



INTERIM REPORT

**(NINE MONTHS)
DECEMBER 31, 2022**

PERFORMANCE HIGHLIGHTS

Gross Operating Revenue



\$12.5B

Net Profit



\$2.74B

Closing Stock Price



\$8.51

Total Assets



\$6.06B

Equity



\$2.16B

Earnings per stock



56.5¢

CARRERAS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED DECEMBER 31, 2022
(Unaudited)

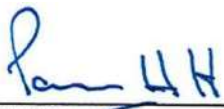
	Notes	9 months to December 31, 2022 \$'000	9 months to December 31, 2021 \$'000	3 months to December 31, 2022 \$'000	3 months to December 31, 2021 \$'000
Operating revenue	4	12,530,217	11,723,083	5,004,061	4,533,359
Cost of operating revenue		(6,727,952)	(6,089,374)	(2,653,257)	(2,368,816)
Gross operating profit		5,802,265	5,633,708	2,350,804	2,164,543
Other operating (loss)/income		(4,412)	110,975	(12,836)	39,070
		5,797,853	5,744,683	2,337,968	2,203,613
Administrative, distribution and marketing expenses		(2,138,211)	(1,664,713)	(832,024)	(665,523)
Impairment loss on trade receivables		(3,644)	(1,699)	(2,163)	(1,411)
PROFIT FROM OPERATIONS		3,655,998	4,078,271	1,503,781	1,536,680
Interest income		37,322	12,832	10,936	(8,217)
Interest expense		(14,454)	(13,778)	(5,007)	(4,593)
NET FINANCE COST		22,867	(946)	5,929	(12,810)
PROFIT BEFORE TAXATION		3,678,865	4,077,324	1,509,710	1,523,870
Taxation	5	(938,141)	(1,026,264)	(379,633)	(375,883)
NET PROFIT FOR THE PERIOD		2,740,723	3,051,060	1,130,077	1,147,987
EARNINGS PER ORDINARY STOCK UNIT	6	56.5¢	62.9¢	23.1¢	23.6¢

CARRERAS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022
(Unaudited)

	Notes	Unaudited December 31, 2022 \$000	Unaudited December 31, 2021 \$000	Audited March 31, 2022 \$000
ASSETS				
Deferred tax asset		78,499	90,660	89,923
Retirement benefit asset		83,600	92,500	83,600
Property, plant and equipment		748,898	807,571	761,313
Non-Current Assets		910,996	990,732	934,836
Cash and cash equivalents		2,395,912	1,784,890	1,698,031
Accounts receivable		2,384,121	1,606,699	1,460,978
Income tax recoverable		2,536	2,536	2,535
Inventories		339,637	620,948	1,131,647
Current Assets		5,122,207	4,015,074	4,293,191
TOTAL ASSETS		6,033,204	5,005,805	5,228,027
EQUITY				
Share capital	7	121,360	121,360	121,360
Unappropriated profits		2,035,951	2,020,514	1,965,146
Total attributable to stockholders of parent		2,157,311	2,141,874	2,086,506
LIABILITIES				
Lease liability		245,658	234,315	225,348
Retirement benefit obligation		325,600	326,100	325,600
Non-current liabilities		571,258	560,415	550,948
Accounts payable		2,245,397	1,238,616	1,518,708
Income tax payable		1,025,445	1,032,700	1,038,865
Current portion of lease liability		33,793	32,199	33,000
Current Liabilities		3,304,635	2,303,515	2,590,573
TOTAL LIABILITIES		3,875,893	2,863,931	3,141,521
TOTAL EQUITY and LIABILITIES		6,033,204	5,005,805	5,228,027

Approved for issue by the Board of Directors on 13th February 2022 and signed on its behalf by:



Paul Harworth
Director



Franklin Murillo
Managing Director

CARRERAS LIMITED

Group Statement of Changes in Equity
 NINE MONTHS ENDED DECEMBER 31, 2022
 (Unaudited)

