

HALF YEARLY REPORT 2013



BRITISH AMERICAN
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SUCCESS AND RESPONSIBILITY GO TOGETHER

British American Tobacco Bangladesh Company Limited

Statement of Financial Position (Unaudited)

as at 30 June 2013

	Notes	30-Jun-2013 Taka '000s	31-Dec-2012 Taka '000s
ASSETS			
Non-current assets:			
Property, plant and equipment	2	6,031,111	5,861,627
Current assets:			
Inventories	3	10,465,062	4,956,887
Trade and other receivables		503,370	937,873
Advance deposit and pre-payments		1,556,005	1,007,539
Cash and Cash Equivalents		409,756	2,270,567
Total current assets		12,934,193	9,172,866
Total assets		18,965,304	15,034,493
EQUITY AND LIABILITIES			
Shareholders' equity:			
Share capital		600,000	600,000
Capital reserve	4	64,896	64,896
Revenue reserve	5	6,031,374	6,368,044
Total equity		6,696,270	7,032,940
Non-current liabilities:			
Gratuity	6	255,361	240,592
Deferred tax liability	7	878,438	723,643
Obligation under finance lease (due after one year)		3,531	7,541
Total non-current liabilities		1,137,330	971,776
Current liabilities:			
Bank overdraft		1,288,115	-
Short term bank loans		1,300,000	-
Provisions for expenses		2,617,169	2,188,035
Trade and other payables		3,536,964	3,245,676
Provision for Corporate Tax		2,381,672	1,585,731
Obligation under finance lease (due within one year)		7,784	10,335
Total current liabilities		11,131,704	7,029,777
Total equity and liabilities		18,965,304	15,034,493



Arun Kaul
Managing Director



Anthony Yong
Director



Md. Azizur Rahman
Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Comprehensive Income (Unaudited)
for the period of 1 January to 30 June 2013

		1-Jan-13 To 30-Jun-13	1-Jan-12 To 30-Jun-12	1-Apr-13 To 30-Jun-13	1-Apr-12 To 30-Jun-12
	Notes	Taka '000s	Taka '000s	Taka '000s	Taka '000s
Gross Turnover		53,870,622	44,400,154	26,819,743	23,115,846
Supplementary duty & VAT		38,333,452	31,428,955	18,990,026	16,189,385
Net turnover	8	15,537,170	12,971,199	7,829,717	6,926,461
Cost of sales		8,759,357	7,548,725	4,378,842	3,992,520
Gross Profit		6,777,813	5,422,474	3,450,875	2,933,941
Operating expenses		2,041,508	2,180,556	714,490	967,250
Operating Profit		4,736,305	3,241,918	2,736,385	1,966,691
Other Income		20,951	11,758	11,514	6,924
Net financial Income/(Expenses)		47,971	(58,827)	(14,781)	(75,847)
		4,805,227	3,194,849	2,733,118	1,897,768
Workers' profit participation fund		240,261	159,742	136,647	94,888
Profit before income tax		4,564,966	3,035,107	2,596,471	1,802,880
Income tax expense:					
Current Tax	9.1	2,346,841	1,202,072	1,571,503	666,702
Deferred Tax	9.2	154,795	(9,507)	179,319	(18,179)
		2,501,636	1,192,565	1,750,822	648,523
Profit for the period		2,063,330	1,842,542	845,649	1,154,357
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		2,063,330	1,842,542	845,649	1,154,357
Total comprehensive income transfer to revenue reserve		2,063,330	1,842,542	845,649	1,154,357
Appropriations:					
Revenue Reserve		2,063,330	1,842,542	845,649	1,154,357
		Taka	Taka	Taka	Taka
Earnings Per Share	10	34.39	30.71	14.09	19.24



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British American Tobacco Bangladesh Company Limited
Statement of Changes in Equity (Unaudited)
for the period of 1 January to 30 June 2013

	<u>Share capital</u> Taka '000s	<u>Revenue reserve</u> Taka '000s	<u>Capital reserve</u> Taka '000s	<u>Total Equity</u> Taka '000s
Balance as at 1 January 2012	600,000	5,246,404	64,896	5,911,300
Dividend Paid in H1 2012	-	(2,220,000)	-	(2,220,000)
Profit for the period of 1 January to 30 June 2012	-	1,842,542	-	1,842,542
Balance as at 30 June 2012	600,000	4,868,946	64,896	5,533,842
Balance at 1 January 2013	600,000	6,368,044	64,896	7,032,940
Dividend Paid in H1 2013	-	(2,400,000)	-	(2,400,000)
Profit for the period of 1 January to 30 June 2013	-	2,063,330	-	2,063,330
Balance as at 30 June 2013	600,000	6,031,374	64,896	6,696,270



