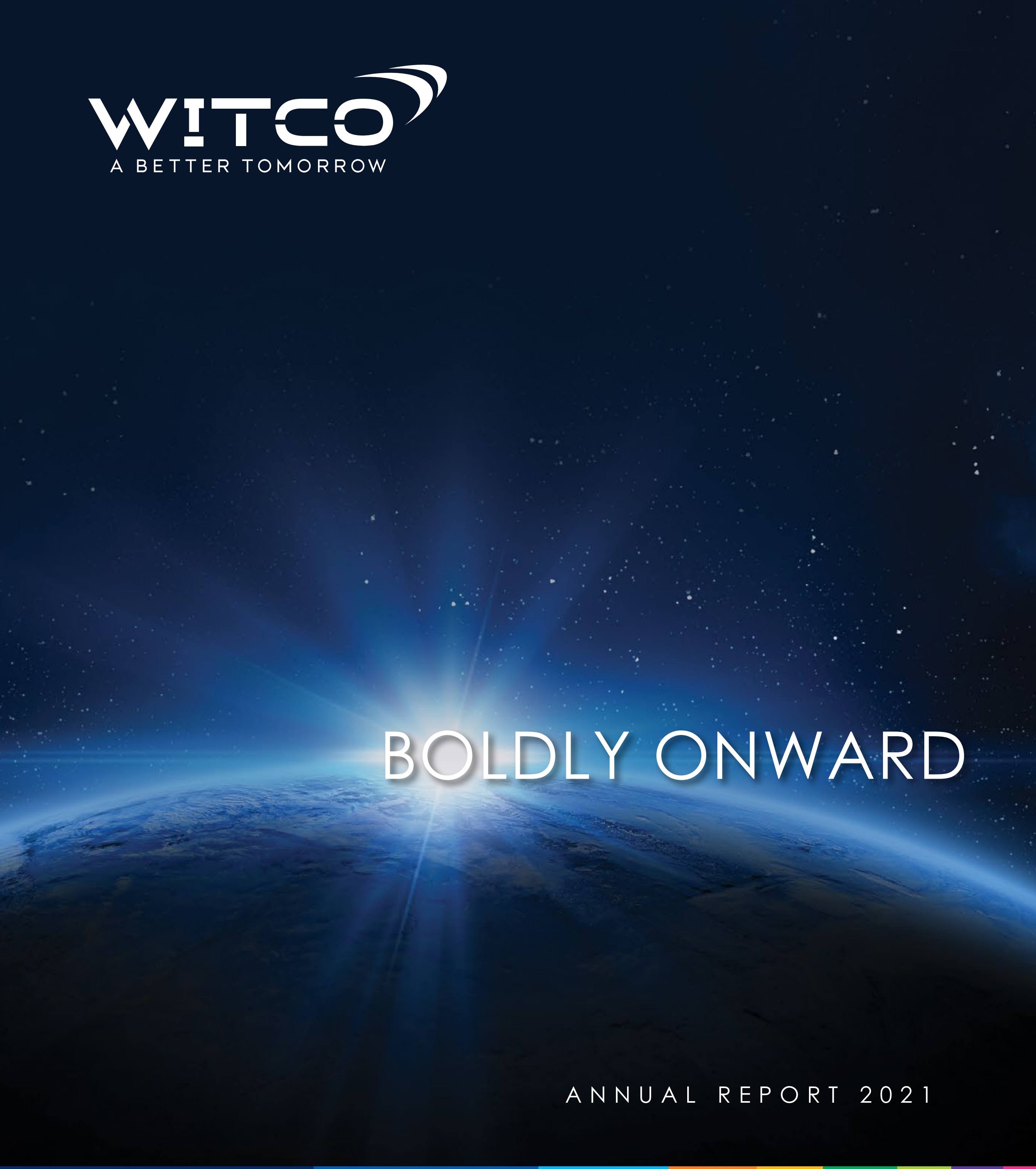

WITCO

A BETTER TOMORROW

BOLDLY ONWARD

ANNUAL REPORT 2021

OUR MISSION

To sustain our market leadership in Trinidad and Tobago and to be the number one manufacturing centre in the Caribbean.

OUR BUSINESS PRINCIPLES

Our Business Principles cover the key issues that we believe underpin Corporate Social Responsibility (CSR) for the unique characteristics of a tobacco business. Together, the three principles below form the basis on which we expect our business to be run in terms of responsibility.

The Principle of Mutual Benefit

This Principle is the basis on which we build relationships with our stakeholders. We are primarily in business to build long-term shareholder value and we believe the best way to do this is to seek to understand and take account of the needs of all our stakeholders.

The Principle of Good Corporate Conduct

This Principle is the basis on which our business should be managed. Business success brings with it an obligation to high standards of behaviour and integrity in everything we do and wherever we operate. These standards should not be compromised for the sake of results.

The Principle of Responsible Product Stewardship

This Principle is the basis on which we meet consumer demand for a legal product that is generally accepted as a cause of serious diseases. Therefore, our products and brands should be developed, manufactured and marketed in a responsible manner.

OUR ETHOS

Our ETHOS forms the core of our culture and guides how we deliver our strategy.

We are BOLD

We dream big and share innovative ideas.

We make tough decisions quickly and are proudly held accountable for them.

We are resilient and fearless in beating the competition.

We are FAST

Speed matters. We set a clear direction and move fast.

We keep it simple and focus on outcomes.

We learn quickly and share learnings.

We are EMPOWERED

We set the context for our teams and trust their expertise.

We challenge each other. Once in agreement, we commit collectively.

We collaborate and hold each other accountable to deliver.

We are DIVERSE

We value different perspectives.

We build on each other's ideas, knowledge and experiences.

We challenge ourselves to be open-minded and to recognise unconscious bias.

We are RESPONSIBLE

We take action to reduce the health impact of our business.

We ensure the best quality products for our consumers, the best place to work for our people and the best results for our shareholders.

We act with integrity, never compromising our standards and ethics.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Anthony E Phillip, Chairman
Ingrid Lashley, Deputy Chairman
Laurent Meffre, Managing Director
Danielle Chow
Diana Hernandez Gonzalez
Ranjit Jeewan
Juan Carlos Restrepo Piedrahita
Isha Reuben-Theodore
Arturo Rodriguez Lordmendez

AUDIT COMMITTEE

Ingrid Lashley, Chairman
Ranjit Jeewan
Anthony E Phillip

COMPANY SECRETARY

Kathryn Anne Abdulla, Company Secretary
Rowan Brathwaite, Asst. Company Secretary

REGISTERED OFFICE

Corner Eastern Main Road & Mount D'Or Road
Champs Fleurs
Republic of Trinidad and Tobago
Telephone No. (868) 662-2271/2
Facsimile No. (868) 663-5451
Email: west_indian_tobacco@bat.com
Website: www.westindiantobacco.com

REGISTRAR AND TRANSFER OFFICE

Trinidad & Tobago Central Depository
10th Floor Nicholas Tower
63-65 Independence Square
Port of Spain
Republic of Trinidad and Tobago
Telephone No. (868) 625-5107
Facsimile No. (868) 623-0089
Email: lsamai@stockex.co.tt

ATTORNEYS-AT-LAW & NOTARY PUBLIC

Fitzwilliam, Stone, Furness-Smith & Morgan
48-50 Sackville Street
Port of Spain
Republic of Trinidad and Tobago
Telephone No. (868) 623-1618
Facsimile No. (868) 623-6524
Email: fitzstone@fitzwilliamstone.com

M. Hamel-Smith & Company
Eleven Albion
Corner Dere and Albion Streets
Port of Spain
Republic of Trinidad and Tobago
Telephone No. (868) 299-0981
Facsimile No. (868) 625-9177
Email: mhs@trinidadlaw.com

AUDITORS

KPMG
11 Queen's Park East
Port of Spain
Republic of Trinidad and Tobago
Telephone No. (868) 623-1081
Email: kpmg@kpmg.co.tt

BANKERS

Citibank (Trinidad & Tobago) Limited
12 Queen's Park East
Port of Spain
Republic of Trinidad and Tobago

Republic Bank Limited
59 Independence Square
Port of Spain
Republic of Trinidad and Tobago

Scotiabank Trinidad and Tobago Limited
56-58 Richmond Street
Port of Spain
Republic of Trinidad and Tobago

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NOTICE OF ANNUAL MEETING

Notice is hereby given that the ONE HUNDRED AND SEVENTEENTH ANNUAL MEETING of SHAREHOLDERS of THE WEST INDIAN TOBACCO COMPANY LIMITED ("the Company") will be held in a virtual format via an online live webcast from the Company's Boardroom at the Company's compound at the Corner of Eastern Main Road and Mount D'Or Road, Champs Fleurs, Trinidad on Thursday 07 April 2022 at 10:00am for the following purposes:

A ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2021, together with the Reports of the Directors and Auditors thereon.

2. To declare a Final Dividend for the financial year ended 31 December 2021.

3. To re-elect Mrs Isha Reuben-Theodore who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.

4. To re-elect Mrs Danielle Chow who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.

5. To re-elect Mr Arturo Rodriguez Lordmendez who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.

6. To elect Mr Andrea Martini as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.

7. To elect Mr John De Silva as a Director of the Company in accordance with paragraph 4.3 of Bye-Law No. 1 of the Company for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5

8. To reappoint Messrs KPMG as Auditors of the Company to hold office until the close of the next Annual Meeting.

B SPECIAL BUSINESS

9. To consider and, if thought fit, pass the following Ordinary Resolution to increase the remuneration and fees of Non-Executive Directors:

   "That pursuant to paragraph 7 of Bye-Law No. 1 of the Company, the following adjustments shall be made to the remuneration and fees of Directors who are non-executive (being Directors who are neither employees of the Company nor employees of British American Tobacco or any of its affiliates) with effect from 01 May 2022:

   (a) the monthly remuneration, an increase from
      i. $11,000 to $15,000 for a Chairman
      ii. $7,200 to $8,000 for a Director;

   (b) the Board of Directors Meetings, an increase from
      i. $5,400 to $6,750 for a Chairman
      ii. $3,400 to $4,500 for a Director
      for each Board of Directors Meeting attended;

   (c) the Committee Meetings, an increase from
      i. $3,200 to $3,550 for a Member
      for each Committee Meeting attended.

BY ORDER OF THE BOARD

Kathryn Anne Abdulla
Company Secretary
Corner Eastern Main Road and Mount D'Or Road
Champs Fleurs
TRINIDAD

09 March 2022

NOTICE OF ANNUAL MEETING

NOTES:

1. No material service contracts were entered into between the Company and any of its Directors.

2. The Directors of the Company have not fixed a record date for the determination of shareholders who are entitled to receive notice of the Annual Meeting. In accordance with Section 111(a)(i) of the Companies Act, Ch. 81:01 the statutory record date applies. Only shareholders on record at the close of business on Tuesday 08 March 2022, the date immediately preceding the date on which the Notice is given, are therefore entitled to receive Notice of the Annual Meeting.

3. A shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint a proxy or one or more alternate proxies to attend and act at the Meeting in the manner and to the extent authorised by the proxy and with the authority conferred by the proxy. A proxy need not be a shareholder. All Proxy Forms should be completed and deposited with the Secretary of the Company at the Registered Office of the Company at least 48 hours before the time appointed for the Annual Meeting.

4. Shareholders and their duly appointed proxyholders who wish to attend, participate and vote at the meeting are asked to pre-register by Tuesday 05 April 2022 during the hours of 8:30am to 4:00pm by contacting the Company at WestIndianTobaccoAGM@bat.onmicrosoft.com. Shareholders are asked to please provide their full name and address as listed in the Shareholders Register, as well as their email address and a valid identification number to facilitate registration. The credentials to join the meeting will be provided on or before Thursday 07 April 2022.

5. A shareholder who is a body corporate, may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at the Annual Meeting.

ANTHONY E PHILLIP – Chairman

CHAIRMAN'S STATEMENT

The COVID-19 pandemic and its cumulative effect on business operations continued to affect the Company's performance, mirroring national economic trends. Factors having direct effect on the business included market restrictions, closure of our Manufacturing Operations for a period of four weeks, supply chain disruptions, and border closures. The prevailing environment required the implementation of contingency plans to find ways in which the Company could enhance efficiencies through prudent financial and operational management.

Despite these challenges, the Company recorded a Profit Before Taxation of $537.2 million for the year ended 31 December 2021, representing a decline of $50.9 million or 8.65% over the corresponding period. Profit for the period was $379 million reflecting a decline of $30.9 million or 7.6% less than 2020.

The GDP of Trinidad and Tobago is estimated to have contracted by 1% for 2021, compared with a 7.4% contraction in 2020. The 2021 national budget was based on an estimated oil price of US$45 per barrel, and gas price of US$3.00 per MMBtu. However, with continued uncertainty due to changing COVID-19 restrictions, as well as, lower than expected revenues from natural gas, growth lagged and the Company continued to monitor the environmental changes as we worked towards meeting targets.

The Company continues to engender resilience and sustainability. Consumer satisfaction remains the driving force to enhance our product portfolio and cement our commitment to achieving excellence. In the manufacturing sector, we are committed to achieving excellence in manufacturing for both local and export markets, while continuing to adhere to the highest standard of Environmental Health and Safety (EHS) practices.

Directors have recommended a final dividend of $0.70 per ordinary share and this, once approved by shareholders and added to the dividend of $0.72 per ordinary share already paid in 2021, will provide for an overall dividend payment of $1.42 per ordinary share for 2021. Based on the current share price as at 31 December 2021, this maintains a dividend yield of 5.0%.

This dividend will be paid on 12 May 2022 to shareholders on record at close of business on 22 April 2022. The Register of Shareholders will be closed on 25 and 26 April 2022 for the processing of transfers.

I take this opportunity to thank Mr Ranjit Jeewan for his significant contribution to the Board and the Company over the last 36 years.

I also take this opportunity to welcome Messrs Andrea Martini and John De Silva who are proposed for election as Directors at the April 2022 Annual Shareholders meeting.

Finally, at the close of the April 2022 Annual Meeting of Shareholders, I retire from the Board of Directors. I wish to thank the Board of Directors, Management, Staff and you the Shareholders for your confidence in my stewardship of the Board over the last 15 years and wish West Indian Tobacco continued success.

Anthony E Phillip
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The economic environment remained subdued for 2021 yielding a fiscal deficit of TT$13.184 billion (9.2% of GDP) as compared to the initial TT$8.209 billion estimate in October 2020. The COVID-19 pandemic continued to dampen production of goods and services resulting in a contraction of production in both energy and non-energy sectors.

Available indicators show that output in several non-energy sectors was impacted by public health restrictions to mitigate the spread of the COVID-19 virus. Some sectors showed signs of improvement, however, large contractions in construction, retail trade, and manufacturing kept non-energy activity low. Construction activity was restricted in May and June 2021 and Manufacturing registered an estimated decline of 1.5%.

The 2021/2022 fiscal budget presentation represented a more realistic, albeit optimistic TT$9.096 billion fiscal deficit (5.8% of GDP) for the upcoming 2022. The Government debt ratio for 2021 is 84.8% and projected at 87.2% in 2022. The recent rebound in energy prices and prospects of higher domestic production will enhance Government's revenue inflows and consolidate reserves position in the short term.

With economic conditions projected to show marginal improvement in 2022 at best, the Company is faced with another challenging year ahead. As the country, the Caribbean and the Globe continue to seek ways to ensure resilience and sustainability, we will strive to innovate our operations to ensure that we continue to achieve excellence in manufacturing, export, and consumer satisfaction as we contribute positively to the move toward full economic recovery.

Performance and Strategy

The landscape of the tobacco industry has changed drastically in recent years. The ever-expanding list of illicit trade and low-price offerings, economic climate and a downward shift in consumer spending patterns have impacted the business. COVID-19 health restrictions disrupted operation with the closure of the factory, distributors, and non-essential businesses, which included many trade outlets. All factors combined have negatively impacted consumer consumption. The year 2021 has undoubtedly been challenging.

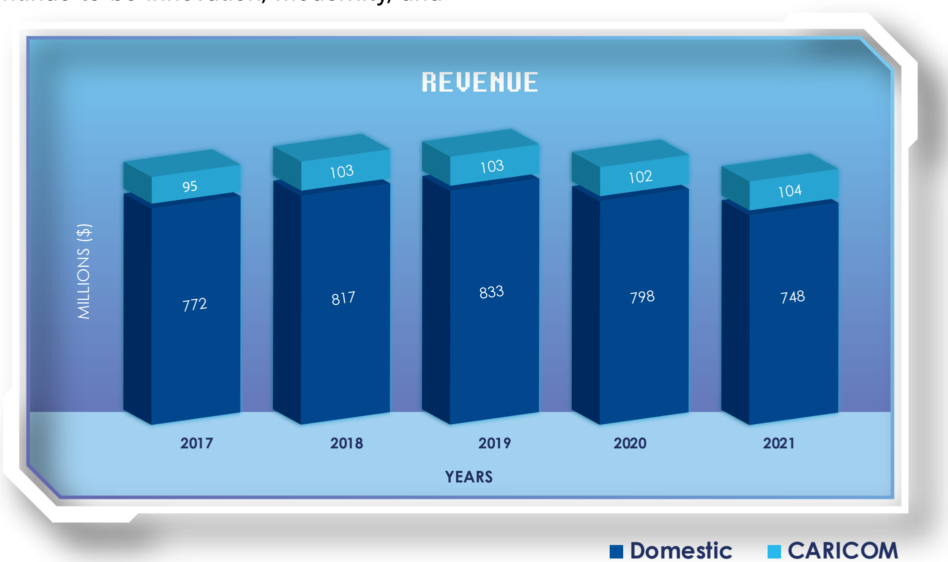
The underlying strategy of Transformation is therefore imperative as "We continue our portfolio transformation agenda with a simplified and modern portfolio delivering value to Adult Tobacco Consumers in all price segments, giving them a reason to believe in our brands' future."

