



INTERIM REPORT

**(SIX MONTHS)
SEPTEMBER 30, 2023**

PERFORMANCE HIGHLIGHTS

Gross Operating Revenue



\$4.05B

Net Profit



\$2.15B

Closing Stock Price



\$8.05

Total Assets



\$6.00B

Equity



\$2.25B

Earnings per stock



44.3¢

CARRERAS LIMITED


GROUP STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited)

	Notes	6 months to September 30, 2023 \$'000	6 months to September 30, 2022 \$'000	3 months to September 30, 2023 \$'000	3 months to September 30, 2022 \$'000
Operating revenue	4	8,382,313	7,526,156	4,073,871	4,036,425
Cost of operating revenue		(4,330,136)	(4,074,695)	(1,955,964)	(2,150,703)
Gross operating profit		4,052,177	3,451,461	2,117,907	1,885,722
Other operating income		97,986	17,248	69,721	5,336
		4,150,163	3,468,710	2,187,628	1,891,058
Administrative, distribution and marketing expenses		(1,352,340)	(1,306,187)	(750,655)	(660,646)
Impairment loss on trade receivables		(1,781)	(1,481)	(12,450)	(958)
PROFIT FROM OPERATIONS		2,796,042	2,161,041	1,424,523	1,229,454
Interest income		76,053	26,386	45,405	14,224
Interest expense		(8,211)	(9,447)	(3,786)	(5,389)
NET FINANCE COST		67,842	16,938	41,619	8,835
PROFIT BEFORE TAXATION		2,863,884	2,177,980	1,466,142	1,238,291
Taxation	5	(714,995)	(558,508)	(368,121)	(315,185)
NET PROFIT FOR THE PERIOD		2,148,889	1,619,472	1,098,021	923,106
EARNINGS PER ORDINARY STOCK UNIT	6	44.3¢	33.4¢	22.6¢	19.0¢

CARRERAS LIMITED
 GROUP STATEMENT OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2023
 (Unaudited)

	Unaudited September 30, 2023 \$000	Unaudited September 30, 2022 \$000	Audited March 31, 2023 \$000
ASSETS			
Deferred tax asset	76,615	82,435	84,235
Retirement benefit asset	44,400	83,600	44,400
Property, plant and equipment	667,238	728,931	706,058
Non-Current Assets	788,253	894,966	834,693
Cash and cash equivalents	1,903,328	1,039,027	1,926,039
Accounts receivable	2,723,103	2,190,785	2,278,937
Income tax recoverable	32,540	25,624	2,535
Inventories	557,486	458,626	459,310
Current Assets	5,216,457	3,714,062	4,666,821
TOTAL ASSETS	6,004,710	4,609,028	5,501,514
EQUITY			
Share capital	121,360	121,360	121,360
Unappropriated profits	2,128,283	1,837,034	1,921,154
Total attributable to stockholders of parent	2,249,643	1,958,394	2,042,514
LIABILITIES			
Lease liability	211,141	260,078	233,801
Retirement benefit obligation	203,900	325,600	203,900
Non-current liabilities	415,041	585,678	437,701
Accounts payable	2,383,300	1,048,176	2,104,120
Income tax payable	923,341	986,630	882,582
Current portion of lease liability	33,385	30,149	34,597
Current Liabilities	3,340,026	2,064,956	3,021,299
TOTAL LIABILITIES	3,755,067	2,650,634	3,459,000
TOTAL EQUITY and LIABILITIES	6,004,710	4,609,028	5,501,514

Approved for issue by the Board of Directors on November 13, 2023 and signed on its behalf by:


 Paul Hanworth
 Director


 Franklin Murillo
 Managing Director

CARRERAS LIMITED

Group Statement of Changes in Equity
SIX MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited)

