

INTERIM REPORT

(THREE MONTHS)
JUNE 30, 2023



PERFORMANCE HIGHLIGHTS

Gross Operating Revenue

Net Profit

Closing Stock Price



\$4.31B



\$1.05B



\$7.96

Total Assets

Equity

Earnings per stock



\$6.72B



\$2.07B



21.6¢



GROUP STATEMENT OF COMPREHENSIVE INCOME THREE MONTHS ENDED JUNE 30, 2023 (Unaudited)

		3 months to June 30, 2023	3 months to June 30, 2022
	Notes	\$'000	\$'000
Operating revenue Cost of operating revenue	4	4,308,442 (2,374,172)	3,489,731 (1,923,992)
Gross operating profit		1,934,270	1,565,739
Other operating income		28,266	11,912
		1,962,536	1,577,651
Administrative, distribution and marketing expenses Impairment loss on trade receivables		(601,684) 10,667	(645,541) (524)
PROFIT FROM OPERATIONS		1,371,519	931,586
Interest income Interest expense		30,648 (4,425)	12,161 (4,058)
NET FINANCE COST		26,223	8,103
PROFIT BEFORE TAXATION Taxation	5	1,397,742 (346,874)	939,689 (243,323)
NET PROFIT FOR THE PERIOD		1,050,868	696,366
EARNINGS PER ORDINARY STOCK UNIT	6	21.65¢	14.3¢



GROUP STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023 (Unaudited)

		Unaudited	Unaudited	Audited
	_	06/30/2023	06/30/2022	3/31/2023
No	tes	\$000	\$000	\$000
ASSETS				
Deferred tax asset		80,660	89,579	84,235
Retirement benefit asset		44,400	83,600	44,400
Property, plant and equipment		660,151	709,664	706,058
Non-Current Assets		785,211	882,843	834,693
Cash and cash equivalents		2,819,646	2,101,347	1,926,039
Accounts receivable		2,698,306	1,869,555	2,278,937
Income tax recoverable		2,536	13,388	2,535
Inventories		422,598	514,976	459,310
Current Assets		5,943,086	4,499,266	4,666,821
TOTAL ASSETS		6,728,297	5,382,109	5,501,514
EQUITY				
Share capital	7	121,360	121,360	121,360
Unappropriated profits		1,952,598	1,545,000	1,921,154
Total attributable to stockholders of par	rent	2,073,958	1,666,360	2,042,514
LIABILITIES				
Lease liability		222,841	217,922	233,801
Retirement benefit obligation		203,900	325,600	203,900
Non-current liabilities		426,741	543,522	437,701
Accounts payable		3,314,571	2,158,821	2,104,120
Income tax payable		879,036	981,223	882,582
Current portion of lease liability		33,991	32,183	34,597
Current Liabilities		4,227,598	3,172,227	3,021,299
TOTAL LIABILITIES		4,654,339	3,715,749	3,459,000
TOTAL EQUITY and LIABILITIES		6,728,297	5,382,109	5,501,514

Approved for issue by the Board of Directors on 10th August 2023 and signed on its behalf by:

Paul Hanworth -

Director

Franklin Murillo Managing Director





Group Statement of Changes in Equity THREE MONTHS ENDED JUNE 30, 2023 (Unaudited)

	Share	Unappropriated		
	Capital	Profits	Total	
	\$000	\$000	\$000	
Balances at March 31, 2022	121,360	1,965,146	2,086,506	
Profit for the period	-	696,366	696,366	
Total comprehensive income for the period	-	696,366	696,366	
Transactions with owners				
Dividends paid, being total transactions with owners (note 8)	-	(1,116,512)	(1,116,512)	
Total transactions with owners	-	(1,116,512)	(1,116,512)	
Unaudited Balances at June 30, 2022	121,360	1,545,000	1,666,360	
Balances at March 31, 2023	121,360	1,921,154	2,042,514	
Profit for the period	-	1,050,868	1,050,868	
Total comprehensive income for the period	-	1,050,868	1,050,868	
Transactions with owners				
Dividends paid, being total transactions with owners	-	(1,019,424)	(1,019,424)	
Total transactions with owners	-	(1,019,424)	(1,019,424)	
Unaudited Balances at June 30, 2023	121,360	1,952,598	2,073,958	





GROUP STATEMENT OF CASH FLOWS THREE MONTHS ENDED JUNE 30, 2023 (Unaudited)

	3 months to June 30, 2023 \$'000	3 months to June 30, 2022 \$'000
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Cash flows from operating activities: Profit for the period	1,050,868	696,365
Adjustments for items not affecting cash:	1,030,000	070,303
Depreciation	43,967	51,655
Gain on disposal of property, plant and equipment		3,098
Foreign exchange gain	6,552	7,598
Taxation	346,874	243,323
Interest expense	4,425	4,058
Investment income earned	(30,648)	(12,160)
	1,422,037	993,937
Changes in working capital components:		
Accounts receivable	(416,932)	(469,374)
Inventories	36,712	616,671
Accounts payable	191,028	(413,996)
Cash generated from operations	1,232,846	727,239
Taxation paid	(344,905)	(311,474)
Net cash provided by operating activities	887,940	415,765
Cash used by investing activities		
Investment income received	28,209	10,556
Additions to property, plant and equipment	(0.00)	(3, 102)
Proceeds of disposal of property, plant and equipment	-	(3)
Net cash utilised by investing activities	28,209	7,451
Cash used by financing activities		
Payment of lease liabilities	(15,991)	(12,302)
Net cash utilised by financing activities	(15,991)	(12,302)
Net increase/(decrease) in cash and cash equivalents		
before effect of foreign exchange rate changes	900,159	410,914
Effect of exchange rate changes on cash and cash equivalents	(6,553)	(7,598)
Cash and cash equivalents, at beginning of period	1,926,040	1,698,031
Cash and cash equivalents, at end of period	2,819,646	2,101,347



CARRERAS LIMITED Notes to the Unaudited Financial Statements Three months ended June 30, 2023

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 June 30, 2023, 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.

(b) 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.





Notes to the Unaudited Financial Statements (Continued) Three months ended June 30, 2023

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

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.

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) Three months ended June 30, 2023

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 \$1,881,295,000 (2022: \$1,569,726,000).

5. Taxation

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

	<u>2023</u> \$'000	<u>2022</u> \$'000
Current: Provision for charge on current period's profit at 25% Tax arising on capital distribution at 5%	343,299 - 343,299	242,980
Deferred: Origination and reversal of temporary differences Taxation expense for the period	<u>3,575</u> <u>346,874</u>	343 243,323

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.





Notes to the Unaudited Financial Statements (Continued) Three months ended June 30, 2023

7. Share capital

<u> 2023</u>	<u> 2022</u>
\$'000	\$'000

Authorised:

4,854,400,000 (2022: 4,854,400,000) ordinary shares of

no-par value

Stated:

Issued and fully paid:

4,854,400,000 (2022: 4,854,400,000) stock units of no-par 121,360

value

121,360

8. Dividends and Distributions

<u>2023</u>	<u>2022</u>
\$'000	\$'000

Declared:

First quarter ended June 30, 2023

9. Subsidiary Companies

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

		Percentage of ordinary shares held by			es held by
Name of company	Principal activity	<u>Company</u>		<u>Subsidiary</u>	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
		%	%	%	%
Sans Souci Development Limited and its subsidiary,	Dormant	100.00	100.00	-	-
Sans Souci Limited	Dormant			100.00	100.00