In 2021, the Company accelerated the transformation of its brand portfolio, strengthening its ability to respond to changing market dynamics in this unprecedented macroeconomic environment. The key areas of focus continue to be innovation, modernity, and affordability with a relevant portfolio targeting each price segment, thereby allowing the business to maintain its position as market leader demonstrating its resilience and adaptability.

We maintain our rightful position as the premium supply source for cigarettes for the Domestic and Caribbean markets. As an organisation, our agile business model ensured that we were able to secure jobs and benefits in full, even despite another complete shutdown of the Company's operations which occurred this year.

Sustainability is a core part of our operations and so, the Company's Environmental, Social and Governance (ESG) priorities will increasingly guide our relationship with all stakeholders which will redound to visible positive results for our business, our business partners, and the national community.

Overall performance for 2021 has been the combined result of a weak economic environment, severely disrupted market dynamics and evolving consumer behaviour created by the decline in disposable income and consumers' purchasing power.



Revenues

Revenue for 2021 decreased by 5.3% or $47.7 million below the same period last year. Sales volume for 2021 continued a downward trajectory in all brands except for Broadway which began its migration to Lucky Strike White. These results continue to reflect the impact of COVID-19 on the business. The Company's Factory Operations were closed for the month of May 2021 and this negatively impacted exports to Jamaica, Guyana, and other Caribbean Islands. Additionally, manufacturing and distribution of products in the domestic market was severely disrupted stemming from the Curfew and State of Emergency measures enforced by the Government.

Cost of Sales and Overheads

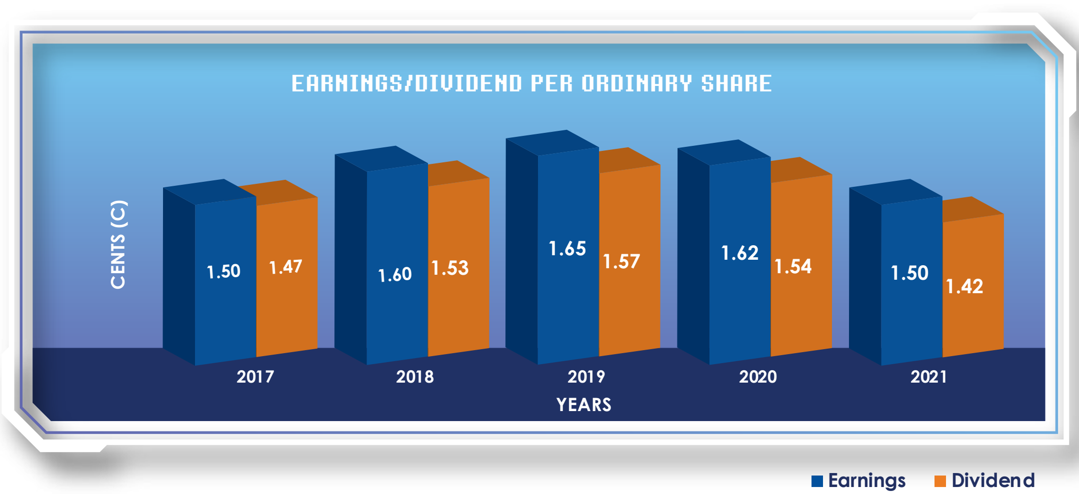
Cost of Sales decreased from $211.0 million to $207.5 million, a decrease of 1.7% or $3.5 million against prior year. The decline was driven by a decrease in Sales Volume across all markets and a 0.2% reduction in leaf prices. Savings also occurred in wrapping material cost as a result of cost-saving initiatives such as bulk buying, product harmonisation and a change of suppliers.

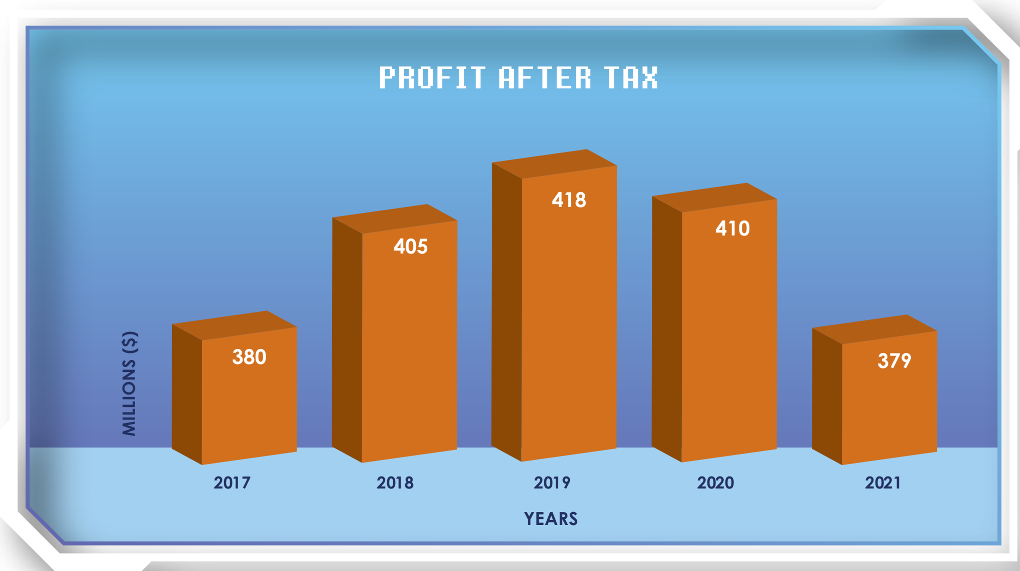
Overheads for the current year increased by 5.6% or $5.7 million against the same period last year, moving from $101.7 million to $107.4 million. The increase against prior year is mainly driven by increased Brand Support Expenditure in 2021 aimed to support with Volume recovery and Tactical Trade Initiatives combined with Brand Management Plan initiatives behind the key brands within the strategic segments. There were also increases in IT Shared Service Costs due to significant digitalisation upgrades enabling best practices in the new way of work.

Profit and Total Comprehensive Income

Profit Before Taxation of $537.2 million shows a decrease of 8.6% versus $588.1 million for 2020. Profit for the Year of $379.0 million decreased in comparison to 2020 by 7.6% or $31.0 million.

Total Comprehensive Income for the Year of $388.3 million decreased from prior year by 7.4% or $31.2 million which was positively impacted from an actuarial gain of $9.3 million following the remeasurement of retirement and post-employment benefit obligations. Earnings per share is $1.50 versus $1.62 for prior year, a decrease of 7.4% over prior year. Dividends per





Share for 2021 will be $1.42 based on the financial results once the Final Dividend is approved at the Annual Meeting.

Cash Flows

Cash and Cash Equivalents decreased by $79.4 million by the end of 2021 to $368.5 million, compared to prior year of $447.9 million. Net Cash Generated from Operating Activities decreased by $140.4 million, a result of lower operating profit coupled with the decrease in Working Capital changes. Dividend payout remained the single largest cash outflow for 2021, totalling $362.8 million.

Balance Sheet

Total Assets increased by $10.3 million to $819.1 million at the end of December 2021 due mainly to an increase in Non-Current Assets from $258.3 million to $268.1 million. This was driven by an increase in Property, Plant and Equipment; as well as the recognition of a Retirement Benefit Asset of $3.3 million. The net assets per share were $2.66 as at the end of the financial year, compared to $2.28 in 2020.

Transactions with Affiliates

The Company is a subsidiary of British American Tobacco (Investments) Limited which holds 50.13% of the Issued Share Capital and whose ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The Company has several transactions and relationships with related parties as defined by IAS 24 Related Party Disclosures, all of which are undertaken in the normal course of business.

These transactions include the sale and purchase of manufactured cigarettes and raw materials and charges for Royalties, Services and Fees.

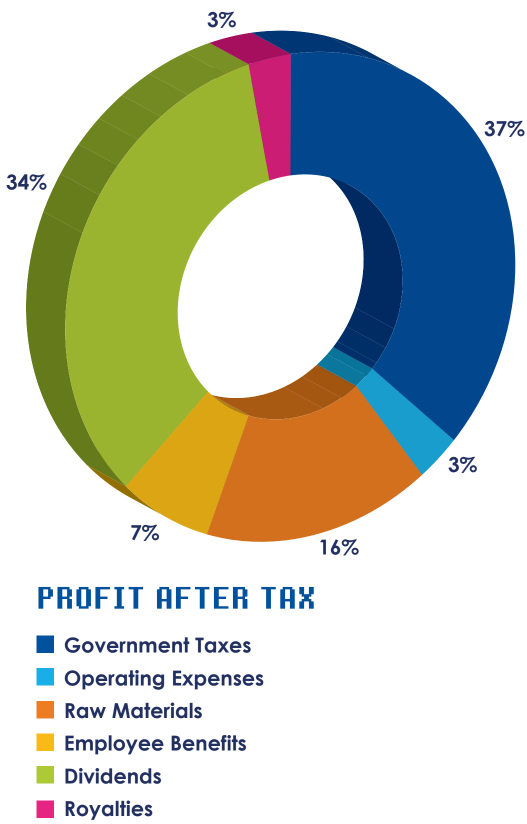
ACCOUNTING POLICIES

The Company's principal accounting policies conform to International Financial Reporting Standards (IFRS). Developments related to these standards are actively monitored and all significant accounting policies are disclosed under Note 2 of the Notes to the Audited Financial Statements.

GROWTH

In 2021, with reduced affordability and spending power, our Trade and Sales Teams relied heavily on the strength of our brands and relationships with our trade stakeholders to maintain and defend our market share. Despite the many challenges in the year, there were still some bright spots.

Broadway continued an upward trajectory, showing resilience throughout the current climate in the market. Despite the State of Emergency and continued economic downturn, Broadway migrated to Lucky Strike White and achieved 5% growth versus the previous year. This brand remains consistent as it continues to deliver value to consumers through an attractive offer and price. In 2022, this segment can look forward to more value as it migrates to a king-sized offer providing more to consumers at the same price.



Mt. d'or started its migration to Rothmans in 2020 and continued into 2021 with positive feedback from customers and consumers. This low-price segment, similar to Broadway, will be moving to a king-sized offer. In 2022, this brand is expected to continue being a key strategic growth driver for the portfolio and continues to be one of the market leaders.

The premium price segment was most affected by the onset of the pandemic with the closure of entertainment channels for most of 2021. Despite this hindrance, we added a 10's format to the Dunhill capsule family which continues to grow month on month. Consumers are enjoying the capsule offer at a competitive price of TT$20.00. Also performing well are Dunhill double capsules which has grown 5% versus last year and which continues to boost the brand equity of the Dunhill family. As restrictions ease in 2022, we expect a positive increase in sales and market share for this brand family.

Rothmans White was launched in the latter part of 2021. This ultra-low-price offer was launched to give consumers additional choice at an affordable price point based on the current economic situation. Rothmans White continues to grow month on month and is anticipated to increased market share in 2022.

2021 was a year of rejuvenation for du Maurier. This followed extensive research in the previous years which highlighted the need for change. Thus, du Maurier started its migration to Lucky Strike Red. This change was met with positive feedback as loyal consumers enjoyed the new look of the pack. Even though suffering from downtrading within the market, this brand family remains resilient. 2022 will present a very exciting prospect for loyal consumers with the plans that will be executed.

Throughout the challenges in 2021, the depth, strength and flexibility of our distribution footprint and route to market capabilities were tested and served as a guiding pillar along the way. Both our Distributors and Trade Marketing team continued to be successful in pivoting business to adapt to the demands of the market. Initiatives that began in 2020 like pre-sales, telesales, depot collections, as well as flexible operational procedures were instrumental in ensuring the availability of our brands. In 2021, we also saw the introduction of web ordering as a pilot programme which again assisted in meeting the needs of the market.

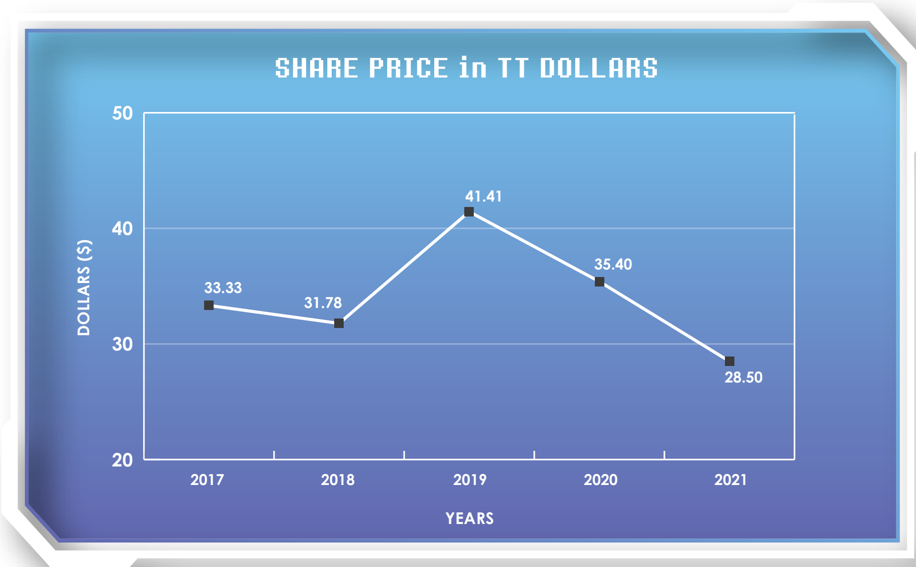
These initiatives were all supported by our customers who continue to persevere and adjust their business model during difficult times to ensure priority for our WITCO brands.

In summary despite the challenges of 2021, our valiant effort could only be attributed to strong leadership, dedicated teams and ultimately the tenacity of our people. In such a historically unprecedented year, our distributor sales teams and the WITCO trade teams went above and beyond to ensure success.

PRODUCTIVITY

2021 continued to be a challenging year for the factory due to the negative impacts brought about by the pandemic. However, the factory was able to exhibit the grit to steadfastly forge ahead by firstly maintaining full adherence to all COVID-19 protocols to assure the safety of our employees whilst also ensuring that all markets were supplied on time, in full thus avoiding any stock outages and the triggering of any costly external contingent supply source.

Despite the reductions in production volume demand, the factory continued to deliver improvements in the key performance areas. For 2021, the Overall Equipment Effectiveness surpassed the 2020 actual of 50.1% to 51.4%, even though we were deprived of the volume weighted benefits from the Regular Size production modules in Q4. At the same time, tobacco waste



garnered an 8% reduction moving from 9.4% at the end of 2020 to 8.66% at end of 2021.

As we transition into 2022, the capabilities and tools provided by the pillars of the Integrated Work Systems continue to be our key driver to guide and propel us towards our Compelling Business Need (CBN) vision and targets. With a revitalised and well-poised operational leadership team, primary focus will be placed on the reduction of the sites' top losses. To achieve this, a robust strategy encompassing cultural transformation was utilised to enhance the zero-loss mindset along with 100% employee ownership.

Critical to the realisation of this journey over the next two years will be our commitment to reducing machine stops through our "Stop the Stops" campaign thereby attaining sustainable and improved performance as we truly look towards creating increased value for "A Better Tomorrow".

SIMPLER, STRONGER, FASTER ORGANISATION – "A BETTER TOMORROW"

As we look back at the year 2021, the team was able to successfully drive the organisation given the continued challenges posed by the ongoing pandemic. With an increasingly uncertain business environment, coupled with other ambiguities on account of the pandemic, our ever-evolving and people-driven business model proved to be quite resilient. Powered by our Ethos, we have continued to grow as an organisation by being Bold, Fast, Empowered, Diverse and Responsible and cementing this within our culture and business strategies.

As with the first year of the pandemic, we have continued to be agile and adaptive to the current organisational needs. The Company has seamlessly transitioned to a hybrid model of on-site and remote working which has ensured business continuity and has assisted in reducing health and safety risks on the site given the nature of the pandemic. Adopting this model, the organisation continued to be responsive and engaged with its stakeholders. We have embraced the new way of working which is fast becoming globally accepted.

With this adjustment, our commitments to our employees continued to be centre stage in driving our business performance. This comprised three key facets:

Employee engagement: multiple engagement activities were undertaken by the organisation. These were mostly online and also partially on site with the strictest of protocols observed to ensure that all teams within the business stayed connected and continued to build a healthy culture.

Employee wellness: this revolved around the Company's wellness thrust and our commitment to the well-being of all employees, in particular, mental health during the current pandemic. Our Employee Assistance Programme (EAP) is now fully virtual/online and accessible to all employees. The organisation has also spearheaded many mental health initiatives and support for employees as we continue to adjust.