	Share Capital \$000	Unappropriated Profits \$000	Total \$000
Balances at March 31, 2021	121,360	1,979,182	2,100,542
Profit for the period	-	3,051,060	3,051,060
Total comprehensive income for the period	-	3,051,060	3,051,060
Transactions with owners			
Dividends paid, being total transactions with owners (note 8)	-	(3,009,728)	(3,009,728)
Total transactions with owners	-	(3,009,728)	(3,009,728)
Unaudited Balances at December 31, 2021	121,360	2,020,514	2,141,874
Balances at March 31, 2022	121,360	1,965,146	2,086,506
Profit for the period	-	2,740,723	2,740,723
Total comprehensive income for the period	-	2,740,723	2,740,723
Transactions with owners			
Dividends paid, being total transactions with owners (note 8)	-	(2,669,920)	(2,669,920)
Total transactions with owners	-	(2,669,920)	(2,669,920)
Unaudited Balances at December 31, 2022	121,360	2,035,949	2,157,309

CARRERAS LIMITED

Group Statement of Cash Flows
NINE MONTHS ENDED DECEMBER 31, 2022
(Unaudited)

	9 months to December 31, 2022 \$'000	9 months to December 31, 2021 \$'000
Cash flows from operating activities:		
Profit for the period	2,740,723	3,051,060
Adjustments for items not affecting cash:		
Depreciation	142,103	105,641
Employee benefits	0	
Gain on disposal of property and plant	8,252	4,505
Foreign exchange (loss)/gain	4,590	20,400
Taxation	938,141	1,026,264
Interest expense	14,454	13,778
Investment income earned	(37,322)	(12,832)
	3,810,942	4,208,817
Changes in working capital components:		
Accounts receivable	(989,291)	(237,582)
Inventories	792,010	(30,107)
Accounts payable	789,092	(227,487)
Cash generated from operations	4,402,754	3,713,641
Taxation paid	(940,137)	(880,465)
Net cash provided by operating activities	3,462,617	2,833,176
Cash provided by investing activities		
Investment income received	41,068	1,482
Additions to property, plant and equipment	(88,142)	(205,850)
Proceeds of disposal of property, plant and equipment	1,132	(2,795)
Net cash provided by investing activities	(45,942)	(207,163)
Cash used by financing activities		
Payment of lease liabilities	(44,282)	(36,823)
Dividends paid, being net cash used by financing activities	(2,669,920)	(3,009,728)
Net cash utilised by financing activities	(2,714,202)	(3,046,551)
Net (decrease) in cash and cash equivalents before effect of foreign exchange rate changes	702,474	(420,537)
Effect of exchange rate changes on cash and cash equivalents	(4,593)	(22,726)
Cash and cash equivalents, at beginning of period	1,698,031	2,228,153
Cash and cash equivalents, at end of period	2,395,912	1,784,890

CARRERAS LIMITED
Notes to the Unaudited Financial Statements
Nine months ended December 31, 2022

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, 2022, 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, except for the adoption of new standard, being IFRS 16 'Leases.' Changes to significant accounting policies are described below.

(b) Current year disclosures

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

Details	1 April 2022	31 December 2022
	\$'000	\$'000
Freehold land, buildings and leaseholds	<u>227,870</u>	<u>238,580</u>

The group incurred depreciation charges of \$33,435,000 on the right-of-use assets and interest expense of \$14,454,000 on the lease liability during the period.

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

(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.

In particular, except for the impact of the application of IFRS 16 which is described under note 2 (b), the significant areas of estimation 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.

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

2. Statement of compliance and basis of preparation (cont'd)

(c) Accounting estimates and judgments (cont'd):

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.

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 \$5,568,743,000 (2021: \$5,160,369,000).

