

Quarterly Financial Statement (Unaudited) for the quarter ended as at 31 March 2016

British American Tobacco Bangladesh Company Limited

EXCELLENCE IN GOVERNANCE



**BEST EMPLOYER
OF CHOICE**



**REWARD FOR
BEST PRACTICES**



**HIGHEST
TAX PAYER**



**BRITISH AMERICAN
TOBACCO
BANGLADESH**

EXCELLENCE IN GOVERNANCE

British American Tobacco Bangladesh has built its reputation and corporate image as one of the best companies of Bangladesh, since its establishment in 1910. It has accomplished its glorious centenarian journey and continues to endure the celebrated voyage. The Company is working very closely with the people of this magnificent land for its 'Crop to Consumer' business. As a responsible business organisation, BAT Bangladesh is committed to driving the best corporate practices in the country.

As always BAT Bangladesh emphasises on transparent business practices and ensures excellence in every nook and corner of its operation. The Company ensures complete compliance of all the regulatory requirements. BATB is also Bangladesh's highest corporate contributor to the national exchequer. The Company focuses on the preferences of consumers with the interests of society ensuring good governance and enables the business to continue to prosper which resulted in a number of recognitions both in national and international platform. As mark of recognition to its drive for excellence, BAT Bangladesh has secured one more feather to its crown by establishing itself as the most women-friendly organisation after being the Country's preferred employer for three consecutive years.

As you turn these pages, you will experience a reflection of our journey towards path of success, where we stepped on to a new height of governance excellence at every stage as we strive to be a constant partner of the progressive Bangladesh.



**BRITISH AMERICAN
TOBACCO**
BANGLADESH

British American Tobacco Bangladesh Company Limited

Statement of Financial Position

As at 31 March 2016

In thousands of BDT

	Notes	31 March 2016	31-Dec-2015
TOTAL ASSETS			
		13,122,465	12,590,831
NON-CURRENT ASSETS:			
		13,242,557	13,665,015
Property, plant and equipment	2	13,242,557	13,665,015
CURRENT ASSETS:			
		17,879,908	15,925,816
Inventories	3	10,712,145	8,553,377
Trade and other receivables		19,498	940,758
Advance deposit and pre-payments		3,965,905	4,074,679
Cash and Cash Equivalents		3,182,360	2,357,002
TOTAL EQUITY & LIABILITIES			
		13,122,465	12,590,831
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY:			
		16,479,418	14,609,519
Share Capital		600,000	600,000
Capital Reserve	4	64,896	64,896
Retained Earnings	5	15,814,522	13,944,623
NON-CURRENT LIABILITIES:			
		2,515,246	2,531,026
Net defined benefit plans	6	467,509	461,230
Deferred Tax Liability	7	2,047,737	2,069,796
CURRENT LIABILITIES:			
		12,,127,801	12,450,286
Trade and other payables		7,408,202	7,842,726
Current tax liabilities		3,987,186	3,500,379
Provisions for expenses		732,413	1,107,181

The annexed notes 1 to 10 form an integral part of these financial statements.


Golam Mainuddin
Chairman


Shehzad Munim
Managing Director


Md. Mosharraf Hossain
Bhuiyan ndc
Director


William Francis Pegel
Finance Director


Md. Azizur Rahman FCS
Company Secretary

British American Tobacco Bangladesh Company Limited

Statement of Comprehensive Income

For the Period From 1 Jan 2016 to 31 March 2016

In thousands of BDT	Notes	1-Jan 2016 To 31 Mar 2016	1 Jan 2015 To 31 Mar 2015
Gross Turnover		39,832,504	35,106,747
Supplementary duty & VAT		<u>(29,352,613)</u>	<u>(25,629,523)</u>
NET TURNOVER	8	10,479,892	9,477,224
Cost of sales		<u>(5,582,379)</u>	<u>(5,092,616)</u>
GROSS PROFIT		4,897,513	4,384,608
Operating expenses		<u>(1,249,529)</u>	<u>(1,073,058)</u>
OPERATING PROFIT		3,647,983	3,311,550
Non-operating income/(expenses)		9,057	6,872
Net financial Income/(Expense)		<u>15,296</u>	<u>(59,049)</u>
PROFIT BEFORE CONTRIBUTION TO WPPF		3,672,336	3,259,372
Contribution to WPPF		<u>(183,617)</u>	<u>(162,969)</u>
PROFIT BEFORE INCOME TAX		3,488,719	3,096,404
Income tax expense	9	(1,618,820)	(1,306,324)
Current Tax		<u>(1,640,879)</u>	<u>(1,326,678)</u>
Deferred Tax		22,059	20,354
NET PROFIT AFTER TAX FOR THE PERIOD		1,869,899	1,790,080
Other Comprehensive Income/(Expense)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,869,899</u>	<u>1,790,080</u>
APPROPRIATIONS:			
Revenue Reserve		<u>1,869,899</u>	<u>1,790,080</u>
Earnings Per Share	10	<u>Taka</u> 31.16	<u>Taka</u> 29.83

The annexed notes 1 to 10 form an integral part of these financial statements.