Employee satisfaction: this involved the measurement of employee engagement, which took place in the form of the Your Voice (YV) Survey in the third quarter. This survey is critical in measuring the engagement levels of our employees and was last conducted in 2019. Even with the extraordinary challenges brought by the pandemic situation, the organisation's overall YV Index scores increased from 2019, which was nothing short of a remarkable achievement.

In addition, we have continued to sustain our agility on the talent front by continuing the final assessment phases of the Leadermeter – an online tool that focuses on key analytics of managing talent. In actualising our strategies, several talent acceleration opportunities were availed to our employees by means of training, promotions, lateral and export moves, reflecting continued commitment to the development of our people. In doing this, the organisation continues to boast an extremely competent and diverse team and has committed to continue to sustain our investments in our people as a core strategy re talent growth and development.

Furthermore, in the sphere of employee and Industrial Relations, we continue to collaborate with and enjoy a phenomenal relationship with our recognised majority union. This bond has continued to be a template for successful Industrial Relations practice in the national context and amidst 2021's challenges, proved fruitful and rewarding. With the shutdown of the factory in the second quarter of this year, the cooperative efforts of the Company and the union allowed for an effective and well-structured mobilisation and return to work as well as improved efficiencies within the business' operations.

As we look ahead to 2022, we will continue to accelerate the agenda of a Winning Organisation by continuing to drive our Ethos, maintain healthy employee relations, continuously engage our people, accelerate our talent strategies, and ensure business sustainability through business partnering, facilities improvements, wellness and maintaining our leadership's commitments to our people. This continues to be the success story of a Winning Organisation staffed by Winning People and Teams.

SUSTAINABILITY

Agility rests at the foundation of the experiences we have had to overcome in 2021; a year in which we had no choice but to adapt for sustainability. Companies all over the world had to learn how to live with the new normal, to not only survive, but to foster growth and become even more productive in an unprecedented environment. Change is an integral part of any business model and should be embraced. As a responsible company, we remain committed to building "A Better Tomorrow" for the benefit of the business, our partners, and our customers. As challenging as the times were, we used them as a period of opportunity.

As part of our expanded business outlook, the Company continues to become more focused on incorporating sustainability as a core part of its operations. Our ESG priorities continue to engage our national and fenceline communities, who more than ever, stand to benefit from our world-class operational knowledge and expertise, as well as our resource base, to sustain their operations. Our endeavours have gone even further than before, by incorporating efforts that will upskill members of the communities we support in areas that can contribute to economic recovery and survival. We look forward to future engagements based on our ESG approach which will redound to the sustainability of our business, our business partners, and the national community.

In 2021, we continued to manage the pandemic as WITCO and its operations were again adversely affected by factory shutdowns and market restrictions. Since the pandemic we have been adapting and learning to work in an unprecedented environment. Through it all, we have remained steadfast and resilient. We continued to respond to the impending challenges with agility while displaying consistent commitment to our corporate values and the health and safety of our employees. We supported the Government's call to "Vaccinate to Operate" by hosting a COVID-19 vaccination drive for all employees and contractors, and their families, and engaged in awareness campaigns on the importance of vaccines and following all health protocols.

What became apparent during the year was that beyond the challenges of COVID-19 and how it affected our operations, it was a year that highlighted our resilience, as we diligently leveraged our resources to ensure sustainability. We seamlessly adapted to a digital environment to continue to operate "business as usual" even under unusual conditions. When there were challenges, we responded and adapted, and made the tenets of our Ethos even more relevant, as we remained Bold, Fast, Empowered, Diverse and Responsible, satisfying customer needs, and ensuring our employee safety.

Look Ahead

We have always been an organisation focused on transformation through innovation, and this strategy will continue to pay off for our customers, employees, and stakeholders. If 2021 was the year of adapting to our new normal, 2022 will be the year of exceeding expectations. We have taken the time to understand what needed to be done, pivoting whenever a new obstacle blocked our path to success.

Changes to our operations range from portfolio transformation and factory upgrades, to operational changes due to new Government mandates in our industry. In the face of these challenging conditions, we are confident in our ability to deliver on all our key performance indicators. Our relationships with our distributors and partners will play a large part in our future success and we are very proud of the relationships that we have fostered that will help us to recapture market share and bolster our position as leaders in the industry.

Our commitment remains steadfast to our stakeholders – protecting our business, and our most important asset, our employees, from the effects of the pandemic. We will continue to be at the forefront of the industry, pioneering manufacturing operations, as we continue to ensure our customer needs are met, and shareholder expectations are met and exceeded, amid our portfolio transformation, industry changes and continued competition from both legal and illicit brands. We are confident in our ability to win as we look forward to a year of growth in 2022.

DIRECTORS' REPORT

Dear Shareholder,

We report to you on five critical areas of corporate governance and the foundations on which they are built, together with the Company's performance in these areas.

1. FRAMEWORK FOR EFFECTIVE GOVERNANCE

The Company is headed by a Board of Directors which is collectively responsible for the long-term success of the Company.

The roles and responsibilities of Directors are set out in the Company's Bye-Laws and are governed by the Companies Act Chapter 81.01. The Directors exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

In furtherance of this, at the April 2022 Annual Meeting:

- In accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, Mrs Isha Reuben-Theodore, Mrs Danielle Chow and Mr Arturo Rodriguez Lordmendez will retire from the Board of Directors and being eligible, offer themselves for re-election.
- In accordance with paragraph 4.7:2(g) of Bye-Law No. 1 of the Company, Messrs Anthony E Phillip and Ranjit Jeewan will retire from the Board of Directors and will not offer themselves for re-election.
- In accordance with paragraph 4.3 of Bye-Law No. 1 of the Company, Messrs Andrea Martini and John De Silva, being eligible, offer themselves for election.

Mr Martini is a consultant in business strategy, marketing and transformation who has operated globally in a number of Fast Moving Consumer Goods (FMCG) companies over the last 28 years. He previously held the position of Chief Executive Officer for the BAT Group's interest in Colombia, Mexico and Brazil as well as Regional Marketing Director for the Americas and Sub-Saharan Africa. Mr Martini holds a degree in Business Administration from the Universita degli Studi di Parma, Italy.

Mr De Silva is currently the Managing Director of Lasco Distributors Limited. He previously held the positions of Nestlé Country Manager and Unilever Managing Director of operating companies in the Anglo-Dutch Caribbean markets. He has over 25 years' experience in General Management, Supply Chain, Operations and Finance, having worked in Trinidad and Tobago, Jamaica, Switzerland, The Dominican Republic and Mexico. Mr De Silva is a Fellow of the Association of Chartered Certified Accountants of the UK and an alumnus of IMD Business School in Switzerland.

2. COMPOSITION AND PERFORMANCE OF BOARD

The balance of independence and diversity of skill, knowledge, experience, perspectives and gender among the Directors allows for the Board to work effectively.

The Board of Directors currently comprises nine Directors. Of the nine Directors seven are

Non-Executive Directors and of those seven, four are Independent Directors. The Board is diversified by nationality and gender and represents a strong team with a broad range of professional backgrounds and experience, including financial accounting, production, audit, marketing, legal, corporate governance and corporate affairs.

The Chairman is responsible for leading the Board to ensure effectiveness and robust shareholder engagement. The Deputy Chairman supports the Chairman in providing leadership and steps into the Chairman's role when required. Directors oversee the Company's strategy, review management's proposals, monitor performance and they bring an external and specialist perspective and challenge to management. Based on the strategy and policies approved by the Board, the Managing Director is responsible for overseeing the implementation of these strategies, which creates the framework for day-to-day operations.

All Non-Executive Directors receive an induction upon their appointment to the Board, which covers such matters as the operation of the Company, activities of the Board, the role of the Board and management, as well as the Board's governance policies and practices. In 2021, all Directors participated in formal corporate governance training with a focus on Environment Social Governance (ESG), which was facilitated by Syntegra-ESG.

In 2021, the Board undertook a rigorous, transparent, and formal evaluation of its performance and that of its Directors and Committees. It was facilitated through an independent third party, the Arthur Lok Jack Global School of Business.

Non-Executive Directors are paid a retainer fee as well as an additional fee for attendance at Board and Committee meetings. Executive Directors and Directors who are employees of British American Tobacco or any of its affiliates are not paid fees. All fees payable to Non-Executive Directors are approved by the shareholders. At the 2022 Annual Meeting, Shareholders will be asked to consider increases to the monthly remuneration for the Chairman and Directors, as well as increases to remuneration for attendance at the Board of Directors and Committee meetings.

The Company's Board of Directors meets at least quarterly and attendance and participation at meetings of the Board are considered a critical part of the role of a Director. In 2021, eight Board meetings and four Audit Committee meetings were held.

3. LOYALTY AND INDEPENDENCE

The Directors act with integrity and in good faith and in the best interest of the Company ahead of all other interests.

The Chairmen of the Board and the Audit Committee are Independent Non-Executive Directors. This balance of Non-Executive to Executive Directors ensures that the Board is able to exercise independent judgement with sufficient management information to enable proper and objective assessment of issues. The Board is not aware of any relationships or circumstances affecting the Directors' independent judgement.

All Directors are candidates for re-election by shareholders at intervals of no more than three years, subject to continued satisfactory performance. Directors who have attained the age of 65 are candidates for re-election by the shareholders every year.

The Company's Standards of Business Conduct applies to all employees, managers and Directors and reflects the Company's commitment to act with high standards of integrity at all times. In accordance with the Company's policy and the Companies Act, all Directors are required to declare any material interest in any transaction or matter directly affecting the Company.

Interests of Directors, Senior Officers and Connected Persons

In accordance with the requirements of our Listing Agreement with The Trinidad and Tobago Stock Exchange Limited ("the TTSE") and Rule 601 of the Rules of the TTSE, we record hereunder details of the beneficial interest of each director and senior officer, together with their connected persons, in the share capital of the Company as at the end of the Company's financial year 31 December 2021.

DIRECTORS	ORDINARY SHARES	NO. OF SHARES HELD BY CONNECTED PERSONS
Mr Anthony E Phillip	NIL	NIL
Mr Laurent Meffre	NIL	NIL
Mrs Danielle Chow	NIL	NIL
Ms Diana Hernandez Gonzalez	NIL	NIL
Mr Ranjit Jeewan	24,000	NIL
Ms Ingrid Lashley	NIL	NIL
Mr Juan Carlos Restrepo Piedrahita	NIL	NIL
Mrs Isha Reuben-Theodore	NIL	NIL
Mr Arturo Rodriguez Lordmendez	NIL	NIL

There are no other interests held by the Directors. There has been no change in the interests of Directors or connected persons to Directors between the end of the Company's financial year and 10 February 2022, the latter being a date not more than one month prior to the date of the notice convening the Company's Annual Meeting.

SENIOR OFFICERS	ORDINARY SHARES	NO. OF SHARES HELD BY CONNECTED PERSONS
Mr Laurent Meffre	NIL	NIL
Mrs Kathryn Anne Abdulla	NIL	NIL
Mrs Isha Reuben-Theodore	NIL	NIL
Mr Jason Fournillier	300	NIL
Ms Daphne Solmer Thom	150	NIL

Disclosure of Interest of Directors and Officers in any material contracts with the Company (pursuant to Section 93(1)(a) of the Companies Act Ch. 81:01).

At no time during the current financial year has any Director or Officer been a party to a material contract with the Company, or was materially interested in a contract or in a party to a material contract which was significant in relation to the Company's business.

Disclosure of Directors and Officers who are Directors or Officers of Companies that are a party to material contracts with the Company (pursuant to Section 93(1)(b) of the Companies Act Ch. 81:01).

Messrs Laurent Meffre, Managing Director, and Juan Carlos Restrepo Piedrahita, Non-executive Director, are Directors of an affiliated company, Carreras Limited in Jamaica and Ms Diana Hernandez Gonzalez and Mr Arturo Rodriguez Lordmendez, Non-Executive Directors are Directors of an affiliated Company, British American Tobacco Mexico SA in Mexico. Mrs Kathryn Anne Abdulla, Company Secretary, is a Director and the Chairman of an affiliated company, Demerara Tobacco Company Limited in Guyana.

4. RELATIONSHIP WITH SHAREHOLDERS

The Board promotes constructive relationships with all shareholders that facilitate the exercise of their ownership rights and encourage their engagement with the Company.

The Board is committed to facilitating the ownership rights of all shareholders including minority shareholders. Provision is made at Annual Meetings for shareholders to have the opportunity to engage with the Directors and management.

SUBSTANTIAL INTEREST/LARGEST SHAREHOLDERS

In accordance with the requirements of our Listing Agreement with the TTSE and Rule 601 of the Rules of the TTSE, we list below those shareholders with the 10 largest blocks of shares in the Company as at 10 February 2022.

SHAREHOLDING	TOTAL SHARES HELD
British American Tobacco Investment Ltd.	126,682,956
National Insurance Board	22,764,198
National Investment Fund Holding Company Limited	13,646,136
Republic Bank Limited A/C 1162 01	8,964,006
Trintrust Limited A/C 1088	6,623,590
RBC Trust (Trinidad & Tobago) Limited – T585	4,534,538
RBTT Trust Limited – T964	3,837,177
Tatil Life Assurance Limited A/C C	3,006,870
Republic Bank Limited A/C 1367	2,607,078
T & T Unit Trust Corporation – FUS	2,499,852

The Trinidad and Tobago Central Depository holds the legal interest in shares for and on behalf of several beneficial owners totalling 116,530,605 as at 10 February 2022.

5. ACCOUNTABILITY

The Board of Directors presents an accurate, balanced and understandable assessment of the Company's performance.

The Audit Committee meets at least four times a year, including immediately prior to the publication of the full year's Audited Financial Statements and interim results of the Company. The Audit Committee monitors the integrity of the financial statements of the Company and reviews and when appropriate, makes recommendations to the Board on top ten business risks, internal controls and compliance and ensures that adequate mitigating measures are in place. The Committee also reviews the financial reporting and audit process, as the Company's risk management and internal control processes strike the balance between fostering entrepreneurship within the Company's business model while safeguarding shareholder investments and the Company's assets.

2021 Financial Highlights

	2021 $'000
Revenue	852,251
Cost of Sales	(207,461)
Gross Profit	644,790
Distribution Costs	(9,931)
Administrative Expenses	(73,629)
Other Operating Expenses	(23,838)
Operating Profit	537,392
Interest Income	116
Finance Cost	(296)
Profit Before Taxation	537,212
Taxation	(158,183)
Profit for the Year	379,029
Other Comprehensive Income:	
Items that will not be reclassified to profit or loss	
Re-measurement of retirement and post-employment benefit obligations	13,305
Related Tax	(3,991)
Other Comprehensive Income - net of tax	9,314
Total Comprehensive Income for the Year	388,343

Dividends:

Interim 1st	$0.00	per ordinary share	–
Interim 2nd	$0.39	per ordinary share paid on 30 August 2021	98,561
Interim 3rd	$0.33	per ordinary share paid on 29 November 2021	83,398
Proposed Final	$0.70	per ordinary share to be paid on 12 May 2022	176,904

The Audit Committee assesses the suitability and independence of external auditors and ensures recommendations made by internal and external auditors are implemented by management. Its members also ensure that the Company's financial statements, as audited by the independent auditors, comply with International Financial Reporting Standards (IFRS) and represent a true and fair view for the respective reporting period.

The Company's external auditing firm KPMG retires and has expressed willingness to be reappointed as auditors at the April 2022 Annual Meeting. KPMG is a licensed member of the Institute of Chartered Accountants of Trinidad and Tobago and is eligible for re-appointment as auditors of the Company under the rules of the said institute.

FINANCIAL CALENDAR

Reports

Interim Financial Statements

▪ First Quarter ending 31 March 2022	May 2022
▪ Second Quarter ending 30 June 2022	August 2022
▪ Third Quarter ending 30 September 2022	November 2022

Proposed Dividend Payment Dates

(Payable in accordance with paragraph 16 of Bye-Law No. 1)

Final 2021	May 2022
First Interim 2022	June 2022
Second Interim 2022	September 2022
Third Interim 2022	November 2022
Final 2022	May 2023

By Order of the Board

Kathryn Anne Abdulla
Company Secretary
09 March 2022

ANTHONY E PHILLIP – Chairman

Anthony E Phillip joined West Indian Tobacco in 1973 as a manager in its Production Department. He was appointed Production Manager and Director in 1984, after completing a secondment assignment to British American Tobacco Kenya Limited. He was then appointed Managing Director in 1998 and following his retirement in 2006, he became Chairman in 2007. He was also Chairman and Managing Director of British American Tobacco (Malawi) Limited from 1994 to 1998. Mr Phillip currently serves on the Boards of Directors of ANSA McAL Limited and Caribbean Development Company Limited. He began his career as an Industrial Chemist at Caroni Limited and holds an Executive MBA from The University of the West Indies. He also attended programmes at Henley Management College, UK; Kellogg Graduate School of Management and North Western University, USA and the International Institute for Management Development (IMD), Lausanne, Switzerland.

Ingrid Lashley was appointed a Director in August 2008, the Chairman of the Audit Committee in March 2009 and Deputy Chairman of the Board of Directors in February 2022. Having spent several years at the helm in banking and mortgage financing, Ms Lashley serves on the Board of Directors of state, publicly traded and private companies in various business sectors in Trinidad and Tobago. She also serves on the Disciplinary Committee of the Institute of Chartered Accountants of Trinidad and Tobago. Ms Lashley is a graduate of McGill University, Montreal, Canada, with a Masters' degree in Business Administration specialising in Accounting and Finance. She also carries the professional designations of Certified Management Accountant, Certified Public Accountant and Chartered Accountant.