5. Taxation

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

	<u>2022</u> \$'000	<u>2021</u> \$'000
Current:		
Provision for charge on current period's profit at 25%	926,717	1,023,038
Tax arising on capital distribution at 5%	<u>-</u>	<u>-</u>
	926,717	1,023,038
Deferred:		
Origination and reversal of temporary differences	<u>11,424</u>	<u>3,226</u>
Taxation expense for the period	<u>938,141</u>	<u>1,026,264</u>

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

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>2022</u> \$'000	<u>2021</u> \$'000
Authorised:		
4,854,400,000 (2021: 4,854,400,000) ordinary shares of no-par value		
Stated:		
Issued and fully paid:		
4,854,400,000 (2021: 4,854,400,000) stock units of no-par value	121,360	121,360

8. Dividends and Distributions

	<u>2022</u> \$'000	<u>2021</u> \$'000
Declared and paid:		
First quarter ended June 30, 2022		
Ordinary – 23¢ (2021: 25¢)	1,116,512	1,213,600
Second quarter ended Sept. 30, 2022		
Ordinary – 13¢ (2021: 16¢)	631,072	776,704
Third quarter ended Dec. 31, 2022		
Ordinary – 19¢ (2021: 21¢)	922,336	1,019,424
Total dividends to shareholders	<u>2,669,920</u>	<u>3,009,728</u>

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		%	%	%	%
Sans Souci Development Limited and its subsidiary,	Dormant	100.00	100.00	-	-
Sans Souci Limited	Dormant	<u>-</u>	<u>-</u>	<u>100.00</u>	<u>100.00</u>



INTERIM REPORT

**(NINE MONTHS)
DECEMBER 31, 2022**

PERFORMANCE HIGHLIGHTS

Gross Operating Revenue



\$12.5B

Net Profit



\$2.74B

Closing Stock Price



\$8.51

Total Assets



\$6.06B

Equity



\$2.16B

Earnings per stock



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CARRERAS LIMITED

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NINE MONTHS ENDED DECEMBER 31, 2022
(Unaudited)

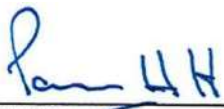
	Notes	9 months to December 31, 2022 \$'000	9 months to December 31, 2021 \$'000	3 months to December 31, 2022 \$'000	3 months to December 31, 2021 \$'000
Operating revenue	4	12,530,217	11,723,083	5,004,061	4,533,359
Cost of operating revenue		(6,727,952)	(6,089,374)	(2,653,257)	(2,368,816)
Gross operating profit		5,802,265	5,633,708	2,350,804	2,164,543
Other operating (loss)/income		(4,412)	110,975	(12,836)	39,070
		5,797,853	5,744,683	2,337,968	2,203,613
Administrative, distribution and marketing expenses		(2,138,211)	(1,664,713)	(832,024)	(665,523)
Impairment loss on trade receivables		(3,644)	(1,699)	(2,163)	(1,411)
PROFIT FROM OPERATIONS		3,655,998	4,078,271	1,503,781	1,536,680
Interest income		37,322	12,832	10,936	(8,217)
Interest expense		(14,454)	(13,778)	(5,007)	(4,593)
NET FINANCE COST		22,867	(946)	5,929	(12,810)
PROFIT BEFORE TAXATION		3,678,865	4,077,324	1,509,710	1,523,870
Taxation	5	(938,141)	(1,026,264)	(379,633)	(375,883)
NET PROFIT FOR THE PERIOD		2,740,723	3,051,060	1,130,077	1,147,987
EARNINGS PER ORDINARY STOCK UNIT	6	56.5¢	62.9¢	23.1¢	23.6¢

CARRERAS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022
(Unaudited)

	Notes	Unaudited December 31, 2022 \$000	Unaudited December 31, 2021 \$000	Audited March 31, 2022 \$000
ASSETS				
Deferred tax asset		78,499	90,660	89,923
Retirement benefit asset		83,600	92,500	83,600
Property, plant and equipment		748,898	807,571	761,313
Non-Current Assets		910,996	990,732	934,836
Cash and cash equivalents		2,395,912	1,784,890	1,698,031
Accounts receivable		2,384,121	1,606,699	1,460,978
Income tax recoverable		2,536	2,536	2,535
Inventories		339,637	620,948	1,131,647
Current Assets		5,122,207	4,015,074	4,293,191
TOTAL ASSETS		6,033,204	5,005,805	5,228,027
EQUITY				
Share capital	7	121,360	121,360	121,360
Unappropriated profits		2,035,951	2,020,514	1,965,146
Total attributable to stockholders of parent		2,157,311	2,141,874	2,086,506
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Lease liability		245,658	234,315	225,348
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TOTAL EQUITY and LIABILITIES		6,033,204	5,005,805	5,228,027