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Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Changes in Equity
For the Period From 1 Jan 2016 to 31 Mar 2016

In thousands of BDT	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Capital Reserve</u>	<u>Total Equity</u>
Balance as at 1 January 2015	600,000	10,798,615	64,896	11,463,511
Profit for the quarter ended 31 Mar 2015	-	1,790,080	-	1,790,080
Other comprehensive income	-	-	-	-
Total comprehensive Income	-	1,790,080	-	1,790,080
Dividend Paid on Q1 2015				
<i>Final Dividend for 2014</i>		-	-	-
<i>Interim Dividend for 2015</i>		-	-	-
		-	-	-
Balance as of 31 March 2015	<u>600,000</u>	<u>12,588,695</u>	<u>64,896</u>	<u>13,253,590</u>
Balance as at 1 January 2016	600,000	13,944,623	64,896	14,609,519
Profit for the quarter ended 31 March 2016	-	1,869,899	-	1,869,899
Other comprehensive income	-	-	-	-
Total comprehensive Income	-	1,869,899	-	1,869,899
Dividend Paid in Q1 2016				
<i>Final Dividend for 2015</i>		-	-	-
<i>Interim Dividend for 2016</i>		-	-	-
		-	-	-
Balance as of 31 March 2016	<u>600,000</u>	<u>15,814,522</u>	<u>64,896</u>	<u>16,479,418</u>

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British American Tobacco Bangladesh Company Limited

Statement of Cash Flows

for the Period from 1 January 2016 to 31 March 2016

In thousands of BDT


	1 Jan 2016 To 31 Mar 2016	1 Jan 2015 To 31 Mar 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection From Distributors, Leaf Export and Others	40,753,764	35,089,764
Payment for Costs and Expenses	(5,963,031)	(6,440,715)
Supplementary Duty and VAT Paid	<u>(32,659,963)</u>	<u>(27,091,919)</u>
Cash generated from operating activities	2,130,770	1,557,130
Income Tax Paid	(1,154,147)	(885,017)
Interest Paid	<u>10,519</u>	<u>(59,049)</u>
NET CASH GENERATED FROM OPERATING ACTIVITIES	987,142	613,064
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(161,032)	(272,013)
Proceeds from sale of property, plant and equipment	<u>3,022</u>	<u>51</u>
NET CASH USED IN INVESTING ACTIVITIES	(158,010)	(271,962)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	<u>(3,774)</u>	<u>(213)</u>
NET CASH USED IN FINANCING ACTIVITIES	(3774)	(213)
Net Increase/(Decrease) in Cash and Cash Equivalents For the Period	825,358	340,889
Cash and cash equivalents at the beginning of the period	<u>2,357,002</u>	<u>(1,407,308)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,182,360	(1,066,419)
Closing cash and cash equivalents have been arrived at as follows:		
Short term bank loan	-	(2,150,000)
Cash and bank balances	3,182,360	1,222,740
Bank overdraft	<u>-</u>	<u>(139,159)</u>
	3,182,360	(1,066,419)


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British American Tobacco Bangladesh Company Limited

Notes to the Financial Statements

For the Period from 1 January 2016 to 31 March 2016

1. General Notes

The basis of preparation and significant accounting policies governing the quarterly statutory reporting has not been changed from the last reporting date. Hence no policy related general notes are being provided for Q1 2016 accounts. Certain figures for 2015 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.