INGRID LASHLEY – Deputy Chairman

Laurent Meffre was appointed Managing Director of West Indian Tobacco in April 2020. Mr Meffre has over 25 years of experience within the British American Tobacco (BAT) Group where he held several senior positions in companies across the continent of Africa. His prior appointment before joining the Company was in Lagos, Nigeria as General Manager with responsibility for 25 West African markets. Prior to his assignment to West Indian Tobacco, Mr Meffre also held the position of Chairman of the Boards of Directors of BAT Ghana, BAT Cameroon and BAT Benin. Mr Meffre holds a Bachelor of Arts (Hons) in Business Administration from Buckinghamshire College, England.

LAURENT MEFFRE – Managing Director

DIANA HERNANDEZ GONZALEZ – Director

Diana Hernandez Gonzalez was appointed a Director in January 2020. Ms Hernandez has over 16 years of experience in the BAT Group, having worked in Mexico, Canada, Colombia, the United Kingdom and Venezuela in the finance function. As of January 2020, Ms Hernandez Gonzalez was appointed as the head of the finance function for BAT's Group interest in the Caribbean and Northern Latin America which includes Mexico, Colombia, Venezuela and Central America. She holds a degree in Finance Management from Instituto Tecnológico de Estudios Superiores de Monterrey in Mexico.

RANJIT JEEWAN – Director

Ranjit Jeewan was appointed a Director in November 1986 and has been a member of the Board's Audit Committee since 1990. Mr Jeewan has worked in the tobacco industry since 1968 and headed the finance function of West Indian Tobacco for 16 years until his retirement in 2002. During this period, he was seconded on overseas assignments within the BAT Group to the United Kingdom and Singapore. Following his retirement, Mr Jeewan held Directorships in the Trinidad and Tobago Stock Exchange and the Trinidad and Tobago Central Depository. He also held the chairmanships in both of these companies.

Isha Reuben-Theodore was appointed a Director in November 2014. Mrs Reuben-Theodore currently heads the finance function at West Indian Tobacco and is part of the Finance Leadership Team for the BAT Caribbean entities. She is a fellow of the Association of Chartered Accountants U.K. (FCCA) with extensive experience in Business Advisory, Corporate and Commercial Finance. She has approximately 18 years' experience in the tobacco industry both locally and within the Caribbean. She is also the Chair of the Board of Trustees of the Company's pension plan and a Director on the Board of the Estate Management and Business Development Company Limited, a state enterprise. She holds memberships in the institute of Chartered Accountants of Trinidad and Tobago and the Caribbean Corporate Governance Institute.

ISHA REUBEN-THEODORE – Director

Arturo Rodriguez Lordmendez was appointed a Director in February 2020. He brings with him approximately 27 years of experience within the BAT Group, having managed the operations function in various clusters in the continent of Africa, covering more than 30 countries. He was also responsible for the Strategy & Planning area of the BAT Group, Operations function, based in United Kingdom. He currently heads the Operations function for BAT Group's interest in the Caribbean, Canada and Northern Latin America and is a member of the Operations Leadership Team for the Americas and Sub-Saharan Africa. He holds a postgraduate degree in Business Administration and a postgraduate degree in Sciences from the Instituto Tecnológico y de Estudios Superiores de Monterrey in Mexico as well as a Bachelor's degree in Industrial Engineering.

ARTURO RODRIGUEZ LORDMENDEZ – Director

DANIELLE CHOW – Director

Danielle Chow was appointed a Director in August 2020. She is an attorney at law and senior business executive, who has operated locally and within the wider Caribbean region at a strategic level. Her experience in the private sector has extended over the last 30 years, largely in multinational institutions and for the last six years, also as part of a local independent constitutionally created Commission. She is also a director and audit committee member of another publicly listed company. Mrs Chow worked in the tobacco industry for 20 years leading the legal, external affairs, human resources, security, and sustainability functions both locally and regionally. She holds a Bachelor of Laws from The University of the West Indies and a Legal Education Certificate from the Hugh Wooding Law School.

JUAN CARLOS RESTREPO PIEDRAHITA – Director

Juan Carlos Restrepo Piedrahita was appointed a Director in November 2019. Mr Restrepo Piedrahita brings with him over 17 years of experience within the BAT group having worked in Colombia, Venezuela and Brazil in the legal and external affairs function. Mr Restrepo Piedrahita currently heads the legal and external affairs function for the BAT subsidiary in Colombia and is also responsible for the anti-illicit engagement efforts in the Caribbean and Northern Latin America. From 2010 to 2018, Mr Restrepo Piedrahita held various positions in the national security, anti-narcotic and intelligence agencies of the Colombian government. He holds a degree in Law and a postgraduate degree in International Contracting Regime from the Universidad de los Andes in Bogotá, Colombia and a further postgraduate degree in National Defense and Security from Escuela Superior de Guerra de Colombia in Bogotá, Colombia.

TRIBUTES

TRIBUTES TO ANTHONY E PHILLIP AND RANJIT JEEWAN

A TRIBUTE TO ANTHONY E PHILLIP AND RANJIT JEEWAN

ANTHONY E PHILLIP – Chairman

Mr Anthony E Phillip retires from the Board of Directors of WITCO at the close of the Annual Meeting of Shareholders on 07 April 2022, after a stellar tour of duty including his service in the Manufacturing and Commercial areas of the business, locally and internationally.

He began his career as an Industrial Chemist at Caroni Limited, and joined West Indian Tobacco in 1973 as a Manager in Production Department. He was appointed Production Manager/Director in 1984 and succeeded Mr Audley L Walker as Managing Director in 1998. Following his retirement in 2006, he became Chairman of the Board in 2007. His service to the international business environment included secondments to British American Tobacco (Kenya), in 1975 and Chairman and Managing Director British American Tobacco (Malawi) from 1994 to 1998. If there was a blueprint of how to navigate a company in the highly specialised Tobacco Industry in Trinidad and Tobago, Anthony Phillip would certainly be listed as the author.

At West Indian Tobacco, his main focus has been 'increasing stakeholder value' through effective leadership, management and employee commitment, in the context of the sensitivities of the industry. Mr Phillip has served on several committees of the Board including as Chairman of the WITCO Board Compensation and Corporate Governance Committees. His most memorable achievement was coordinating the ramping up of the factory, in 2005, specifically, improvements in machine efficiencies, supply chain reliability and product quality, in order to qualify for selection as contract manufacturers to our BAT (CARICOM) Associates.

Anthony and Heather-Ann Phillip recently celebrated their 50th wedding anniversary and are the proud parents of Tanya-Marie, Anneliese and Anthony Kaele.

Beyond the corridors of WITCO, Mr Phillip distinguished himself as a man of service to country and community in a myriad of portfolios in the national, civic, and community arenas. His balance of optimism and pragmatism coupled with his achievement-oriented mindset were the hallmarks of his effective leadership and well-established relationships with business partners across government and private sectors. He served as President, UWI - EMBA Association, President, St Mary's College Past Students Union, Director, British-Caribbean Chamber of Commerce (BCCC), Chairman, Rum Distillers of Trinidad & Tobago Ltd (RDTT), Chairman, Government Information Services Ltd. He currently serves on the Board of Directors of ANSA McAL Limited and Caribbean Development Company Limited.

Mr Phillip holds an Executive MBA from The University of the West Indies. He has attended programmes at Henley Management College, UK, Kellogg Graduate School of Management, North Western University, USA and IMD Business School, Lausanne, Switzerland. A consummate storyteller, his academic success is equally matched by his penchant for giving advice, which he offers freely.

He is also a proponent of healthy employee relations and Corporate Social Responsibility; characterised by adherence to Government Regulations, as well as dedication to the advancement of the national instrument.

The Board of Directors, Management and Staff of WITCO wish to express their deepest gratitude and appreciation for his dedicated stewardship to the Company. His legacy has undoubtably contributed to building shareholders' equity and to the corporate footprint of the Company in Trinidad and Tobago and throughout the region.

RANJIT JEEWAN – Director

Mr Ranjit Jeewan retires from the Board of Directors of WITCO at the close of the Annual Meeting of Shareholders on 07 April 2022. He was appointed a Director in November 1986 and has been a member of the Board's Audit Committee since 1990.

Mr Jeewan has worked in the tobacco industry since 1968 when he joined WITCO from its then firm of auditors, Fitzpatrick Graham & Company as a senior clerk in the finance department.

Recognising his natural talent and potential for leadership, he was exposed to various management training courses including stints at the group training centre in England. He ascended to the position of Accountant and when the opportunity arose, he was identified as the person to succeed the then Finance Director. He was thereafter seconded on overseas assignments within the BAT Group to the United Kingdom and Singapore. On his return, he headed the Finance function and was appointed to the Board in 1986. Mr Jeewan will be remembered at West Indian Tobacco for successfully navigating three devaluations with the Company being adequately hedged to avoid immediate pricing burdens on consumers and for the amalgamation and modernisation of the Company's two pension plans.

Mr Jeewan held Directorships at the Trinidad and Tobago Stock Exchange and the Trinidad and Tobago Central Depository. He also held the chairmanship in both these companies and was instrumental in the demutualisation of the Stock Exchange whereby listed companies and stockbrokers became joint owners of the exchange. He also played a pivotal role in the establishment of the registry function in the Central Depository.

His ability to serve company and country throughout his tenure is testimony to his professionalism and commitment, to achieving the goals of the organisations in which he served.

The Board of Directors, Management and Staff of WITCO wish to express their deepest gratitude and appreciation for his dedicated stewardship to the Company.

MANAGEMENT TEAMS

CORPORATE SERVICES

LAURENT MEFFRE

KATHRYN ANNE ABDULLA

ISHA REUBEN-THEODORE

JASON FOURNILLIER

LUKE GITTENS

CORPORATE SERVICES

ANGELIQUE HOWELL

GERVON ABRAHAM

JOSIANE KHAN

ROWAN BRATHWAITE

ANDRE DE GANNES

ALLYSON CHARLES

PETAL ETTIENNE

JOSCHE NESTOR

FARRAH AHAMAD

MARKETING

OKASHA SALIA
PAULA AQUI
IMRAN MOHAMMED

VEER LAKHAN-JOSEPH
VICTORIA GOPAULSINGH

OPERATIONS SUPPORT

GINA FERGUSON

SEAMUS BORDE

ANAN BAHADUR

MANAGEMENT TEAMS

MANUFACTURING

TARAN PERSAD

SOLMER THOM

HECTOR MARTINEZ

MARLON RATTAN

MALISSA SMITH

RYAN BESAI

MANAGEMENT TEAMS

MANUFACTURING

BRANDON BODDEN

MELISSA BOODHOO

ALAN MOHAMMED

AVIELLE ALEXIS

MYRNELLE SYLVESTER

* Photo Not Shown - **DAVID DE FOUR**

BOLD is a part of our new Ethos.

It is the thread that runs through everything we do – making tough decisions and standing accountable for them, being innovative, being resilient.

It is a compass to guide and direct us on how to achieve our objectives.

It is the spirit of our culture that will equip us to write the next chapter of our history.

Our BOLD portfolio

Resilience and Adaptability remain core to our portfolio strategy. We continue to be responsive to the changing needs of our consumers, ensuring that we make the best possible choices for the business, while operating in a financially constrained market. The prices of our Dunhill offerings were repositioned in June 2021 to provide more affordable options to consumers. This allowed for steady performance, particularly for the Dunhill Capsule Category and facilitated the introduction of two additional Dunhill Capsule offerings.

Rothmans White was introduced into the market in July 2021. Our analysis of the market showed that there was an opportunity to widen our portfolio and create gains by having an option at this particular price point. We differentiated ourselves through our packaging and our proprietary blend, and leveraged our distribution footprint to ensure a successful launch.

In line with our portfolio migration brand strategy, du Maurier and Broadway were migrated to Lucky Strike, an international brand, in order to improve the brands' equity in a space where there was a clear need to gain competitiveness. Additionally, to ensure long-term brand sustainability, Mt. d'or was migrated to Rothmans Red. Finally, to add tangible value to consumers, Rothmans Red was migrated to a king-sized format.

Through these transitions and migrations, we continue to add value to our overall product portfolio and filled gaps in consumer needs. We will continue to work towards the ideal mix of volume and value for money, to satisfy all of our stakeholders.

ONWARD
with Production

Our operations continue to contribute to the national landscape through the caliber of employees we have on site and our continuous drive to ensure they possess the requisite training to perform at the highest level.

We are also proud of our relationship with government agencies that empower the local workforce. Over the last year through the Memorandum of Understanding with the National Energy Skills Center (NESC), WITCO participated in the Point Lisas Industrial Apprenticeship Programme. This programme exposes apprentices to real-world professional experiences which enable them to acquire the necessary knowledge, skills, attitudes and values of experienced craftsmen and journeymen.

The apprentices receive a stipend and are afforded the opportunity to apply for vacancies within WITCO as they become available. This relationship with NESC supports WITCO's succession planning in technical skills within our operations and reinforces the labour pipeline required for business continuity and skills development.

As we move boldly onward with a revitalised and well-poised operational leadership team, the primary focus will be placed on a reduction of the sites' top losses. To achieve this, a robust strategy encompassing cultural transformation will be utilised to enhance a zero-loss mindset along with 100% employee ownership, all underpinned by our Ethos of being, Bold, Fast, Empowered, Diverse and Responsible.

BOLDLY
Protecting our Employees

Experiencing another year of the COVID-19 pandemic, our manufacturing facility once again faced a shutdown of Operations. During that time the Environmental Health and Safety (EHS) department worked assiduously to develop additional protocols to curb the spread of COVID-19 and enhance employee safety and well-being. Based on research done internationally and locally, the EHS department determined that the best approach was to re-evaluate the site's return-to-work procedure.

The first step was the launch of weekly rapid antigen testing for all personnel, both contractor and employees. In keeping with the Government's mandate of "vaccinate to operate", the department also arranged for every employee, contractor and their family members who wanted to be vaccinated, to receive their shot on site. Information and awareness campaigns were communicated across the site to educate and encourage vaccinations. "Wellness Wednesdays" sessions were held weekly where external health experts were brought in to answer any questions and curb any doubts staff

A BETTER TOMORROW™

had about getting vaccinated. Questionnaires were sent out to all departments, to get feedback on vaccine hesitancy and tailored communication was disseminated to encourage the hesitant to get vaccinated. By the end of 2021, 82% of WITCO's staff was fully vaccinated.

EHS showed its commitment to the well-being of all employees, by partnering with our Occupational Nurse to promote the Employee Assistance Programme (EAP), and provide coaching on maintaining positive mental health during the "work from home" period. Our vaccination drives continued with a flu-shot drive in November 2021. By maintaining COVID-19 safety protocols we were able to make this a safe experience for all, and again, extended the initiative to contractors and their families.

Throughout the year, even with increased vaccination rates, in order to maintain increased levels of productivity, antigen testing and stay-at-home measures were enforced to ensure the lowest possible risk of on-site spread. We will continue to be responsible, as our Ethos dictates, to ensure the safety of our most important asset, our people.

ONWARD
with Sustainability

Our drive to create A Better Tomorrow and uphold the tenets of our Ethos – Bold, Fast, Empowered, Diverse and Responsible, continues to grow as we entrench these values in the work we do each and every day. We are swiftly transitioning from a company where sustainability was an important pillar, to one where it is an integral part of everything we do. It is "front and centre" in every facet of our operations.

As we innovate and update our products to suit changing consumer demand, our corporate brand continues to evolve to reflect our journey ahead. The change-out of our old logo to the new is part of this journey. These efforts continued throughout the year and though punctuated with delays due to the pandemic, we are excited to be on this new path and will continue to forge ahead with our reduced-risk product portfolio and dedication to all our stakeholders.

WITCO has always been proud of its place in Trinidad and Tobago's economy and continues to support the development and culture of this twin-island state. The Company continued to support the national instrument, especially during 2021 which was particularly challenging for the industry, including facilitating the launch of a new book, celebrating the accolades of the 12-time Panorama champion.

Being BOLD empowers our people, fosters a vibrant and rewarding workplace and promotes sustainable long-term value.