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CARRERAS LIMITED

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	Share Capital \$000	Unappropriated Profits \$000	Total \$000
Balances at March 31, 2021	121,360	1,979,182	2,100,542
Profit for the period	-	3,051,060	3,051,060
Total comprehensive income for the period	-	3,051,060	3,051,060
Transactions with owners			
Dividends paid, being total transactions with owners (note 8)	-	(3,009,728)	(3,009,728)
Total transactions with owners	-	(3,009,728)	(3,009,728)
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CARRERAS LIMITED
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Nine months ended December 31, 2022

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Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

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Employee benefits:

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Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

2. Statement of compliance and basis of preparation (cont'd)

(c) Accounting estimates and judgments (cont'd):

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.

3. Significant Accounting Policies

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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 \$5,568,743,000 (2021: \$5,160,369,000).

5. Taxation

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

	<u>2022</u> \$'000	<u>2021</u> \$'000
Current:		
Provision for charge on current period's profit at 25%	926,717	1,023,038
Tax arising on capital distribution at 5%	<u>-</u>	<u>-</u>
	926,717	1,023,038
Deferred:		
Origination and reversal of temporary differences	<u>11,424</u>	<u>3,226</u>
Taxation expense for the period	<u>938,141</u>	<u>1,026,264</u>

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

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>2022</u> \$'000	<u>2021</u> \$'000
Authorised:		
4,854,400,000 (2021: 4,854,400,000) ordinary shares of no-par value		
Stated:		
Issued and fully paid:		
4,854,400,000 (2021: 4,854,400,000) stock units of no-par value	121,360	121,360

8. Dividends and Distributions

	<u>2022</u> \$'000	<u>2021</u> \$'000
Declared and paid:		
First quarter ended June 30, 2022		
Ordinary – 23¢ (2021: 25¢)	1,116,512	1,213,600
Second quarter ended Sept. 30, 2022		
Ordinary – 13¢ (2021: 16¢)	631,072	776,704
Third quarter ended Dec. 31, 2022		
Ordinary – 19¢ (2021: 21¢)	922,336	1,019,424
Total dividends to shareholders	<u>2,669,920</u>	<u>3,009,728</u>

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		%	%	%	%
Sans Souci Development Limited and its subsidiary,	Dormant	100.00	100.00	-	-
Sans Souci Limited	Dormant	<u>-</u>	<u>-</u>	<u>100.00</u>	<u>100.00</u>



INTERIM REPORT

**(NINE MONTHS)
DECEMBER 31, 2022**

PERFORMANCE HIGHLIGHTS

Gross Operating Revenue



\$12.5B

Net Profit



\$2.74B

Closing Stock Price



\$8.51

Total Assets



\$6.06B

Equity



\$2.16B

Earnings per stock



56.5¢

CARRERAS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED DECEMBER 31, 2022
(Unaudited)

