MONTHS ENDED DECEMBER 31, 2021  
(Unaudited)

	9 months to December 31, 2021 \$'000	9 months to December 31, 2020 \$'000
<b>Cash flows from operating activities:</b>		
<b>Profit for the period</b>	<b>3,051,060</b>	<b>2,594,650</b>
Adjustments for items not affecting cash:		
Depreciation	105,641	125,923
Gain on disposal of property, plant and	4,505	1,182
Foreign exchange gain/(loss)	20,400	30,410
Taxation	1,026,264	886,744
Interest expense	13,778	15,477
Investment income earned	(12,832)	(31,731)
	4,208,816	3,622,655
Changes in working capital components:		
Accounts receivable	(237,582)	(254,925)
Inventories	(30,107)	(48,937)
Accounts payable	(227,487)	228,702
Cash generated from operations	3,713,640	3,547,495
Taxation paid	(880,465)	(787,934)
Net cash provided by operating activities	2,833,175	2,759,561
<b>Cash provided by investing activities</b>		
Investment income received	1,482	38,894
Additions to property, plant and equipment	(205,850)	(192,670)
Proceeds of disposal of property, plant and equipment	(2,795)	3,586
Net cash utilized by investing activities	(207,163)	(150,190)
<b>Cash used by financing activities</b>		
Payment of lease liabilities	(36,823)	(44,828)
Dividends paid, being net cash used by financing activities	(3,009,728)	(2,378,656)
Net cash utilised by financing activities	(3,046,551)	(2,423,484)
<b>Net (decrease) in cash and cash equivalents before effect of foreign exchange rate changes</b>	<b>(420,539)</b>	<b>185,886</b>
Effect of exchange rate changes on cash and cash equivalents	(22,724)	(30,410)
Cash and cash equivalents, at beginning of period	2,228,153	2,024,468
<b>Cash and cash equivalents, at end of period</b>	<b>1,784,890</b>	<b>2,179,945</b>

**CARRERAS LIMITED**  
**Notes to the Unaudited Financial Statements**  
**Nine months ended December 31, 2021**

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**1. General**

Carreras Limited ("the company") is incorporated and domiciled in Jamaica and is a 50.4% subsidiary of Rothmans Holdings (Caricom) Limited, which is incorporated in St. Lucia. The ultimate parent company is British American Tobacco plc, incorporated in the United Kingdom. The principal activities of the company are the marketing and distribution of cigarettes.

The principal place of business and the registered office of the company is 13A Ripon Road, Kingston 5, Jamaica.

**2. Statement of compliance and basis of preparation**

**(a) Basis of preparation**

This condensed consolidated interim financial report for the reporting period ended December 31, 2021 has been prepared in accordance with Accounting Standard IAS 34 'Interim Financial Reporting'.

These financial statements are presented in Jamaican dollars unless otherwise indicated.

The accounting policies followed in these interim financial statements are consistent with those of the previous financial year and corresponding interim reporting period. Changes to significant accounting policies are described below.

**(b) Current year disclosures**

The recognised right-of-use assets relate to the following asset:

Details	31 Mar 2021	31 Dec 2021
	\$'000	\$'000
Freehold land, buildings and leaseholds	<u>266,087</u>	<u>237,452</u>

The group incurred depreciation charges of \$28,636,000 on the right-of-use assets and interest expense of \$13,778,000 on the lease liability during the period.

**Notes to the Unaudited Financial Statements (Continued)**  
**Nine months ended December 31, 2021**

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**(c) Accounting estimates and judgments:**

The preparation of financial statements in conformity with IFRS and the Companies' Act requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the balance sheet date and the income and expenses for the period then ended. The estimates and associated assumptions are based on historical experience and/or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts could differ from these estimates. The unaudited financial results for the nine-month period have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant areas of estimating uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements, or which have a risk of material adjustments in the next period are as follows:

(i) Key source of estimation uncertainty

**Employee benefits:**

The amounts recognised in the balance sheet and income statement for pension and other post-employment benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognized insofar as the defined benefit section of the fund include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-employment obligations and the expected rate of increase in medical costs for post-employment medical benefits.

Any changes in these assumptions will impact the amounts recorded in the financial statements for these obligations.

It is reasonably possible that outcomes within the next financial period that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(ii) There are no critical accounting judgments in applying the group's and the company's accounting policies.



**Notes to the Unaudited Financial Statements (Continued)**  
**Nine months ended December 31, 2021**

**3. Significant Accounting Policies**

Except as highlighted in note 2, the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual audited financial statements.

**4. Operating Revenue**

Operating revenue for the group and the company represents the invoiced value of products and services sold and includes special consumption tax aggregating \$5,160,369,000 (2020: \$4,456,520,000).

**5. Taxation**

Taxation on profit for the period is made up as follows:

	<u>2021</u> \$'000	<u>2020</u> \$'000
Current:		
Provision for charge on current period's profit at 25%	1,023,038	878,283
Deferred:		
Origination and reversal of temporary differences	<u>3,226</u>	<u>8,461</u>
Taxation expense for the period	<u>1,026,264</u>	<u>886,744</u>

**6. Earnings per stock unit**

The calculation of earnings per stock unit is based on the net profit for the period attributable to stockholders and the 4,854,400,000 issued and fully paid ordinary stock units.

**7. Share capital**

	<u>2021</u> \$'000	<u>2020</u> \$'000
Authorised:		
4,854,400,000 (2020: 4,854,400,000) ordinary shares of no par value		
Stated:		
Issued and fully paid:		
4,854,400,000 (2020: 4,854,400,000) ordinary shares of no par value	121,360	121,360

**Notes to the Unaudited Financial Statements (Continued)**  
**Nine months ended December 31, 2021**

**8. Dividends and Distributions**

	<u>2021</u> \$'000	<u>2020</u> \$'000
Declared and paid:		
First quarter ended June 30, 2021		
Ordinary – 25¢ (2020: 20¢)	1,213,600	970,880
Second quarter ended Sept. 30, 2021		
Ordinary – 16¢ (2020: 12¢)	776,704	582,528
Third quarter ended Dec. 31, 2021		
Ordinary – 21¢ (2020: 17¢)	1,019,424	852,248
Total dividends to shareholders	<u>3,009,728</u>	<u>2,378,656</u>

**9. Subsidiary Companies**

The subsidiary companies, all of which are incorporated in Jamaica, are as follows:

<u>Name of company</u>	<u>Principal activity</u>	Percentage of ordinary shares held by			
		<u>Company</u>		<u>Subsidiary</u>	
		<u>2021</u> %	<u>2020</u> %	<u>2021</u> %	<u>2020</u> %
Sans Souci Development Limited and its subsidiary, Sans Souci Limited	Dormant	100.00	100.00	-	-
	Dormant	<u>-</u>	<u>-</u>	<u>100.00</u>	<u>100.00</u>

**10. Impact of COVID-19**

In March 2020, the World Health Organisation declared COVID-19 a global pandemic.

The impact of COVID-19 has been far reaching as it has caused significant impact on the major economies in which we operate, which are highly reliant on imports and exports for growth and development. The dislocation in sectors of the economy, such as the tourism, entertainment, retail trading and other areas is expected to have a negative impact on the Company's potential growth.

The nature and extent of the impact on the Company's financial position, results continue to evolve given the rapid pace of change and the elevated level of uncertainty.

In response to the specific financial risks identified, there are several measures employed, including robust monitoring of our receivable portfolio, managing investment portfolio, maintaining adequate safety stock levels and establishing alternative supplier chain arrangements.