

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of The West Indian Tobacco Company Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2023, the summary statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of West Indian Tobacco Company Limited ("the Company") for the year ended December 31, 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

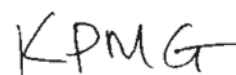
We expressed an unmodified audit opinion on the audited financial statements in our report dated March 14, 2024. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Framework.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements."



**Chartered Accountants
Savannah East
11 Queen's Park East
March 14, 2024**

CHAIRMAN'S REVIEW

The West Indian Tobacco Company Limited recorded Total Comprehensive Income of \$279.2 million for the year ended December 31, 2023. This represents an increase of \$28.2 million or 11.2% over the corresponding period in 2022. Profit for the year is \$277.1 million, reflecting an increase of 5.9% or \$15.5 million over the previous financial year.

This performance reflects the Company's transformation journey, which began in the first quarter of the 2022 financial year, and continued, with the consolidation of its distribution network in July 2023. This transition, critical for the long-term sustainability of our business, promises many benefits including improved efficiency, better customer contact and an extensive product offering. In the immediate period, inventory movements, market adjustments and consumer repositioning resulted in revenue growth of \$31.1 million or 4.3% compared to the previous year. The settling of our Portfolio Transformation, matched with a more efficient distribution model, will allow us to be more responsive to our customers' demands, and allow for generation of positive growth indicators which will accelerate in 2024.

Innovation continues to be key to our future growth, and we are well-positioned to continue to lead the market via new products. We see this as a vehicle for changing the existing landscape while ensuring the sustainability of the company's business, solidifying the Company's contribution to the country's socio-economic improvement.

Directors will recommend to shareholders a final dividend payment of \$0.52 per share at the Annual Meeting on April 23, 2024. When added to the interim dividends of \$0.52 per share, this will result in a total dividend of \$1.04 per share for financial year 2023. The 2023 dividend yield is 11.7%, up from 4.7% of the previous year and a 6% increase in the dividend year over year.

If approved, the final dividend will be paid on May 25, 2024 to shareholders of record at the close of business on May 8, 2024. The Register of Shareholders will be closed on May 9 and 10, 2024 for the processing of transfers.



Ingrid L-A Lashley
Chairman
March 13, 2024

SUMMARY STATEMENT OF FINANCIAL POSITION


	AUDITED 31.12.23	AUDITED 31.12.22
	TT\$'000	TT\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	282,407	283,503
Deferred income tax asset	12,893	9,017
	<u>295,300</u>	<u>292,520</u>
Current assets		
Inventories	61,651	85,298
Trade and other receivables	266,027	124,277
Taxation recoverable	1,888	4,969
Cash and cash equivalents	268,102	276,372
	<u>597,668</u>	<u>490,916</u>
Total assets	<u>892,968</u>	<u>783,436</u>
EQUITY		
Share capital	42,120	42,120
Revaluation surplus	60,645	57,986
Retained earnings	435,386	352,113
Total equity	<u>538,151</u>	<u>452,219</u>
LIABILITIES		
Non-current liabilities		
Deferred income tax liability	49,087	41,726
Retirement benefit obligation	2,129	5,969
Post-employment medical benefit obligation	4,974	4,867
Lease liabilities	3,814	3,986
	<u>60,004</u>	<u>56,548</u>
Current liabilities		
Trade and other payables	167,585	124,701
Due to parent company	73,618	100,854
Dividends payable	38,310	47,617
Taxation payable	13,173	-
Lease liabilities	2,127	1,497
	<u>294,813</u>	<u>274,669</u>
Total liabilities	<u>354,817</u>	<u>331,217</u>
Total equity and liabilities	<u>892,968</u>	<u>783,436</u>