	Share Capital \$000	Unappropriated Profits \$000	Total \$000
Balances at March 31, 2022	121,360	1,965,146	2,086,506
Profit for the period	-	1,619,472	1,619,472
Total comprehensive income for the period	-	1,619,472	1,619,472
Transactions with owners			
Dividends paid, being total transactions with owners (note 8)	-	(1,747,584)	(1,747,584)
Total transactions with owners	-	(1,747,584)	(1,747,584)
Unaudited Balances at September 30, 2022	121,360	1,837,034	1,958,394
Balances at March 31, 2023	121,360	1,921,154	2,042,514
Profit for the period	-	2,148,889	2,148,889
Total comprehensive income for the period	-	2,148,889	2,148,889
Transactions with owners			
Transfers	-	-	-
Transfer tax paid on intra-group distributions	-	-	-
Dividends paid, being total transactions with owners (note 8)	-	(1,941,760)	(1,941,760)
Total transactions with owners	-	(1,941,760)	(1,941,760)
Unaudited Balances at September 30, 2023	121,360	2,128,283	2,249,643

CARRERAS LIMITED

Group Statement of Cash Flows
SIX MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited)

	6 months to Sept 30, 2023 \$'000	6 months to Sept 30, 2022 \$'000
Cash flows from operating activities:		
Profit for the period	2,148,889	1,619,472
Adjustments for items not affecting cash:		
Depreciation	89,498	97,305
Employee benefits	(0)	0
Gain on disposal of property and plant	-	8,252
Foreign exchange gain	(6,514)	(15,468)
Taxation	714,995	558,508
Interest expense	8,211	9,447
Investment income earned	(76,053)	(26,386)
	2,879,026	2,251,131
Changes in working capital components:		
Accounts receivable	(457,121)	(795,942)
Inventories	(98,176)	673,021
Accounts payable	279,180	(408,128)
Cash generated from operations	2,602,909	1,720,082
Taxation paid	(696,620)	(626,343)
Net cash provided by operating activities	1,906,289	1,093,739
Cash provided by investing activities		
Investment income received	89,007	30,120
Additions to property, plant and equipment	(50,678)	(23,569)
Proceeds of disposal of property, plant and equipment	-	1,132
Net cash provided by investing activities	38,329	7,683
Cash used by financing activities		
Payment of lease liabilities	(32,083)	(28,308)
Dividends paid, being net cash used by financing activities	(1,941,760)	(1,747,584)
Net cash utilised by financing activities	(1,973,843)	(1,775,892)
Net (decrease) in cash and cash equivalents		
before effect of foreign exchange rate changes	(29,225)	(674,470)
Effect of exchange rate changes on cash and cash equivalents	6,512	15,465
Cash and cash equivalents, at beginning of period	1,926,040	1,698,031
Cash and cash equivalents, at end of period	1,903,328	1,039,027

Notes to the Unaudited Financial Statements **Six months ended September 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 September 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 six-month period have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting.

Notes to the Unaudited Financial Statements (Continued)
Six months ended September 30, 2023

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

(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, 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.

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.

Notes to the Unaudited Financial Statements (Continued)
Six months ended September 30, 2023

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 \$3,513,471,000 (2022: \$3,352,881,000).

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%	707,374	551,020
Tax arising on capital distribution at 5%	<u>-</u>	<u>-</u>
	707,374	551,020
Deferred:		
Origination and reversal of temporary differences	<u>7,621</u>	<u>7,488</u>
Taxation expense for the period	<u>714,995</u>	<u>558,508</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>2023</u> \$'000	<u>2022</u> \$'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 value	<u>121,360</u>	<u>121,360</u>

Notes to the Unaudited Financial Statements (Continued)
Six months ended September 30, 2023

8. Dividends and Distributions

	<u>2023</u> \$'000	<u>2022</u> \$'000
Declared and paid:		
First quarter ended June 30, 2023		
Ordinary – 21¢ (2022: 23¢)	1,019,424	1,116,512
Second quarter ended Sept. 30, 2023		
Ordinary – 19¢ (2022: 13¢)	922,336	631,072
Total dividends to shareholders	<u>1,941,760</u>	<u>1,747,584</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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</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>