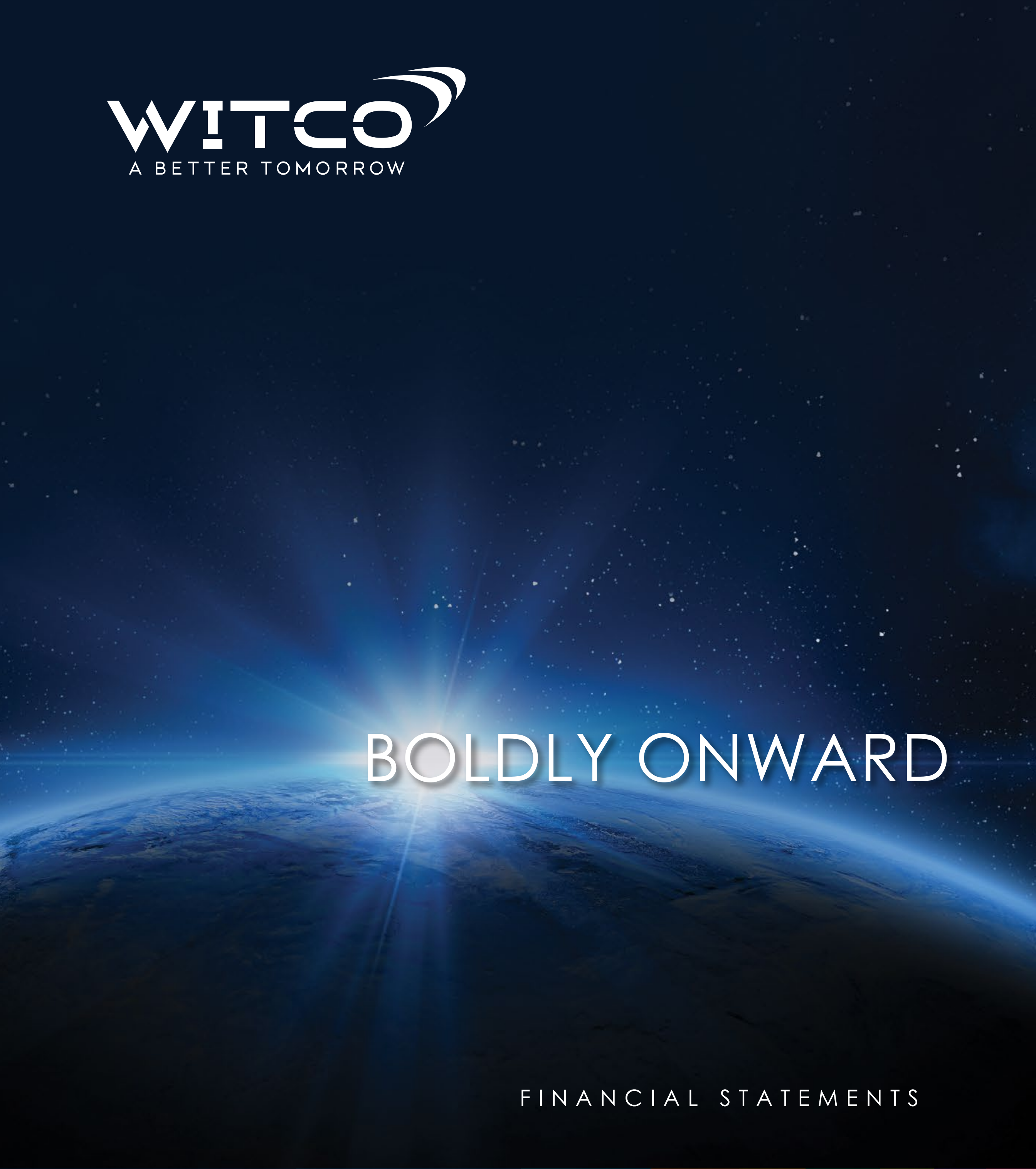
Moving ONWARD we will continue to be responsive to ever-changing needs and embody a learning culture with dedication to continuous improvement.

THE YEAR AT A GLANCE

	2021 $'000	2020 $'000	Change %
Revenue	852,251	899,917	-5.3%
Gross Profit	644,790	688,897	-6.4%
Total Expenses	(107,398)	(101,683)	5.6%
Operating Profit	537,392	587,214	-8.5%
Interest Income	116	1,210	-90.4%
Interest Expense	(296)	(348)	-14.9%
Profit Before Taxation	537,212	588,076	-8.6%
Taxation	(158,183)	(178,055)	-11.2%
Profit for the Year	379,029	410,021	-7.6%
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
Re-measurement of retirement and post-employment benefit obligations	13,305	9,552	-2.5%
Related Tax	(3,991)	(4,094)	
Other Comprehensive Income - net of tax	9,314	9,552	-2.5%
Total Comprehensive Income for the Year	388,343	419,573	-7.4%

FIVE YEARS AT A GLANCE

	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000
Profit And Taxation					
Profit before taxation TT$	549,672	587,310	607,762	588,076	537,212
Taxation	169,454	182,214	189,526	178,055	158,183
Profit after taxation TT$	380,218	405,096	418,236	410,021	379,029
Dividends	371,498	387,505	395,927	389,189	358,863
Effective rate of taxation (%)	30.8	31.0	31.2	30.3	29.4
Balance Sheet					
Shareholders' equity	377,825	413,677	451,254	577,462	600,339
Deferred Income Tax Liability	33,641	37,465	40,281	39,568	43,708
Non-current liabilties	57,605	56,155	43,766	24,992	5,563
Current liabilities	135,288	165,544	148,087	166,801	169,470
Total Funds Employed	604,359	672,841	683,388	808,823	819,080
Property, plant and equipment	211,974	238,252	248,485	249,763	264,337
Deferred Income Tax Asset	20,671	19,354	13,294	8,488	466
Retirement benefit asset	–	–	–	–	3,344
Inventories	44,751	48,707	36,627	46,916	50,643
Cash at bank and in hand	234,655	284,870	300,018	447,921	368,496
Other current assets	92,308	81,658	84,964	55,735	131,794
Total Assets	604,359	672,841	683,388	808,823	819,080
Statistics					
Issued Share Capital ('000)	252,720	252,720	252,720	252,720	252,720
Earnings per ordinary share ($)	1.50	1.60	1.65	1.62	1.50
Dividends per ordinary share ($)	1.47	1.53	1.57	1.54	1.42
Net assets value per ordinary share($)	1.50	1.64	1.79	2.28	2.36
Share prices at 31 December ($)	33.33	31.78	41.41	35.40	28.50



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FINANCIAL STATEMENTS

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of The West Indian Tobacco Company Limited (“the Company”), which comprise the statement of financial position as at December 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company’s assets, detection/prevention of fraud, and the achievement of the Company’s operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these financial statements, management utilized the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date, or up to the date the accompanying financial statements have been authorized for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Laurent Meffre
Managing Director

Date: 11 March 2022

Isha Reuben-Theodore
Finance Manager/Director

Date: 11 March 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The West Indian Tobacco Company Limited ("the Company"), which comprise the statement of financial position as at December 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Trinidad and Tobago and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of retirement benefit obligation

Accounting policy note N (I,II and III) to the financial statements and notes 4 and 12 for further disclosures. $243,473 thousand (2020 $234,667 thousand)

The Company operates a defined benefit pension plan scheme. The estimation of the retirement benefit obligation is based on significant assumptions and judgements that are disclosed in Note 12 to the financial statements, small changes in these assumptions can have a material impact on the valuation of the retirement benefit obligation. Of the assumptions disclosure in Note 12,

Key Audit Matters *(continued)*

Measurement of retirement benefit obligation *(continued)*

the key judgements relating to the retirement benefit obligation is the judgements applied by the Company around the setting of the discount rate are deemed to have most significant impact on the measurement of the retirement benefit obligation.

The use of significant assumptions and judgments increases the risk that the estimate of the retirement benefit obligation can be materially misstated and required special audit consideration.

The disclosures were also deemed an area of increased levels of audit focus. The notes to the financial statements regarding the Company's application of the accounting standard, and disclosures around sensitivity of assumptions, are key to explaining the key judgements.

How our audit addressed the key audit matter

As part of our procedures, the following were performed:

- Testing the design and operating effectiveness of the Company's controls applicable to the development of the estimate of the retirement benefit obligation.
- Engaging our own actuarial specialists, to assist us in evaluating the methods, assumptions and data used to develop the estimate of the pensions and post-employment benefit obligation by:
    - Applying industry knowledge and experience to compare the methodology used against industry standard actuarial practice;
    - Assessing the appropriateness of the methodology adopted by reference to the requirements of the relevant accounting standards;
    - Challenging the mortality and discount rate assumptions utilised by comparing these to the actual mortality experience of the plan and relevant industry data, and by applying our knowledge of the relevant sector; and
    - Evaluating the adequacy and clarity of the financial statements disclosures, including disclosures of key assumptions, judgements and sensitivities.
    - Assessing the reasonableness of the data used in the estimate by selecting a sample of the underlying data and agreeing the items back to the underlying source records.
    - Reading the Company's accounting policies and disclosures and evaluate these considering the requirements of the relevant accounting standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The 2021 Annual Report is expected to be made available to us after the date of this auditors' report.

Key Audit Matters *(continued)*

Other Information *(continued)*

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Company's financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Auditors' Responsibilities for the Audit of the Financial Statements *(continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditors' report is Dushyant Sookram.

KPMG

Chartered Accountants
Port of Spain
Trinidad, and Tobago
March 11, 2022

STATEMENT OF FINANCIAL POSITION

December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	Notes	2021 $'000	2020 $'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	264,337	249,763
Deferred income tax asset	6	466	8,488
Retirement benefit asset	12	3,344	–
		268,147	258,251
Current assets			
Inventories	7	50,643	46,916
Trade and other receivables	9	126,877	50,818
Taxation recoverable		4,917	4,917
Cash and cash equivalents	10	368,496	447,921
		550,933	550,572
Total assets		819,080	808,823
EQUITY			
Share capital	11	42,120	42,120
Revaluation surplus	5(a)	58,936	59,886
Retained earnings		499,283	475,456
Total equity		600,339	577,462
LIABILITIES			
Non-current liabilities			
Deferred income tax liability	6	43,708	39,568
Retirement benefit obligation	12	–	18,902
Post-employment medical benefit obligation	12	5,028	5,232
Lease liabilities	22	535	858
		49,271	64,560
Current liabilities			
Trade and other payables	13	123,547	117,406
Due to parent company	19(d)	2,023	7,348
Dividends payable		43,360	40,648
Taxation payable		–	778
Lease liabilities	22	540	621
		169,470	166,801
Total liabilities		218,741	231,361
Total equity and liabilities		819,080	808,823

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 11 March 2022, and signed on their behalf by:

Chairman

Managing Director

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	Notes	2021 $'000	2020 $'000
Revenue	14	852,251	899,917
Cost of sales	15	(207,461)	(211,020)
Gross profit		644,790	688,897
Expenses			
Distribution costs	15	(9,931)	(10,905)
Administrative expenses	15	(73,629)	(75,537)
Other operating expenses	15	(23,838)	(15,241)
Operating profit		537,392	587,214
Finance income		116	1,210
Finance cost	22	(296)	(348)
Net finance (expense) / income		(180)	862
Profit before taxation		537,212	588,076
Income tax expense	16	(158,183)	(178,055)
Profit for the year		379,029	410,021
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of retirement and post-employment benefit obligations	12	13,305	13,646
Related tax	6	(3,991)	(4,094)
Other comprehensive income – net of tax		9,314	9,552
Total comprehensive income for the year		388,343	419,573
Basic and diluted earnings per ordinary share	17	1.50	1.62

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	Notes	Share Capital $'000	Revaluation Surplus $'000	Retained Earnings $'000	Shareholders' Equity $'000
Year ended 31 December 2021					
Balance at January 1, 2021		42,120	59,886	475,456	577,462
Comprehensive income					
Profit for the year		–	–	379,029	379,029
Other comprehensive income					
Re-measurement of retirement and post-employment benefit obligations – net of tax		–	–	9,314	9,314
Depreciation transfer on buildings – net of tax	5(a)	–	(950)	950	–
Transactions with owners					
Dividends	18	–	–	(365,466)	(365,466)
Balance at December 31, 2021		42,120	58,936	499,283	600,339
Year ended 31 December 2020					
Balance at January 1, 2020		42,120	60,836	348,298	451,254
Comprehensive income					
Profit for the year		–	–	410,021	410,021
Other comprehensive income					
Re-measurement of retirement and post-employment benefit obligations – net of tax		–	–	9,552	9,552
Depreciation transfer on buildings – net of tax	5(a)	–	(950)	950	–
Transactions with owners					
Dividends	18	–	–	(293,365)	(293,365)
Balance at December 31, 2020		42,120	59,886	475,456	577,462

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	Notes	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		537,212	588,076
Adjustments for:			
Depreciation	5	14,968	11,751
Loss on disposal of property, plant and equipment		30	223
Net decrease in retirement and other post-employment benefit obligations excluding actuarial losses		(9,146)	(3,033)
Interest income		(116)	(1,210)
Interest expense	22(iii)	296	348
Operating profit before working capital changes		543,244	596,155
Changes in working capital:			
Increase in inventories		(3,727)	(10,289)
(Increase)/decrease in trade and other receivables		(76,059)	29,075
Increase in trade and other payables		11,378	18,058
(Decrease)/increase in due to parent company		(5,325)	3
Cash generated from operating activities		469,511	633,002
Interest paid	22(iv)	(296)	(348)
Taxation paid		(156,028)	(179,076)
Net cash from operating activities		313,187	453,578
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(29,572)	(13,252)
Interest received		116	1,210
Net cash used in investing activities		(29,456)	(12,042)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Dividends paid		(362,752)	(291,534)
Lease payment	22(iv)	(404)	(2,099)
Net cash used in financing activities		(363,156)	(293,633)
Net (decrease)/increase in cash and cash equivalents		(79,425)	147,903
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		447,921	300,018
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	368,496	447,921
Represented by:			
Cash at bank and in hand		368,496	447,921

The accompanying notes are an integral part of these financial statements.

1. General Information

The West Indian Tobacco Company Limited (the Company) 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.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to meet the mandatory repayment terms of its current liabilities. The Company has recognised profits of $379,029,000 after tax for the year ended December 31, 2021, and as at that date, current assets exceed current liabilities by $381,463,000.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Changes in significant accounting policies

The Company has not had any changes in significant accounting policies for the twelve months ended December 31,2021. A number of new standards are effective from January 1, 2021 but do not have a material effect on the Company's financial statements.

2. Significant Accounting Policies *(continued)*

(a) Basis of preparation *(continued)*

Changes in significant accounting policies *(continued)*

(i) New standards, amendments and interpretations adopted by the Company

The following standards were new standards, amendments and interpretations requiring adoption by the Company for the first time for the financial year beginning on January 1, 2021.

- COVID-19 Related Rent Concessions (Amendments to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These standards did not have a significant impact on the Company's financial statements.

(ii) Forthcoming requirements

The following new standards, amendments and interpretations are required to be applied for annual periods beginning after January 1, 2022 and that are available for early adoption in annual periods beginning on January 1, 2022. These standards are not expected to have a significant impact on the Company's financial statements.

- COVID-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- IFRS 17 Onerous Contracts – Cost to Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars which is the Company's functional and presentation currency.

2. Significant Accounting Policies *(continued)*

(b) Foreign currency translation *(continued)*

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Managing Director and the local management team, who have been identified as the chief operating decision makers. This team is responsible for allocating resources and assessing performance of the operating segments and for making strategic decisions.

(d) Property, plant and equipment

Freehold land and buildings comprise mainly factory and offices and are shown at fair value based on valuations by external independent valuers, less subsequent depreciation for buildings. In line with the company's Fixed Asset policy, independent valuations are performed with sufficient regularity, not exceeding five years, to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

2. Significant Accounting Policies *(continued)*

(d) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost/valuation of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Freehold buildings: - 50 years and 15 years on valuation
- Plant and machinery: - 20 years on cost
- Furniture and equipment: - 3 to 10 years on cost
- Motor vehicles: - 4 years on cost

The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are recognised other operating expenses.

When revalued assets are sold, the amounts included in revaluation surplus are transferred to retained earnings.

(e) Current and deferred income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets.'

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition

2. Significant Accounting Policies *(continued)*

(e) Current and deferred income tax *(continued)*

ii. Deferred tax *(continued)*

of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, nor for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The principal temporary differences arise from depreciation on property, plant and equipment, revaluations on buildings and provision for pensions and other post-retirement benefits.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(f) Impairment of Non-Derivative financial assets

The Company also recognizes loss allowances for estimated credit losses (“ECL”) on its receivables, which are disclosed as part of trade and other receivables.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

2. Significant Accounting Policies *(continued)*

(g) Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there are any indicators of impairment. If such indicators exist, then the assets' recoverable amount is estimated.

For impairment testing the recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

(h) Inventories

Inventories are measured at the lower of cost or net realizable value, allowance having been made for slow moving and obsolete items. Cost is determined on the following bases:

- Raw materials are valued at weighted average cost
- Inventories in process are valued at weighted raw materials cost, labour and production
- Finished goods comprise raw materials plus a portion of labour and production overheads based on normal operating capacity
- Supplies and sundries are valued at weighted average cost
- Goods in transit are valued at suppliers' invoice cost plus freight and insurance as applicable.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. Significant Accounting Policies *(continued)*

(i) Financial assets

The Company classifies its financial assets as cash and cash equivalents and trade and other receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition when they are originated with value initially measured at the transaction price.

- *Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value. A trade receivable without a significant financing component is initially measured at the transaction price.

- *Classification*

On initial recognition, a financial asset is classified as measured at amortized cost;

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- *Derecognition*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value depending on the classification of the financial asset. The category 'trade and other receivables' would have been disclosed net of its expected credit loss as at that date with the Company's calculation of the credit loss allowance provided in Note 3 (b).