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Three Months Ended 31.12.23	UNAUDITED Three Months Ended 31.12.22	AUDITED Year Ended 31.12.23	AUDITED Year Ended 31.12.22
	TT\$'000	TT\$'000	TT\$'000	TT\$'000
Revenue	286,600	175,190	755,165	724,090
Cost of sales	(88,152)	(67,187)	(261,398)	(226,290)
Gross profit	198,448	108,003	493,767	497,800
Distribution costs	(5,606)	(8,992)	(13,474)	(14,653)
Administrative expenses	(14,281)	(21,617)	(66,974)	(72,516)
Other operating expenses	(5,507)	(3,967)	(30,375)	(32,671)
Operating profit	173,054	73,427	382,944	377,960
Finance income	895	776	4,428	1,277
Finance cost	(150)	(123)	(504)	(254)
Profit before taxation	173,799	74,080	386,868	378,983
Taxation	(46,168)	(21,050)	(109,780)	(117,403)
Profit for the year	127,631	53,030	277,088	261,580
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Re-measurement of retirement and post-employment benefit obligations	(9,018)	(806)	(2,082)	(15,029)
Related Tax	2,706	242	625	4,509
Other comprehensive loss - net of tax	(6,312)	(564)	(1,457)	(10,520)
Gain on revaluation of property, plant and equipment	4,176	-	4,176	-
Related Tax	(564)	-	(564)	-
Other comprehensive income - net of tax	3,612	-	3,612	-
Other comprehensive income/ (loss) for the year	(2,700)	(564)	2,155	(10,520)
Total comprehensive income for the year	124,931	52,466	279,243	251,060
Earnings per ordinary share	\$0.51	\$0.21	\$1.10	\$1.04
Dividends per ordinary share	-	-	\$1.04	\$0.98

SUMMARY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share Capital	Revaluation Surplus	Retained Earnings	Shareholders' Equity
	TT\$'000	TT\$'000	TT\$'000	TT\$'000
Audited Year Ended December 31, 2023				
Balance at January 1, 2023	42,120	57,986	352,113	452,219
Comprehensive income				
Profit for the year	-	-	277,088	277,088
Other comprehensive income				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	(1,457)	(1,457)
Gain on revaluation of land and building	-	3,612	-	3,612
Depreciation transfer on buildings - net of tax	-	(953)	953	-
Transactions with owners				
Dividends	-	-	(197,122)	(197,122)
Write back of unclaimed dividends	-	-	3,811	3,811
Balance at December 31, 2023	42,120	60,645	435,386	538,151
Audited Year Ended December 31, 2022				
Balance at January 1, 2022	42,120	58,936	499,283	600,339
Comprehensive income				
Profit for the period	-	-	261,580	261,580
Other comprehensive income				
Re-measurement of retirement and post-employment benefit obligations - net of tax	-	-	(10,520)	(10,520)
Depreciation transfer on buildings - net of tax	-	(950)	950	-
Transactions with owners				
Dividends	-	-	(399,180)	(399,180)
Balance at December 31, 2022	42,120	57,986	352,113	452,219



Ingrid L-A Lashley
Chairman



Raoul Glynn
Managing Director

SUMMARY STATEMENT OF CASH FLOWS

	AUDITED Year Ended 31.12.23 TT\$'000	AUDITED Year Ended 31.12.22 TT\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	386,868	378,983
Adjustments for:		
Depreciation	17,743	14,388
Loss on disposal of property, plant and equipment	-	89
Net decrease in retirement and other post-employment benefit obligations excluding actuarial losses	(5,815)	(5,877)
Interest income	(4,428)	(1,277)
Interest expense	504	254
Operating profit before working capital changes	394,872	386,560
Changes in working capital:		
Decrease/(increase) in inventories	23,647	(34,655)
(Increase)/decrease in trade and other receivables	(150,153)	2,600
Increase in trade and other payables	43,360	678
Increase in due to parent company	686	98,831
Cash generated from operating activities	312,412	454,014
Tax refund received	4,279	-
Interest paid	(504)	(254)
Taxation paid	(94,735)	(117,766)
Net cash from operating activities	221,452	335,994
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,883)	(33,643)
Interest received	4,428	1,277
Net cash used in investing activities	(5,455)	(32,366)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividends paid	(222,137)	(394,920)
Lease payments	(2,130)	(832)
Net cash used in financing activities	(224,267)	(395,752)
Net decrease in cash and cash equivalents	(8,270)	(92,124)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	276,372	368,496
CASH AND CASH EQUIVALENTS AT END OF YEAR	268,102	276,372
Represented by:		
Cash at bank	268,102	276,372
	268,102	276,372

NOTES TO THE SUMMARY INTERIM FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1: General Information

The West Indian Tobacco Company Limited is incorporated in the Republic of Trinidad and Tobago. The Company is listed on the Trinidad and Tobago Stock Exchange. The address of the registered office is Corner Eastern Main Road and Mount D'or Road, Champs Fleurs, Trinidad, West Indies. It is a subsidiary of British American Tobacco (Investments) Limited, a company registered in the United Kingdom. Its ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The principal business activities of the Company are the manufacture and sale of cigarettes.

This summary financial information was approved for issue on March 13, 2024.