2. Property, plant and equipment

<i>In thousands of BDT</i>	Freehold building	Freehold land	Furniture and fixtures	IT equipment	Laboratory equipment	Leasehold building	Office equipment	Plant and Machinery	Vehicles	Assets under construction	Total
Cost											
Balance at 1 January 2015	701,241	343,485	323,079	287,057	180,537	376,062	231,244	10,020,205	823,217	4,471,002	17,757,319
Additions	11,153	32,175	20,159	24,752	44,745	240,956	89,537	4,218,551	181,104	1,880,656	6,743,788
Disposals/transfers	(78,872)	-	(76,296)	(36,537)	(16,507)	(32,778)	(32,226)	(29,441)	(100,452)	(4,052,446)	(4,485,216)
Balance at 31 December 2015	633,522	375,860	267,002	275,472	208,765	584,299	288,555	14,209,315	873,889	2,299,212	20,015,891
Balance at 1 January 2016	633,522	375,860	267,002	275,472	208,765	584,299	288,555	14,209,315	873,889	2,299,212	20,015,891
Additions	(0)	-	-	12	9,889	-	2,357	-	-	148,295	161,032
Disposals/transfers/adjustments	-	-	(141)	-	-	-	-	-	(9,715)	(276,377)	(286,233)
Balance at 31 March 2016	633,522	375,860	266,861	275,484	218,654	584,299	290,912	14,209,315	864,174	2,171,630	19,890,690
Accumulated depreciation											
Balance at 1 January 2015	145,606	-	220,960	83,309	110,626	135,470	128,574	4,403,125	411,073	-	5,738,743
Depreciation for the year	17,023	-	25,920	46,762	12,745	9,298	34,567	659,647	153,114	-	961,076
Adjustment for disposals/transfers	(21,540)	-	(70,238)	(33,974)	(16,499)	(20,595)	(31,182)	(26,444)	(128,471)	-	(348,543)
Balance at 31 December 2015	141,089	-	176,642	196,097	106,872	124,173	131,959	5,036,328	437,716	-	6,350,876
Balance at 1 January 2016	141,089	-	176,642	196,097	106,872	124,173	131,959	5,036,328	437,716	-	6,350,876
Depreciation for the year	3,895	-	5,985	11,236	3,801	5,588	10,945	224,286	41,144	-	316,875
Adjustment for disposals/transfers	-	-	-	-	-	-	-	-	(9,618)	-	(9,618)
Balance at 31 March 2016	144,984	-	182,627	207,333	110,673	129,756	142,904	5,260,614	469,242	-	6,648,133
Carrying amounts											
At 31 December 2015	492,533	375,860	90,360	79,375	101,893	461,126	156,596	9,172,987	456,173	2,299,212	13,665,015
At 31 March 2016	488,538	375,860	84,234	68,151	107,961	454,543	148,007	8,948,701	394,932	2,171,630	13,242,557

In thousands of BDT

1 Jan 2016
To
31 Mar 2016

1 Jan 2015
To
31 Dec 2015

3. INVENTORIES

In thousands of BDT

Inventories in hand	10,495,507	8,085,701
Inventories in transit	216,637	467,676

10,712,145 **8,553,377**

Inventories in hand

Leaf	3,575,948	5,093,475
Wrapping materials	799,592	375,273
Work in process	87,127	24,534
Consumable stores	461,513	444,890
Finished goods	5,571,328	2,147,529
<i>Variable Cost of Stock</i>	1,223,340	924,009
<i>VAT & SD on Stock</i>	4,360,623	1,223,520

10,495,507 **8,085,701**

Inventories in transit

Leaf	64,292	134,929
Wrapping materials	132,458	317,922
Consumable stores	19,887	14,825

216,637 **467,676**

4. CAPITAL RESERVE

Capital reserve represents non-remittable reserve of BDT 64,896 thousands which are 90% of the cumulative post tax profit on disposal of property, plant and equipment as defined and directed by Bangladesh Bank. The requirement to create such special reserve on profit from sale of property, plant and equipment has been withdrawn in the year 1993.

64,896

64,896

In thousands of BDT

1 Jan 2016
To
31 Mar 2016

1 Jan 2015
To
31 Dec 2015

5. RETAINED EARNINGS

Opening Balance	13,944,623	10,798,615
Current Year Profit/(Loss)	1,869,899	5,846,008
Total distributable profit	15,814,522	16,644,623
Proposed dividend	-	(2,700,000)
Closing balance	15,814,522	13,944,623

6. NET DEFINED BENEFIT PLANS

467,509	461,230
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7. DEFERRED TAX LIABILITY

Opening balance	2,069,796	1,140,562
Provision for the period	(22,059)	929,234
Closing balance	2,047,737	2,069,796

In thousands of BDT			1 Jan 2016 To 31 Mar 2016	1 Jan 2015 To 31 Mar 2015
8. NET TURNOVER				
	Unit	Quantity		
Gross Turnover	Million Sticks	12,604	39,789,159	34,956,898
Supplementary duty & VAT			(29,348,172)	(25,615,866)
Net Turnover from Local Sales			10,440,987	9,341,032
Turnover from Leaf Tobacco Export	Million Kg	0.21	43,345	149,849
Export Duty			(4,441)	(13,657)
Net Turnover from Export Sales			38,904	136,191
NET TURNOVER			10,479,892	9,477,224

9. INCOME TAX EXPENSES

9.1 Current Tax	1,640,879	1,326,678
Provision for the Period	1,640,879	1,326,678
9.2 Deferred Tax	22,059	20,354
Provision for the Period	22,059	20,354

10. EARNINGS PER SHARE

10.1 Basic Earnings Per Share

Basic earning per share has been calculated taking a capital base of 60,000,000 ordinary share of BDT Tk. 10 each as issued upto 31 March 2016.

Total Comprehensive income for the period (BDT '000)	1,869,899	1,790,080
No of shares outstanding at 31 March 2016	60,000,000	60,000,000
Basic Earnings Per Share	31.16	29.83



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