2. Significant Accounting Policies *(continued)*

(j) Financial liabilities

Classification

Financial instruments that include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company are classified as a financial liability

Measurement

Financial liabilities are classified as measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

The Company derecognizes financial liabilities when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows or the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the considerations paid including any non-cash assets transferred or liabilities assumed is recognised in profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Trade and other receivables

Trade and other receivables are carried at amortized cost, less impairment losses. The policy effective January 1, 2018 is to recognize impairment under expected credit loss.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term highly liquid investments with original maturities of three months or less and are carried at amortized cost.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Significant Accounting Policies *(continued)*

(n) Employee benefits

(i) Long term employee benefits - Retirement benefit plans

The Company operates two retirement benefit plans, a defined benefit plan and a defined contribution plan.

A defined benefit plan is a pension plan that is not a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold enough assets to pay all employees the benefits relating to employee service in the current and prior periods.

The plans are generally funded through employer and employee contributions to insurance companies or trustee-administered funds.

(a) Defined benefit plan

Definition

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of its defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognizes them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Under this method, the cost of providing pensions is charged to profit or loss so as to spread the regular cost over the service lives of employees in accordance with the

2. Significant Accounting Policies *(continued)*

(n) Employee benefits *(continued)*

(i) Long term employee benefits - Retirement benefit plans (continued)

(a) Defined benefit plan (continued)

Remeasurements (continued)

advice of qualified actuaries who carry out a full valuation of the plan at least every three years (the last valuation was completed on August 9, 2021; Valuation of The West Indian Tobacco Company Limited Pension Fund Plan As At December 31, 2020). Roll forward valuations, which are less detailed than full valuations, are performed annually.

When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligations at the statement of financial position date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long-term government securities.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the statement of comprehensive income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

During 2011 the defined benefit plan was closed to new entrants.

(b) Defined contribution plan

The Plan covers all employees joining the Company as of September 2011 and comprises two deferred annuity schemes for each employee: an individual deferred annuity and a corporate deferred annuity. Employees as well as the Company will contribute to the plan for the specific purpose of providing income upon retirement. The Company has no

2. Significant Accounting Policies *(continued)*

(n) Employee benefits *(continued)*

(i) Long term employee benefits - Retirement benefit plans (continued)

(b) Defined contribution plan *(continued)*

further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due (Note 15(a)). Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. Under the terms of the plan, employees as well as the Company will contribute to a defined contribution plan for the specific purpose of providing income upon retirement.

(ii) Post-employment medical benefit obligation

The Company provides post-employment medical benefits for retirees. The entitlement to this benefit is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The method of accounting used to recognize the liability is similar to that for the defined benefit plan. These obligations are valued annually by independent qualified actuaries. The main additional actuarial assumption is the long-term increase in health costs. The charge for the current year is recognised in profit or loss under employee benefit expense (Note 15(a)). Actuarial gains and losses arising are charged or credited to other comprehensive income in the period in which they arise.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntary separation in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to terminating employment of current employees according to a formal plan without the possibility of withdrawal.

(iv) Short term obligations

(a) Bonus plans

The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Liabilities for bonus plans are expected to be settled within 12 months.

(b) Vacation liability

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of service rendered by employees up to the statement of financial position date.

2. Significant Accounting Policies *(continued)*

(o) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if, payment is due within one year or less. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(p) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer. The following section provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the Company's revenue recognition.

(i) Sale of goods

The Company manufactures and sells cigarettes. Sales of goods are recognised when the Company has satisfied the performance obligation of passing control of its finished tobacco products over to its customers, which coincides with when the products leave its compound. At this point, the control of goods passes to the customer, and either the customer has accepted the products in accordance with the sales contract or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue excludes duty, excise and other taxes related to sales in the period and is stated after deducting rebates, and returns.

(ii) Interest income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

(q) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.

As a Lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

2. Significant Accounting Policies *(continued)*

(q) Leases *(continued)*

As a Lessee *(continued)*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- *fixed payments, including in-substance fixed payments;*
- *lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and*

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment.'

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Refer to Note 22 for additional details.

2. Significant Accounting Policies *(continued)*

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's directors.

Additionally, the Company's Bye-Laws allow for the forfeiture of dividends unclaimed after a period of twelve (12) years. These unclaimed dividends are written back to the retained earnings in equity. Refer to Note 18 for additional details.

(s) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand dollars unless otherwise stated.

3. Financial Risk Management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as market risk, credit risk, and the investment of excess liquidity.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company audit committee is assisted in its oversight role by internal audit of the BAT Group. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(a) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's Marker risk comprises foreign exchange risk, cash flow and fair value interest rate risk and price risk.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro and British Pound (GBP). Foreign exchange risk arises when recognised financial assets or liabilities are denominated in a currency that is not the entity's functional currency.

3. Financial Risk Management *(continued)*

Financial risk factors *(continued)*

(a) Market risk *(continued)*

If the Trinidad and Tobago (TT) dollar depreciates/appreciates by 5% against the US dollar, Euro and British Pound with all other variables held constant, profit for the year would have been impacted as follows:

	2021 Increase	**2021 Decrease**
Increase (decrease) in profit before taxation		
USD (5% movement)	9,533	(9,533)
GBP (5% movement)	(470)	470
EUR (5% movement)	(275)	275

	2020 Increase	**2020 Decrease**
Increase (decrease) in profit before taxation		
USD (5% movement)	7,528	(7,528)
GBP (5% movement)	(203)	203
EUR (5% movement)	(361)	361

An analysis of financial instruments by currency is shown in Note 8(a).

The following exchange rates have been applied in calculating the TT equivalent of the financial instruments denominated in foreign currencies:

	Year end spot rate	
	2021	**2020**
USD Currency	6.751	6.776
GBP Currency	8.665	9.500
EUR Currency	7.595	8.031

Cash flow and fair value interest rate risk

As the Company has no significant interest–bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Price risk

The Company is not exposed to price risk as it has no financial interests or investments in equity securities or commodities.

(b) Credit risk

Credit risk arises from cash and cash equivalents as well as credit exposures to customers. The Company has a significant concentration of credit risk however, the Company has policies in place to ensure that sales of products are made to customers with an appropriate credit history. Credit exposures arise from sales to distributors and retail customers, including outstanding receivables.

3. Financial Risk Management *(continued)*

Financial risk factors *(continued)*

(b) Credit risk *(continued)*

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties. From the reporting date to the date in which the accompanying statements were approved, the Company has collected all of its trade receivables.

Historical loss rates of default were determined and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle their payments when they become due. In developing and analysing the behaviours of the loss rates, the Company considers both internal data and external macroeconomic data.

In response to the COVID-19 pandemic, the Company adjusted its forward-looking scenarios to consider additional worse case scenarios taking into consideration pronouncements by the IMF and other macroeconomic indicators. Resulting from this assessment, the expected credit loss was determined to not be significant, especially given the aforementioned.

However, IFRS 9 'Financial instruments', requires consideration of the possibility that a credit loss can occur. The Company has considered at a minimum to use a provision matrix where a fixed provision rate was applied of 0.05% of the invoice value of all external trade receivables in the current bucket. This rate will differ depending on the aging of these balances.

Cash and deposits are held with a number of reputable financial institutions, with transactional amounts varying between $164,535,571 and $361,115,866 (2020: $176,630,476 and $442,628,647). The maximum limit with any one financial institution is $433,257,000 (2020: $405,382,520). Balances in excess of this limit were held temporarily for periods of no more than one week.

In 2021, the Company proactively reviewed its cash projections and credit exposures ensuring its cash management decisions were prudent and reflective of the continued uncertainties associated with the COVID-19 pandemic and the challenging economic environment.

(c) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

3. Financial Risk Management *(continued)*

Financial risk factors *(continued)*

(c) Liquidity risk *(continued)*

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities based on the remaining period at the financial position date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows. Balances due within one year equal their carrying balances as the impact of discounting is not significant.

	Less than one year $'000
At December 31, 2021	
Trade payables and accruals (Note 13)	74,912
Statutory liabilities (Note 13)	28,273
Amounts due to related parties/parent company	22,385
Lease liabilities (Note 22 (ii))	540
At December 31, 2020	
Trade payables and accruals (Note 13)	48,133
Statutory liabilities (Note 13)	24,072
Amounts due to related parties/parent company	52,549
Lease liabilities (Note 22 (ii))	621

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Company's capital structure consists of equity and lease liabilities . There are no capital requirement imposed on the Company.

Fair value estimation

The carrying values of all financial instruments held as of the financial position date are assumed to approximate their fair values, as they are short term in nature.

4. Critical Accounting Estimates and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Pensions and post-employment medical benefits

The present value of the pension and medical obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of long-term Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related liability.

Other key assumptions for pensions and medical obligations are based in part on current market conditions. These are described in Note 12.

5. Property, Plant and Equipment

	Freehold Land and Buildings	Plant and Machinery	Furniture and Equipment	Motor Vehicles	Capital Work In Progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Year ended December 31, 2021						
Cost						
Opening Balance	125,896	261,497	34,441	4,263	37,630	463,727
Additions	570	8,041	-	1,523	19,438	29,572
Disposals	-	(7,018)	(2,858)	(1,295)	-	(11,171)
Transfers	7,546	22,889	1,021	-	(31,456)	-
Closing Balance	134,012	285,409	32,604	4,491	25,612	482,128
Accumulated Depreciation						
Opening Balance	(17,614)	(163,035)	(31,033)	(2,282)	-	(213,964)
Depreciation	(2,469)	(8,844)	(1,380)	(2,275)	-	(14,968)
Disposals	(28)	7,041	2,835	1,293	-	11,141
Closing Balance	(20,111)	(164,838)	(29,578)	(3,264)	-	(217,791)
Carrying Amount	**113,901**	**120,571**	**3,026**	**1,227**	**25,612**	**264,337**
Year ended December 31, 2020						
Cost						
Opening Balance	121,122	255,061	33,517	5,042	37,793	452,535
Additions	2,898	80	467	-	9,807	13,252
Disposals	(5)	(908)	(368)	(779)	-	(2,060)
Transfers	1,881	7,264	825	-	(9,970)	-
Closing Balance	125,896	261,497	34,441	4,263	37,630	463,727
Accumulated Depreciation						
Opening Balance	(15,915)	(156,137)	(30,177)	(1,821)	-	(204,050)
Depreciation	(1,703)	(7,798)	(1,218)	(1,032)	-	(11,751)
Disposals	4	900	362	571	-	1,837
Closing Balance	(17,614)	(163,035)	(31,033)	(2,282)	-	(213,964)
Carrying Amount	**108,282**	**98,462**	**3,408**	**1,981**	**37,630**	**249,763**
Carrying amounts						
At January 1, 2020	105,207	98,924	3,340	3,221	37,793	248,485
At December 31, 2020	**108,282**	**98,462**	**3,408**	**1,981**	**37,630**	**249,763**
At December 31, 2021	**113,901**	**120,571**	**3,026**	**1,227**	**25,612**	**264,337**

5. Property, Plant and Equipment *(continued)*

Capital work in progress consists of the costs to acquire plant and machinery for the upgrade of the Lamina Cutter, Primary Feeding, Module 102 COS, Air Compressor as well as the Portfolio Re-Engineering (Calypso) project. These projects are currently ongoing and are expected to be completed by September 30, 2022.

	2021	2020
	$'000	**$'000**
(a) Revaluation surplus		
At beginning of the year	59,886	60,836
Depreciation transfer on buildings - net of tax	(950)	(950)
At end of the year	58,936	59,886

The Company's freehold land and buildings are valued every year, by Raymond & Pierre, Chartered Valuation Surveyors. An independent, full valuation is carried out at least every five years (the last full-valuation was completed on November 30, 2018). The valuation surveyors used the Direct Capital Comparison Method and the Depreciated Replacement Cost Method to determine the values of land and buildings respectively. The valuation adjustment is made when the Fair Value differs significantly from its carrying value.

This basis of valuation was used due to the specialised nature of the properties, derived from the exigencies of the operations. The surplus thus arising was credited to revaluation surplus in shareholders' equity.

COVID 19 has had a negative impact on the economic climate of the country. Despite the aforementioned, property prices have not decreased in such a way that would cause a significant impact on the stated values of the Company's Freehold Land and Building asset class. Property prices would have to decline by more than 20% to have a significant impact on the financial statements. This is also consistent with observed trends in the country's inflation and interest rates over the period.

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

5. Property, Plant and Equipment *(continued)*

(a) Revaluation surplus *(continued)*

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Quoted prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$'000	$'000	$'000
Recurring fair value measurements			
Land	–	–	33,405
Buildings	–	–	80,524

	Fair Value Hierarchy	Carrying amount as at January 1, 2021	Additions/ Transfers/ Disposals	Depreciation/ Impairment/ Retirement	Revaluation Gain	Carrying Amount Carried forward
	$	$	$	$	$	
Land	Level 3	33,405	–	–	–	33,405
Buildings	Level 3	74,877	8,116	(2,469)	–	80,524
		108,282	8,116	(2,469)	–	113,929

5. Property, Plant and Equipment *(continued)*

(a) Revaluation surplus *(continued)*

Fair value measurements as at December 31, 2020 using:

	Quoted prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$'000	**$'000**	**$'000**
Recurring fair value measurements			
Land	–	–	33,405
Buildings	–	–	74,878

	Fair Value Hierarchy	Carrying amount as at January 1, 2020	Additions/ Transfers/ Disposals	Depreciation/ Impairment/ Retirement	Revaluation Gain	Carrying Amount Carried forward
	$	**$**	**$**	**$**	**$**	
Land	Level 3	33,405	–	–	–	33,405
Buildings	Level 3	71,802	4,774	(1,699)	–	74,877
		105,207	4,774	(1,699)	–	108,282

Transfers between levels 2 and 3

The Company's management annually reviews the latest valuations performed by the independent valuator for financial reporting purposes.

At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the most recent valuation report;
- holds discussions with the independent valuator.

5. Property, Plant and Equipment *(continued)*

(a) Revaluation surplus *(continued)*

Transfers between levels 2 and 3 *(continued)*

The Company's policy is to recognize transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. Changes in Level 2 and 3 fair values are analysed at each reporting date. As part of this assessment, the team reviews the reasons for the fair value movements.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Land

The direct comparable method was used. In using this method, evidence of arm's length open market transactions of similar lands are analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors.

Buildings

Buildings are valued using the depreciated replacement cost method. Under this method the gross replacement cost of the buildings and other sites works are then estimated from which appropriate deductions are then made to allow for the age, condition and obsolescence (economic and functional) of the buildings in site works. The total net replacement cost is then added to the estimated value of the land.

Inputs considered in the valuation

(i) Location and neighbourhood – The property easily lends itself to a wide pool of skilled and unskilled labour and facilitates easy access to main highways. The general neighbourhood is characterised by light industrial users.

(ii) Measurements and condition – The square footage of the site is taken into consideration in the valuation. Based on the valuation the buildings also appeared to be structurally sound and in fair to good decorative condition.

The inputs above have not varied significantly in the past, and as such the impact of movements in the variables are not considered significant.

5. Property, Plant and Equipment *(continued)*

(b) If the freehold land and buildings were stated on the historical cost basis the amounts would be as follows:

	2021 $'000	2020 $'000
Cost	45,791	37,618
Accumulated depreciation	(14,655)	(13,681)
Net book amount	31,136	23,937

(c) Depreciation expense is included in statement of profit or loss and other comprehensive income as follows:

	2021	2020
Amount included in cost of sales (Note 15)	10,327	9,010
Amount included in other operating expenses (Note 15)	4,641	2,741
	14,968	11,751

(d) IFRS16 'Right of Use' assets:

Property, plant and equipment includes right-of-use assets of $2,077,000 as at December 31, 2021 ($3,295,073 as at December 31, 2020) related to leased vehicles and warehouse connected to trade and merchandising activities. Refer to Note 2 (a) and Note 22 (i) for further details.

6. Deferred Income Tax

Deferred income taxes are calculated in full on temporary differences under the liability method using the statutory tax rate of 30%.

	2021 $'000	2020 $'000
Deferred income tax asset		
- Retirement benefit obligation (Note 6(a))	(602)	7,359
- Post-retirement medical obligation	1,068	1,129
Deferred income tax asset	466	8,488
Deferred income tax liability		
- Revaluation on buildings	10,766	11,092
- Accelerated tax depreciation	32,942	28,476
Deferred income tax liability	43,708	39,568
Net deferred income tax liability	43,242	31,080

6. **Deferred Income Tax** *(continued)*

(a) ***The deferred income tax asset on retirement benefit obligation is attributable to the following:***

	2021 $'000	2020 $'000
Retirement benefit obligation, excluding deferred lumpsum contribution	347	7,021
Deferred lumpsum contribution	(949)	338
	(602)	7,359

(b) ***The movement in the net deferred income tax position in the statement of financial position is attributable to the following:***

	Revaluation on Buildings $'000	Accelerated Tax Depreciation $'000	Retirement Benefit $'000	Post Retirement Medical $'000	Total $'000
As at 31 December 2021					
Balance at beginning of year	11,092	28,476	(7,359)	(1,129)	31,080
(Credit) charge to profit or loss (Note 16)	(326)	4,466	3,908	123	8,171
Tax on actuarial gains recognised in OCI	–	–	4,053	(62)	3,991
Balance at end of year	10,766	32,942	602	(1,068)	43,242

	Revaluation on Buildings $'000	Accelerated Tax Depreciation $'000	Retirement Benefit $'000	Post Retirement Medical $'000	Total $'000
As at 31 December 2020					
Balance at beginning of year	11,418	28,863	(12,639)	(655)	26,987
(Credit) charge to profit or loss (Note 16)	(326)	(387)	584	128	(1)
Tax on actuarial gains recognised in OCI	–	–	4,696	(602)	4,094
Balance at end of year	11,092	28,476	(7,359)	(1,129)	31,080

	2021	2020
	$'000	$'000
7. Inventories		
Raw materials	31,038	25,434
Goods in transit	4,736	4,647
Supplies and sundries	2,638	2,939
Finished goods	9,112	11,285
Inventories in process	3,119	2,611
	50,643	46,916

The cost of inventories recognised as expense and included in "cost of sales" amounted to $140,756,020 (2020: $134,188,328).