	Notes	9 months to December 31, 2022 \$'000	9 months to December 31, 2021 \$'000	3 months to December 31, 2022 \$'000	3 months to December 31, 2021 \$'000
Operating revenue	4	12,530,217	11,723,083	5,004,061	4,533,359
Cost of operating revenue		(6,727,952)	(6,089,374)	(2,653,257)	(2,368,816)
Gross operating profit		5,802,265	5,633,708	2,350,804	2,164,543
Other operating (loss)/income		(4,412)	110,975	(12,836)	39,070
		5,797,853	5,744,683	2,337,968	2,203,613
Administrative, distribution and marketing expenses		(2,138,211)	(1,664,713)	(832,024)	(665,523)
Impairment loss on trade receivables		(3,644)	(1,699)	(2,163)	(1,411)
PROFIT FROM OPERATIONS		3,655,998	4,078,271	1,503,781	1,536,680
Interest income		37,322	12,832	10,936	(8,217)
Interest expense		(14,454)	(13,778)	(5,007)	(4,593)
NET FINANCE COST		22,867	(946)	5,929	(12,810)
PROFIT BEFORE TAXATION		3,678,865	4,077,324	1,509,710	1,523,870
Taxation	5	(938,141)	(1,026,264)	(379,633)	(375,883)
NET PROFIT FOR THE PERIOD		2,740,723	3,051,060	1,130,077	1,147,987
EARNINGS PER ORDINARY STOCK UNIT	6	56.5¢	62.9¢	23.1¢	23.6¢

CARRERAS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022
(Unaudited)

	Notes	Unaudited December 31, 2022 \$000	Unaudited December 31, 2021 \$000	Audited March 31, 2022 \$000
ASSETS				
Deferred tax asset		78,499	90,660	89,923
Retirement benefit asset		83,600	92,500	83,600
Property, plant and equipment		748,898	807,571	761,313
Non-Current Assets		910,996	990,732	934,836
Cash and cash equivalents		2,395,912	1,784,890	1,698,031
Accounts receivable		2,384,121	1,606,699	1,460,978
Income tax recoverable		2,536	2,536	2,535
Inventories		339,637	620,948	1,131,647
Current Assets		5,122,207	4,015,074	4,293,191
TOTAL ASSETS		6,033,204	5,005,805	5,228,027
EQUITY				
Share capital	7	121,360	121,360	121,360
Unappropriated profits		2,035,951	2,020,514	1,965,146
Total attributable to stockholders of parent		2,157,311	2,141,874	2,086,506
LIABILITIES				
Lease liability		245,658	234,315	225,348
Retirement benefit obligation		325,600	326,100	325,600
Non-current liabilities		571,258	560,415	550,948
Accounts payable		2,245,397	1,238,616	1,518,708
Income tax payable		1,025,445	1,032,700	1,038,865
Current portion of lease liability		33,793	32,199	33,000
Current Liabilities		3,304,635	2,303,515	2,590,573
TOTAL LIABILITIES		3,875,893	2,863,931	3,141,521
TOTAL EQUITY and LIABILITIES		6,033,204	5,005,805	5,228,027

Approved for issue by the Board of Directors on 13th February 2022 and signed on its behalf by:


Paul Harworth
Director


Franklin Murillo
Managing Director

CARRERAS LIMITED

Group Statement of Changes in Equity
 NINE MONTHS ENDED DECEMBER 31, 2022
 (Unaudited)

	Share Capital \$000	Unappropriated Profits \$000	Total \$000
Balances at March 31, 2021	121,360	1,979,182	2,100,542
Profit for the period	-	3,051,060	3,051,060
Total comprehensive income for the period	-	3,051,060	3,051,060
Transactions with owners			
Dividends paid, being total transactions with owners (note 8)	-	(3,009,728)	(3,009,728)
Total transactions with owners	-	(3,009,728)	(3,009,728)
Unaudited Balances at December 31, 2021	121,360	2,020,514	2,141,874
Balances at March 31, 2022	121,360	1,965,146	2,086,506
Profit for the period	-	2,740,723	2,740,723
Total comprehensive income for the period	-	2,740,723	2,740,723
Transactions with owners			
Dividends paid, being total transactions with owners (note 8)	-	(2,669,920)	(2,669,920)
Total transactions with owners	-	(2,669,920)	(2,669,920)
Unaudited Balances at December 31, 2022	121,360	2,035,949	2,157,309

CARRERAS LIMITED

Group Statement of Cash Flows
NINE MONTHS ENDED DECEMBER 31, 2022
(Unaudited)