Note 2: Basis of Preparation

This summary financial information for the year ended December 31, 2023, has been prepared in accordance with International Accounting Standard 34 (IAS34), 'Interim Financial Reporting' as well as the requirements of the Securities Act 2012 which goes beyond IAS 34. The summary interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

Note 3: Material Accounting Policy

The financial statements are prepared on the historical cost basis except for the inclusion of the net defined benefit asset (obligation) which is recognised at the fair value of plan assets, adjusted by remeasurement through other comprehensive income ("OCI"), less the present value of the defined benefit obligation adjusted by experience gains/losses on revaluation. Revaluation of land and building are recorded at fair value less depreciation and impairment losses.

Note 4: Segment Information

Primary reporting format – geographical segment

	Domestic TT\$'000	CARICOM & Non- CARICOM TT\$'000	Unallocated TT\$'000	Total TT\$'000
Year ended December 31, 2023				
Revenue	613,170	141,995	-	755,165
Gross Profit	475,716	18,051	-	493,767
Profit for the period includes:				
- Depreciation	-	-	(17,743)	(17,743)
Year ended December 31, 2022				
Revenue	590,330	133,760	-	724,090
Gross Profit	472,890	24,910	-	497,800
Profit for the period includes:				
- Depreciation	-	-	(14,388)	(14,388)
Total segment assets				
December 31, 2023	264,265	63,413	565,290	892,968
December 31, 2022	131,910	77,665	573,861	783,436

The Company is organised and managed on the basis of two geographic regions, namely the Domestic market and the CARICOM market. During 2023, the Company was also contracted as a contingent supplier to a Non-CARICOM market. The Non-CARICOM market was included with the CARICOM market. These are the reportable segments for the Company as they form the focus of the Company's internal reporting systems and are the basis used by the Managing Director and the local management team, as the chief operating decision makers, for assessing performance and allocating resources.

The Company is a single product business providing cigarettes. While the Company has clearly differentiated brands, segmentation among a wide portfolio of brands is not part of the regular internally reported financial information.

Primary reporting format – geographical segment

With the exception of the Domestic market, no other individual country within the CARICOM market contributes more than 10% of total revenue. Information is analysed by segment only where relevant and applicable. Where there is no logical allocation basis, items have been disclosed as unallocated.

All the Company's non-current assets are located in Trinidad and Tobago. Revenues from two customers of the Company's Domestic segment represented approximately \$608,967,375 (2022: \$587,013,776) of the Company's total revenues. This consisted of a 50% split between the two companies up to August 2023. From August to December 2023, the revenue of the Company's Domestic segment was generated from one customer.

	31.12.23 TT\$'000	31.12.22 TT\$'000
Note 5: Related Party Transactions		
Sale of goods and services:		
Sale of goods - related parties	141,995	133,760
Recharge of services - related parties	30,377	23,817
Purchase of goods and services:		
Purchase of goods - related parties	55,721	70,598
Purchase of services - related parties	73,565	32,934
Purchase of services - parent company	11,114	37,879
Period end balances arising from sales/ purchases of goods and services:		
Receivables from related parties	39,560	29,866
Payables to related parties	51,580	38,194
Payables to parent company	73,618	100,854
Key management compensation		
Salaries and other short-term employee benefits	9,002	8,543
Post-retirement medical obligations	8	5
Post-retirement benefits	565	368
Note 6: Capital Commitments		
Authorised and contracted for, and not provided for in the financial statements	2,577	7,032
Note 7: Contingent Liabilities		
Customs & immigration bonds	24,952	24,930
Note 8: Dividends Paid/Payable On Ordinary Shares		
Final dividend – prior year	65,707	217,221
Second interim dividend	65,707	98,561
Third interim dividend	65,708	83,398
	<u>197,122</u>	<u>399,180</u>

A final dividend in respect of 2023, of \$0.52 cents per share (2022 of \$0.26 cents per share) amounting to \$131,414,400 (2022: \$65,707,000) is to be proposed at the Annual Meeting to be held on April 23, 2024. If approved, the total dividend for the year will be \$1.04, 6% higher than the dividend distribution of \$0.98 with respect to 2022.

The Company's Bye-Laws allow for the forfeiture of dividends unclaimed after a period of twelve (12) years. The Company undertook to conduct due diligence to ensure that any shareholder who is entitled to dividend payments receives same prior to its forfeiture. Unclaimed dividends of \$3.8M for periods 2009 and 2010 were written back to the retained earnings in equity in 2023. The next review is scheduled to take place in 2025.