A provision was made against supplies and sundries in the amount of $9,086,098 (2020: $9,764,014) relating to spares.

8. Financial Instruments

(a) *Financial instruments by category and currency*

	TTD	USD	Euro	GBP	Total
	$'000	$'000	$'000	$'000	$'000
As at December 31, 2021					
Financial assets					
Trade receivables	86,402	-	-	-	86,402
Prepayments	14,124	-	-	-	14,124
Due from related parties	6,194	18,195	-	2,048	26,437
Cash and cash equivalents	184,666	183,830	-	-	368,496
	291,386	202,025	-	2,048	495,459
Financial liabilities					
Trade payables and accruals	62,576	2,708	5,193	4,435	74,912
Lease liabilities	1,075	-	-	-	1,075
Due to related parties	4,364	8,666	312	7,020	20,362
Due to parent company	2,023	-	-	-	2,023
	70,038	11,374	5,505	11,455	93,372

8. Financial Instruments *(continued)*

(a) Financial instruments by category and currency *(continued)*

	TTD $'000	USD $'000	Euro $'000	GBP $'000	Total $'000
As at December 31, 2020					
Financial assets					
Trade receivables	20,970	-	-	-	20,970
Prepayments	7,856	-	-	-	7,856
Due from related parties	6,902	1,537	-	13,553	21,992
Cash and cash equivalents	283,149	164,772	-	-	447,921
	318,877	166,309	-	13,553	498,739
Financial liabilities					
Trade payables and accruals	38,521	6,934	1,232	1,446	48,133
Statutory liabilities	24,072	-	-	-	24,072
Lease liabilities	1,479	-	-	-	1,479
Due to related parties	21,589	8,810	2,834	11,968	45,201
Due to parent company	-	-	-	7,348	7,348
	85,661	15,744	4,066	20,762	126,233

(b) Maximum exposure to credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, with major customers being given credit terms of Fifteen (15) days, with Contract Manufacture being Thirty (30) days, all of which have been received subsequent within the credit period, with no history of write off of bad debts off nor their balances credit-impaired at the reporting date. The Company's related party receivables constitute its contract manufacture customers, all of which reside within the Caribbean, specifically Jamaica, Guyana and Suriname.

8. Financial Instruments *(continued)*

(b) Maximum exposure to credit risk *(continued)*

The Company's internal credit committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The credit limits as well as credit usage and payment history are reviewed monthly by the Company's credit committee. Any sales exceeding those credit limits or with any outstanding receivables require approval in keeping with the Company's delegation of authority and reported to the Credit Committee as well.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one month for both its corporate and related party customers.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned below:

	Neither past Due Nor Impaired	Past Due But Not Impaired (> 30 days)	Total
	$'000	**$'000**	**$'000**
As at December 31, 2021			
Trade receivables	86,402	-	86,402
Prepayments	14,124	-	14,124
Due from related parties	26,437	-	26,437
Cash at bank	368,496	-	368,496
	495,459	-	495,459
As at December 31, 2020			
Trade receivables	20,866	104	20,970
Prepayments	7,856	-	7,856
Due from related parties	21,992	-	21,992
Cash at bank	447,921	-	447,921
	498,635	104	498,739

The Company does not hold any collateral as security.

8. Financial Instruments *(continued)*

(b) Maximum exposure to credit risk *(continued)*

Expected credit loss assessment for individual customers

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables as at 31st December 2021.

	Weighted Average Loss Rate	Gross Carrying Amount	Loss Allowance Amount
As at December 31, 2021		**$'000**	**$'000**
Current (not past due)	0.10%	86,146	(85)
1-30 days past due	0.12%	256	(1)
		86,402	(86)

(c) Credit quality of financial assets

Financial assets neither past due nor impaired are held with counterparties without an external credit rating. The credit quality of these can be assessed as follows:

- Trade receivables and due from related parties relate to existing customers (more than 6 months old) with minimal defaults in the past;
- Cash and cash equivalents are held with reputable financial institutions. Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures in keeping with IFRS 9. The expected credit loss in relation to cash and cash equivalents as at December 31, 2021 is not material.

	2021	2020
	$'000	**$'000**
9. Trade and Other Receivables		
Trade receivables	86,402	21,095
Loss provision	(86)	(125)
Net trade receivables	86,316	20,970
Prepayments	14,124	7,856
Receivables from related parties: (Note 19)		
– trade	13,958	13,012
– other	12,479	8,980
	126,877	50,818
10. Cash and Cash Equivalents		
Cash at bank	368,496	447,921
11. Share Capital		
Authorised		
An unlimited number of ordinary shares of no par value		
Issued and fully paid		
252,720,000 ordinary shares of no par value	42,120	42,120

12. Pensions and Other Post Retirement Obligations

	2021 $'000	2020 $'000
Statement of Financial Position:		
Retirement benefit obligation	3,344	(18,902)
Post-employment medical benefit obligation	(5,028)	(5,232)
Liability in the statement of financial position	(1,684)	(24,134)

(i) *Retirement benefits*

The amounts recognised in the statement of financial position are as follows:

	2021 $'000	2020 $'000
Fair value of plan assets	246,817	215,765
Present value of funded pension obligation	(243,473)	(234,197)
Deficit of funded plans	3,344	(18,432)
Present value of unfunded pension obligation	-	(470)
Liability in the statement of financial position	3,344	(18,902)
Net interest cost	879	1,883
Current service cost	2,395	3,114
Administration Expenses	499	453
Net pension expense (Note 12)	3,773	5,450
Remeasurements:		
From plan assets	16,269	(5,515)
From obligation - funded	(3,254)	21,225
From obligation - unfunded	496	(58)
Remeasurement of net asset	13,511	15,652
Reconciliation of movements in the statement of financial position:		
Net liability recognised as at January 1	(18,902)	(37,161)
Net pension expense	(3,773)	(5,450)
Remeasurement of net asset	13,511	15,652
Employer contributions	12,508	8,057
Net liability recognised as at December 31	3,344	(18,902)

12. Pensions and Other Post Retirement Obligations *(continued)*

Statement of Financial Position: *(continued)*

(i) Retirement benefits *(continued)*

	2021 $'000	2020 $'000
Changes in fair value of plan assets:		
Fair value of plan assets as at January 1	215,767	213,114
Actual return on plan assets:		
- interest income	12,168	10,813
- remeasurement recognised in OCI	16,269	(5,515)
Company contributions	12,508	8,057
Employee contributions	1,313	1,342
Administration Expenses	(499)	(453)
Benefit payments	(10,709)	(11,591)
Fair value of plan assets as at December 31	246,817	215,767
Changes in present value of the obligation (funded and unfunded):		
Present value of obligation as at 1 January	(234,667)	(250,275)
Interest cost	(13,049)	(12,694)
Current service cost - employer	(2,395)	(3,114)
Current service cost - employee	(1,313)	(1,342)
Benefit payments	10,709	11,591
Remeasurement recognised in OCI:		
- financial assumption changes	2,870	17,388
- demographic	(5,715)	-
- experience	87	3,779
Present value of obligation as at December 31	(243,473)	(234,667)

The principal actuarial assumptions were as follows:

	Per Annum 2021 %	Per Annum 2020 %
Discount rate	6.00	5.60
Future salary increases	5.00	4.00
Future pension increases	3.00	3.00
Mortality	NISTT2012	NISTT2012

12. Pensions and Other Post Retirement Obligations *(continued)*

Statement of Financial Position: *(continued)*

(i) Retirement benefits *(continued)*

The change in discount rate assumption to 6% is consistent with the application of paragraph 83 of IAS 19. This requires reference to market yields on Government bonds such that the currency and term of the bonds are consistent with the currency and estimated term of the benefit obligations.

Expected contributions to post employment benefit plans for the year ending December 31, 2022 are $8,136,000.

Plan assets comprise the following:

		2021			2020	
		$'000	%		$'000	%
Equity investments						
Local	51,007	-		46,139	-	
Foreign	50,420	101,427	41	35,051	81,190	38
Debt instruments						
Local	72,008	-		69,935	-	
Foreign	41,473	113,481	46	39,751	109,686	51
Property						
Local	-	2,878	1	-	2,835	1
Other						
Local	17,595	-		11,673	-	
Foreign	11,436	29,031	12	10,381	22,054	10
		246,817	100		215,765	100

The expected return on plan assets is effectively set to be equivalent to the discount rate.

The Insurance Act 2018 (the Act) governs all aspects of a local pension plan. The actuarial valuation is prepared on a tri-annual basis as prescribed by the Act. This report establishes the Plan's liabilities, which is then used to develop and guide long term investment strategies for the Pension Plan.

12. Pensions and Other Post Retirement Obligations *(continued)*

(i) Retirement benefits *(continued)*

The strategic direction of the Plan is outlined in the Statement of Investment Policy, which can be summarized as follows:

The current strategic allocation consists of 10% foreign equity, 25% domestic equity, 60% long term fixed income and 5% cash and equivalents.

The long term objective is set with the understanding that some risks (systematic risks) cannot be diversified or avoided. Such risks include interest rate risk (for concentrated holdings), recessions and wars. Under the Act, 70% of the Plan's holdings must originate in Trinidad & Tobago. This represents the single largest systematic risk faced by the Plan and ties the prosperity of the Plan to the prosperity of the local economy.

The Act also limits the ability to actively manage the non-systematic risk. Firstly, by capping the allocation to equity at 50%, the Plan will never be able to take on more risk or mitigate market factors such as the prevailing low interest rate environment. Secondly, the Act specifies criteria that mandate a value bias, which restricts holding in growth oriented issuers.

The Plan's portfolio of assets consists of local and foreign bonds and equity. Local and foreign equity are traded on public exchanges, as are foreign bonds and select local bonds. The vast majority of local bonds are privately placed and are not traded. The majority of bonds held are issued by the Government of Trinidad & Tobago, in accordance with the various requirements of the Act, which is currently rated BBB- by S&P. Other local bonds held will have ratings either equal to or lower than this.

12. Pensions and Other Post Retirement Obligations *(continued)*

(ii) Post employment medical benefit obligation

The amount recognised in the statement of financial position is as follows:

	2021 $'000	2020 $'000
Unfunded post-retirement health care obligation	5,028	5,232

The movement in the defined benefit obligation over the year is as follows:

Interest cost	285	179
Current service cost	46	52
Post-retirement health care expense	331	231

Remeasurements recognised in other comprehensive income:

	2021 $'000	2020 $'000
From experience adjustments	(207)	(2,006)

Reconciliation of movements in statement of financial position:

Net liability recognised as at January 1	(5,232)	(3,652)
Net expense	(331)	(231)
Remeasurement of net liability	(207)	(2,006)
Employer premiums for existing retirees/clinic cost	742	657
Net liability recognised as at December 31	(5,028)	(5,232)

12. Pensions and Other Post Retirement Obligations *(continued)*

(ii) Post employment medical benefit obligation *(continued)*

	2021	2020
	$'000	$'000
Changes in present value of the obligation:		
Present value of obligation as at 1 January	(5,232)	(3,652)
Interest cost	(285)	(179)
Current service cost	(46)	(52)
Employer premiums for existing retirees/clinic cost	742	657
Remeasurement recognised in OCI:		
- experience	(207)	(2,006)
Present value of obligation as at December 31	(5,028)	(5,232)

The principal actuarial assumptions were as follows:

	2021	2020
	%	%
Discount rate	6.20	5.80
Premium/clinic cost escalation	4.00	4.00
% married	90	90
Retiree mortality table	NISTT2012	NISTT2012

Expected contributions to post employment medical benefit plans for the year ending December 31, 2022 are $864,000. The change in discount rate for the IAS 19 valuation of Pension (6%) and Medical (6.2%) was based on an agreed upon recommendation between Management and the Company's actuaries wherein an extrapolation along the October 31 GOTT yield curve allowed for a range of 6% to 6.2% being consistent with the IAS 19 guidelines.

The effect of a 1% movement in the assumed medical cost trend rate is as follows:

	Increase	Decrease
	$'000	$'000
Effect on the aggregate of the current service cost and interest cost	12	(10)
Effect on the defined benefit obligation	536	(456)

12. Pensions and Other Post Retirement Obligations *(continued)*

(iii) Defined benefit pension plan

The Company operates a defined benefit pension plan regulated by the Insurance Act, 2018 (as amended by the Insurance (Amendment) Act, 2020) of Trinidad and Tobago. This is a final salary pension plan which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The pension payments are increased by 3% each year. The majority of benefit payments are from trustee administered funds; however, a small number of pension payments are met by the Company. Plan assets held in trust are governed by local regulations and practice. Responsibility for governance of the plan, including investment decisions lies jointly with the Company and the Board of Trustees. The Board of Trustees must be composed of representatives of the Company and plan participants in accordance with the plan's regulations.

The weighted average duration of the defined benefit obligation is 16.6 years.

The weighted average duration of the post-employment medical benefit obligation is 18.4 years.

In the case of the funded plan, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

12. Pensions and Other Post Retirement Obligations *(continued)*

(iii) Defined benefit pension plan *(continued)*

The statutory valuations of the plan over the last 11 years have reported deficits in funding. The Company has taken measures to reduce the deficit and to date there has been lumpsum injections totalling $31.4 Million during the period 2008 to 2012, with $18 Million also injected for the period 2019 to 2021. Based on the recommendation of the actuary, the Company continues its higher contributions, and with additional planned measures, anticipates the elimination of the deficit. The statutory valuation is prepared for a different purpose to the IAS 19 valuation and results of the IAS 19 valuation are not necessarily appropriate for making funding decisions.

(iv) Sensitivity of assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2021 Impact on defined benefit obligation (DBO)		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate:	0.50%	Decrease DBO by 6.5%	Increase DBO by 7.3%
Salary growth rate:	0.50%	Increase DBO by 2.0%	Decrease DBO by 1.9%
Pension growth rate:	0.25%	Increase DBO by 2.4%	Decrease DBO by 2.3%

As at December 31, 2021, if the discount rate had been 0.5% higher or lower with all other variables held constant, the carrying amount of pension obligations would have been $15,831,000 lower or $17,758,000 higher (2020: $15,470,000 lower or $17,383,000 higher).

	Increase by 1 Year in Assumption	**Decrease by 1 Year in Assumption**
Life expectancy:	Increase by 3.0%	Decrease by 3.1%

12. Pensions and Other Post Retirement Obligations *(continued)*

(iv) Sensitivity of assumptions *(continued)*

Assumptions regarding future longevity have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	2021	**2020**
Member age 65 (current life expectancy)		
Males	17.30	17.25
Females	22.09	22.05
Member age 45 (life expectancy at age 65)		
Males	18.15	18.10
Females	22.90	22.86

At December 31, 2021, the weighted-average duration of the defined benefit obligation was 16.6 years (2020: 16.7 years).

	2020 Impact on defined benefit obligation (DBO)		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**
Discount rate:	0.50%	Decrease DBO by 6.6%	Increase DBO by 7.4%
Salary growth rate:	0.50%	Increase DBO by 1.9%	Decrease DBO by 1.7%
Pension growth rate:	0.25%	Increase DBO by 2.4%	Decrease DBO by 2.3%

12. Pensions and Other Post Retirement Obligations *(continued)*

(iv) Sensitivity of assumptions *(continued)*

	Increase by 1 Year in Assumption	Decrease by 1 Year in Assumption
Life expectancy:	Increase by 3.1%	Decrease by 3.1%

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The defined benefit pension plan and post-employment medical plan are exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government bond yields (Trinidad and Tobago does not have a deep or liquid market in Government or corporate debt); if plan assets underperform this yield, this will create a deficit. The plan holds a portion of assets in equities (approximately 41% of plan assets), which are expected to outperform Government bonds in the long-term while providing volatility and risk in the short-term.

Changes in bond yields

A decrease in Government bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings. Similarly, an increase in Government bond yields will decrease plan liabilities.

Inflation risk

Some of the Company's pension obligations are loosely linked to inflation to the extent that inflation influences salary increases, and higher inflation leads to higher salaries which in turn will lead to higher liabilities. The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation can also increase the deficit.

12. Pensions and Other Post Retirement Obligations *(continued)*

(iv) Sensitivity of assumptions *(continued)*

Pension asset yield curve

The Company has unquoted investments of 105,461,910 (2020:101,069,613) which are held with low risk government and financial institutions. If the price in the yield curve were to change by 1 percent there would not be a material impact to the financial statements. A change of such magnitude is unlikely given the current economic environment and the quality of the associated financial instruments.