	9 months to December 31, 2022 \$'000	9 months to December 31, 2021 \$'000
Cash flows from operating activities:		
Profit for the period	2,740,723	3,051,060
Adjustments for items not affecting cash:		
Depreciation	142,103	105,641
Employee benefits	0	
Gain on disposal of property and plant	8,252	4,505
Foreign exchange (loss)/gain	4,590	20,400
Taxation	938,141	1,026,264
Interest expense	14,454	13,778
Investment income earned	(37,322)	(12,832)
	3,810,942	4,208,817
Changes in working capital components:		
Accounts receivable	(989,291)	(237,582)
Inventories	792,010	(30,107)
Accounts payable	789,092	(227,487)
Cash generated from operations	4,402,754	3,713,641
Taxation paid	(940,137)	(880,465)
Net cash provided by operating activities	3,462,617	2,833,176
Cash provided by investing activities		
Investment income received	41,068	1,482
Additions to property, plant and equipment	(88,142)	(205,850)
Proceeds of disposal of property, plant and equipment	1,132	(2,795)
Net cash provided by investing activities	(45,942)	(207,163)
Cash used by financing activities		
Payment of lease liabilities	(44,282)	(36,823)
Dividends paid, being net cash used by financing activities	(2,669,920)	(3,009,728)
Net cash utilised by financing activities	(2,714,202)	(3,046,551)
Net (decrease) in cash and cash equivalents before effect of foreign exchange rate changes	702,474	(420,537)
Effect of exchange rate changes on cash and cash equivalents	(4,593)	(22,726)
Cash and cash equivalents, at beginning of period	1,698,031	2,228,153
Cash and cash equivalents, at end of period	2,395,912	1,784,890

CARRERAS LIMITED
Notes to the Unaudited Financial Statements
Nine months ended December 31, 2022

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, 2022, 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, except for the adoption of new standard, being IFRS 16 'Leases.' Changes to significant accounting policies are described below.

(b) Current year disclosures

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

Details	1 April 2022	31 December 2022
	\$'000	\$'000
Freehold land, buildings and leaseholds	<u>227,870</u>	<u>238,580</u>

The group incurred depreciation charges of \$33,435,000 on the right-of-use assets and interest expense of \$14,454,000 on the lease liability during the period.

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

(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.

In particular, except for the impact of the application of IFRS 16 which is described under note 2 (b), the significant areas of estimation 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.

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

2. Statement of compliance and basis of preparation (cont'd)

(c) Accounting estimates and judgments (cont'd):

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.

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 \$5,568,743,000 (2021: \$5,160,369,000).

5. Taxation

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

	<u>2022</u> \$'000	<u>2021</u> \$'000
Current:		
Provision for charge on current period's profit at 25%	926,717	1,023,038
Tax arising on capital distribution at 5%	<u>-</u>	<u>-</u>
	926,717	1,023,038
Deferred:		
Origination and reversal of temporary differences	<u>11,424</u>	<u>3,226</u>
Taxation expense for the period	<u>938,141</u>	<u>1,026,264</u>

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

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>2022</u> \$'000	<u>2021</u> \$'000
Authorised:		
4,854,400,000 (2021: 4,854,400,000) ordinary shares of no-par value		
Stated:		
Issued and fully paid:		
4,854,400,000 (2021: 4,854,400,000) stock units of no-par value	121,360	121,360

8. Dividends and Distributions

	<u>2022</u> \$'000	<u>2021</u> \$'000
Declared and paid:		
First quarter ended June 30, 2022		
Ordinary – 23¢ (2021: 25¢)	1,116,512	1,213,600
Second quarter ended Sept. 30, 2022		
Ordinary – 13¢ (2021: 16¢)	631,072	776,704
Third quarter ended Dec. 31, 2022		
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Total dividends to shareholders	<u>2,669,920</u>	<u>3,009,728</u>

Notes to the Unaudited Financial Statements (Continued)
Nine months ended December 31, 2022

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		%	%	%	%
Sans Souci Development Limited and its subsidiary,	Dormant	100.00	100.00	-	-
Sans Souci Limited	Dormant	<u>-</u>	<u>-</u>	<u>100.00</u>	<u>100.00</u>