	2021	2020
	$'000	$'000
13. Trade and Other Payables		
Trade payables and accruals	74,912	48,133
Statutory liabilities	28,273	24,072
Due to related parties (Note 19)		
- trade	14,918	37,851
- other	5,444	7,350
	123,547	117,406

14. Revenue

Billings excluding VAT – including excise	1,093,422	1,124,032
Less excise	(241,171)	(224,115)
	852,251	899,917

The Company collects excise duty on behalf of the Comptroller of Customs and remits this excise duty to the Comptroller of Customs when a sale is made to a domestic distributor.

15. Expenses by Function

	2021 $'000	2020 $'000
Cost of sales		
- Raw materials and consumables	88,636	90,034
- Employee benefits	45,112	42,852
- Royalties	34,141	32,683
- Manufacturing overheads	29,245	36,441
- Depreciation	10,327	9,010
	207,461	**211,020**
Distribution costs		
- Brand support expenses	2,274	4,494
- Employee benefits	5,597	4,303
- Technical and advisory services	924	1,095
- Inventory write-off	9	123
- Other distributions costs	1,127	890
	9,931	**10,905**
Administrative expenses		
- Technical and advisory services	23,662	26,610
- Employee benefits	13,353	14,432
- IT expenses	10,775	10,355
- Travel and related expenses	24	1,197
- Professional Fees	1,094	1,575
- Other administrative expenses	24,721	21,368
	73,629	**75,537**
Other operating expenses		
- Selling expenses	8,562	3,742
- IT expenses	4,982	5,542
- Employee benefits	3,960	2,810
- Depreciation	4,641	2,741
- Other expenses	1,693	406
	23,838	**15,241**

(a) Employee benefit expense

	2021 $'000	2020 $'000
Wages and salaries and other termination benefits	48,493	43,820
Other benefits	18,583	19,431
Pension costs:		
- defined benefit plan (Note 12)	3,773	5,450
- defined contribution plan	850	850
Post-employment medical benefits (Note 12)	331	231
	72,030	69,782

Number of employees as at year end 194 (2020: 195).

	2021 $'000	2020 $'000
16. Taxation		
Corporation tax:		
- current year	150,012	177,455
- adjustment to prior year's estimates	–	601
Deferred income tax (Note 6)	8,171	(1)
	158,183	178,055

The tax on the Company's profit before tax differs from that calculated at the statutory tax rate applicable to profits of the Company as follows:

	2021 $'000	2020 $'000
Profit before taxation	537,212	588,076
Tax calculated at 30%	161,164	176,423
Expenses not deductible for tax	(2,981)	1,049
Income/allowances not subject to tax	–	(18)
Corporation tax – adjustment to prior year's estimates	–	601
	158,183	178,055

17. Earnings per Share

Basic earnings per ordinary share are calculated by dividing the profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2021	2020
Profit for the year attributable to equity holders ($'000)	379,029	410,021
Weighted-average number of ordinary shares ('000)	252,720	252,720
Basic and diluted earnings per share	$1.50	$1.62

18. Dividends Paid on Ordinary Shares

	2021 $'000	2020 $'000
Final dividend – prior year	192,067	128,887
Second interim dividend	98,561	98,561
Third interim dividend	74,838	65,917
	365,466	293,365

A final dividend in respect of 2021, of $0.70 cents per share (2020 of $0.76 cents per share) amounting to $176,904,000 (2020: $192,067,200) is to be proposed at the Annual General Meeting to be held on April 07, 2022. If approved, the total dividend for the year will be $1.42, 8% lower than the dividend distribution of $1.54 with respect to 2020.

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 receive same prior to its forfeiture. Unclaimed dividends of $1.7M for periods 2005, 2006 and 2007 were written back to the retained earnings in equity in 2019. The next review is scheduled to take place in 2022.

19. Related Party Transactions and Balances

The Company is a subsidiary of British American Tobacco (Investments) Limited which owns 50.13% of the issued share capital. The remaining 49.87% of the shares are widely held. Its ultimate parent company is British American Tobacco p.l.c., a company registered in the United Kingdom.

The following transactions were carried out with related parties:

	2021 $'000	2020 $'000
(a) Sale of goods and services		
Sale of goods - related parties	103,769	102,241
Recharge of services - related parties	22,470	23,782
(b) Purchases of goods and services		
Purchases of goods – related parties	45,040	52,133
Purchases of services – related parties	40,638	47,627
Purchases of services – parent company	37,720	35,879

19. Related Party Transactions and Balances *(continued)*

(b) Purchases of goods and services (continued)

The Company has several transactions and relationships with related parties as defined by IAS 24 Related Party Disclosures, all of which are undertaken in the normal course of business.

These transactions include the sale and purchase of manufactured cigarettes and raw materials and charges for Royalties, Services and Fees. The recharges of services include reimbursement for shared employee costs and write-offs relating to contract manufacturing.

	2021 $'000	2020 $'000
(c) Key management compensation		
Salaries and other short-term employee benefits	7,010	11,558
Post-retirement medical obligations	3	1
Post-retirement benefits	185	114
(d) Receivable from related parties (Note 9)	26,437	21,992
Payable to related parties (Note 13)	20,362	45,201
Payable to parent company	2,023	7,348

The receivables from related parties arise mainly from sales transactions and are due 30 days after the end of the month in which the invoice is dated. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2020: NIL).

The payables to related parties arise mainly from purchase transactions and are due 30 days after the end of the month in which the invoice is dated. The payables bear no interest.

	2021	2020
	$'000	$'000
20. Contingent Liabilities		
Customs and immigration bonds	22,930	16,930

These consist of bonds required to be kept by the Company in order to meet legal requirements with the Government of Trinidad and Tobago. The probability of this bond being utilised is remote.

21. Commitments

	2021	2020
	$'000	$'000
(a) Capital commitments		
Authorised and contracted for, and not provided for in the financial statements.	15,012	3,970

During 2021, the Company entered into several contracts to purchase property, plant and equipment and upgrade its existing plant and equipment tentatively to be performed in 2022.

22. IFRS 16 Leases as a Lessee

The Company leases vehicles and a warehouse, both connected to trade and merchandising activities. The leases for the vehicles are for a four year period. The lease for the warehouse was renewed and renegotiated for a 3 year term. The next renewal period would be effective December 1, 2023.

(i) Right-of-use assets

	Vehicle	Warehouse	Total
	$'000	$'000	$'000
Balance as at January 1, 2021	1,982	1,313	3,295
Addition	1,585	-	1,585
Depreciation charge for the year	(2,225)	(465)	(2,690)
Disposals	(704)	-	(704)
Depreciation on Disposals	591	-	591
Balance as at December 31, 2021	1,229	848	2,077

22. IFRS 16 Leases as a Lessee *(continued)*

(ii) Lease Liability

	Total $'000
Balance as at January 1, 2021	**1,479**
Interest on lease liabilities	296
Principal payments	(700)
Balance as at December 31, 2021	**1,075**
Non-current (One to Four years)	535
Current (Less than one year)	540
Balance as at January 1, 2020	**3,578**
Interest on lease liabilities	348
Principal payments	(2,447)
Balance as at December 31, 2020	**1,479**
Non-current (One to Four years)	858
Current (Less than one year)	621

	2021 $'000	2020 $'000
(iii) Amounts recognised in profit or loss		
Interest on lease liabilities	296	348
Depreciation expense on right of use assets	2,684	1,059
(iv) Amounts recognised in statement of cash flows		
Lease payment	404	2,099
Interest paid	296	348
Total Cash Outflow for Leases	700	2,447

23. Segment Information

The Company is organised and managed on the basis of two geographic regions, namely the Domestic market and 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 $748,000,000 (2020: $796,000,000) of the Company's total revenues. This consist of a 50% split between the two companies.

The segment results for the year are as follows:

	Domestic	CARICOM	Unallocated	Total
	TT$'000	TT$'000	TT$'000	TT$'000
Year ended 31 December 2021				
Revenue	748,482	103,769	–	852,251
Gross profit	630,484	14,306	–	644,790
Profit or loss for the year includes:				
Depreciation	–	–	(14,968)	(14,968)
Year ended 31 December 2020				
Revenue	797,676	102,241	–	899,917
Gross profit	674,163	14,734	–	688,897
Profit or loss for the year includes:				
Depreciation	–	–	(11,751)	(11,751)
Total Segment Assets				
December 31, 2021	135,709	41,811	641,560	819,080
December 31, 2020	59,387	38,847	711,089	808,823

24. COVID-19

In March 2020, a global pandemic was declared by the World Health Organization related to the novel coronavirus disease 2019 (COVID-19). Below were the impacts and how the Company responded for the year ending December 31, 2021.

- Reductions in earnings, and productivity – Excluding three weeks during the total lock-down in May 2021, the Company was able to continue to sell to its main distributors who were retailing to their customers that were deemed to be essential services by the Government of Trinidad and Tobago. The Duty Free Stores and the Entertainment channels remained closed until July and November respectively. The Company was able to effectively manage its expenditure during the government implemented restrictions ("restrictions") to mitigate the effect in the reduction in revenue as a result of COVID 19. As such, there was a marginal decline in profitability as a result of the measures taken.

- *Delays in collections* - The entity was able to manage credit terms with its customers during the restrictions and still achieve its full collections subsequent to the year end.

- *Reduced hours of operations in facilities* - During the May 2021 restrictions, the Company was able to obtain approval to resume work with minimal delay in production in the second quarter of 2021.

- *Delays in projects and planned business expansions, including those of customers* - There were no major projects planned for customers during the restrictions. All other, capital projects were delayed temporarily during the restrictions and have progressed as plan, until December 31, 2021.

- *Capital market disruption* - There were no major capital market disruptions during the restrictions.

- *Supply chain disruptions* - The Company was able to manage its inventory levels held on hand in an effort to mitigate the risk of stock outages.

- *Unavailability of Company personnel* - The Company continued with the work from home measures for its administrative employees. Also for its factory workers, the Company was able to facilitate a safe working environment to continue production and at the same time continuing to keep its employees safe.

- *Reduced business and economic activity due to disruptions in tourism, sports, cultural and other leisure activities* - Though there was a closure of the entertainment channels during the restrictions, this was compensated by an increase in supermarket sales. As such, the distributors continued to purchase from the Company to service demand for the Company's products.

24. COVID 19 *(continued)*

The extent to which such events will impact the Company's operations will depend on future developments. As of the date of issue of these financial statements the Company did not experience significant adverse consequences as a result of COVID-19, whilst payments continued to be made by customers allowing the Company to continue meeting its obligations as and when they become due. Nonetheless, the ultimate future financial impact of COVID-19 on the entity cannot be accurately estimated as it depends on the evolution of the pandemic and the administration of vaccines across the world. Because of the foregoing this has not impacted management's assessment of going concern for the Company.

25. Subsequent Events

The Company has evaluated events occurring after December 31, 2021, in order to assess and determine the need for potential recognition or disclosure in these financial statements. Such events were evaluated through March 11, 2022, the date these financial statements were available to be issued. Based upon this evaluation, the Company has not determined any material items to be disclosed.

Management Proxy Circular

REPUBLIC OF TRINIDAD AND TOBAGO

THE COMPANIES ACT, CH.81:01 S.144

1 **Name of Company:**
THE WEST INDIAN TOBACCO COMPANY LIMITED

Company No:
W.17(C)

2 **Particulars of Meeting:**
One Hundred and Seventeenth Annual Meeting of The West Indian Tobacco Company Limited to be held in a virtual format via an online live webcast from the Company's Boardroom at the Company's compound at the Corner of Eastern Main Road and Mount D'Or Road, Champs Fleurs, Trinidad on Thursday 07 April 2022 at 10:00am.

3 **Solicitation:**
It is intended to vote the Proxy hereby solicited by the Management of the Company (unless the Shareholder directs otherwise) in favour of all resolutions specified in the Proxy Form sent to the Shareholders with this Circular and, in the absence of a specific direction, in the discretion of the Proxy Holder in respect of any other resolution.

4 **Any Director's statement submitted pursuant to Section 76(2):**
No statement has been received from any Director pursuant to Section 76(2) of the Companies Act, Ch.81:01.

5 **Any Auditor's statement submitted pursuant to Section 171(1):**
No statement has been received from the Auditors of the Company pursuant to Section 171(1) of the Companies Act, Ch.81:01.

6 **Any Shareholder's proposal submitted pursuant to Sections 116(a) and 117(2):**
No proposal has been received from any Shareholder pursuant to Sections 116(a) and 117(2) of the Companies Act, Ch 81:01.

DATE	NAME AND TITLE	SIGNATURE
09 March 2022	Kathryn Anne Abdulla Company Secretary and Authorised Signatory	KAbdulla

Proxy Form

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CH. 81:01 s.143(1)

1 Name of Company: THE WEST INDIAN TOBACCO COMPANY LIMITED

Company No: W.17 (C)

2 Particulars of Meeting:

One Hundred and Seventeenth Annual Meeting of The West Indian Tobacco Company Limited to be held in a virtual format via an online live webcast from the Company's Boardroom at the Company's compound at the Corner of Eastern Main Road and Mount D'Or Road, Champs Fleurs, Trinidad on Thursday 07 April 2022 at 10:00am.

3 I/We ______________________________

(BLOCK LETTERS PLEASE)

of ______________________________

shareholder/s in the above Company appoint:

☐ the Chairman of the Meeting

or failing him

☐ ______________________ of ______________________

to be my/our proxy to vote for me/us and on my/our behalf at the above meeting and any adjournments thereof in the same manner, to the same extent and with the same powers as if I/we was/were present at the said meeting or such adjournment or adjournments thereof and in respect of the resolutions listed below to vote in accordance with my/our instructions.

Please indicate with an "x" in the spaces below and overleaf your instructions on how you wish your votes to be cast. Unless otherwise instructed, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

Please consider Notes 1 to 9 below for assistance to complete and deposit this Proxy Form.

Proxy Form (CONTINUED)

RESOLUTION		FOR	AGAINST
1	To receive and consider the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.		
2	To declare a Final Dividend for the financial year ended 31 December 2021.		
3	To re-elect Mrs Isha Reuben-Theodore who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.		
4	To re-elect Mrs Danielle Chow who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of her election until the close of the third Annual Meeting of the Company following her election or until her retirement in accordance with paragraph 4.7:5.		
5	To re-elect Mr Arturo Rodriguez Lordmendez who retires in accordance with paragraph 4.7:5 of Bye-Law No. 1 of the Company, as a Director of the Company in accordance with paragraph 4.7:7 of Bye-Law No. 1 for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		
6	To elect Mr Andrea Martini as a Director of the Company in accordance with paragraph 4.3 of Bye-law No. 1 of the Company, for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		
7	To elect Mr John De Silva as a Director of the Company in accordance with paragraph 4.3 of Bye-law No. 1 of the Company, for a term from the date of his election until the close of the third Annual Meeting of the Company following his election or until his retirement in accordance with paragraph 4.7:5.		

Proxy Form (CONTINUED)

RESOLUTION		FOR	AGAINST
8	To reappoint Messrs KPMG as Auditors of the Company to hold office until the close of the next Annual Meeting.		
9	To approve an increase to the remuneration and fees of Non-Executive Directors (being Directors who are neither employees of the Company nor employees of British American Tobacco or any of its affiliates) with effect from 01 May 2022: (a) the monthly remuneration, an increase from i. $11,000 to $15,000 for a Chairman ii. $7,200 to $8,000 for a Director; (b) the Board of Directors Meetings, an increase from i. $5,400 to $6,750 for a Chairman ii. $3,400 to $4,500 for a Director for each Board of Directors Meeting attended; (c) the Committee Meetings, an increase from i. $3,200 to $3,550 for a Member for each Committee Meeting attended.		

Signature/s of Shareholder/s ______________________________

____

Dated this ______________ *day of* ______________ *2022.*

Proxy Form (CONTINUED)

NOTES:

1 *A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words "the Chairman of the Meeting" from the Proxy Form and insert the name and address of the person-appointed proxy in the space provided and initial the alteration.*

2 *If the appointor is a corporation, this Proxy Form must be under its common seal or under the hand of an officer of the corporation or attorney duly authorised in that behalf.*

3 *A shareholder who is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at this Annual Meeting.*

4 *In the case of joint shareholders, the names of all joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.*

5 *If the Proxy Form is returned without any indication as to how the person-appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.*

6 *Shareholders and their duly appointed proxyholders who wish to attend, participate and vote at the meeting are asked to pre-register on or before Tuesday 05 April 2022 during the hours of 8:30am to 4:00pm by contacting the Company at WestIndianTobaccoAGM@bat.onmicrosoft.com. Shareholders are asked to please provide their full name and address as listed in the Shareholders' Register, as well as their email address and a valid identification number to facilitate registration. The credentials to join the meeting will be provided on or before Thursday 07 April 2022.*

7. *To be valid, this Proxy Form must be completed and deposited with the Secretary of the Company at the Registered Office of the Company at the address below at least 48 hours before the time appointed for the Annual Meeting.*

Return to: THE COMPANY SECRETARY
THE WEST INDIAN TOBACCO COMPANY LIMITED
CORNER EASTERN MAIN ROAD AND MOUNT D'OR ROAD
CHAMPS FLEURS
TRINIDAD, WEST INDIES
Email: kathryn_abdulla@bat.com
rowan_brathwaite@bat.com

Notes

Notes

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