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British American Tobacco Bangladesh Company Limited

Statement of Cash Flows (Unaudited)

for the period of 1 January to 30 June 2013

	1-Jan-13 To 30-Jun-13 Taka '000s	1-Jan-12 To 30-Jun-12 Taka '000s
Cash flows from operating activities:		
Collection from distributors, leaf export and others	53,765,913	44,612,847
Payment for costs and expenses	(11,036,649)	(12,174,989)
Supplementary duty and VAT paid	(42,651,828)	(34,304,955)
Cash generated from operation	77,436	(1,867,097)
Income tax paid	(1,550,900)	(684,482)
Interest received/(paid)	47,971	(58,827)
Net cash flows from operating activities	(1,425,493)	(2,610,406)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(619,148)	(227,714)
Proceeds from sale of property, plant and equipment	4	357
Net cash used in investing activities	(619,144)	(227,357)
Cash flows from financing activities:		
Short term bank loan	1,300,000	2,630,000
Finance lease obligation	(6,560)	(8,829)
Dividend paid	(2,397,729)	(2,214,642)
Net cash used in financing activities	(1,104,289)	406,529
Net increase/(decrease) in cash and cash equivalents for the period	(3,148,926)	(2,431,234)
Cash and cash equivalents at the beginning of the Period	2,270,567	837,393
Cash and cash equivalents at the end of the Period	(878,359)	(1,593,841)
Closing cash and cash equivalents have been arrived at as follows:		
Cash and bank balances	409,756	299,484
Bank overdraft	(1,288,115)	(1,893,325)
	(878,359)	(1,593,841)



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Managing Director



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Director



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British American Tobacco Bangladesh Company Limited

Notes to the Financial Statements

For the period of 1 January to 30 June 2013

1. General Notes

The basis of preparation and significant accounting policies governing the half yearly statutory reporting has not been changed from the last reporting date. Hence no policy related general notes are being provided for Q2 2013 financial statements.

2. Property, plant and equipment

Particulars	Cost at	Additions	Disposal/	Accumulated	Depreciation	Disposal/	Accumulated	Cost less
	1 January 2013 Taka '000s	and transfers from WIP during the period Taka '000s	adjustment during the period Taka '000s	depreciation at 1 January 2013 Taka '000s	charge for the period Taka '000s	adjustment during the period Taka '000s	depreciation 30 June 2013 Taka '000s	accumulated depreciation 30 June 2013 Taka '000s
Original cost:								
Freehold land	343,685	-	-	-	-	-	-	343,685
Freehold building	824,510	2,607	(837)	116,384	10,203	(688)	125,899	700,381
Leasehold building	222,719	-	(261)	92,709	4,746	(259)	97,196	125,261
Plant and machinery	7,493,121	266,205	(120,544)	4,236,665	325,847	(118,952)	4,443,560	3,195,222
Laboratory equipment	106,475	13,508	(163)	46,395	3,661	(158)	49,897	69,923
Office equipment	352,921	8,652	(963)	225,072	26,256	(627)	250,701	109,910
Furniture and fixtures	11,984	318	-	6,549	489	-	7,039	5,263
Air conditioners	212,396	851	(2,221)	160,294	13,364	(2,199)	171,459	39,567
Vehicles	577,173	107,284	(1,613)	327,885	62,779	(1,401)	389,263	293,581
	10,144,983	399,425	(126,602)	5,211,952	447,345	(124,283)	5,535,015	4,882,792
Buildings, plant and machinery etc. under construction	928,596	219,723	-	-	-	-	-	1,148,319
30-Jun-2013	11,073,579	619,148	(126,602)	5,211,952	447,345	(124,283)	5,535,015	6,031,111
31-Dec-2012	10,021,425	1,116,245	(64,091)	4,644,791	627,605	(60,443)	5,211,952	5,861,627

	30-Jun-2013	31-Dec-2012
	Taka '000	Taka '000
3. Inventories		
Leaf	6,327,192	3,331,867
Wrapping materials	414,324	413,728
Work in process	26,780	25,154
Finished goods	3,282,752	917,440
Consumable stores	414,014	268,698
	10,465,062	4,956,887
4. Capital reserve	64,896	64,896

Capital reserve represents non-remittable reserve of Tk 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 since 1993.

	30-Jun-2013	31-Dec-2012
	Taka '000	Taka '000
5. Revenue reserve		
Opening balance	6,368,044	5,246,404
Less: Dividend paid	2,400,000	2,820,000
	3,968,044	2,426,404
Add: Net profit transferred from profit and loss account	2,063,330	3,941,640
Closing balance	6,031,374	6,368,044

30-Jun-2013	31-Dec-2012
Taka '000	Taka '000

6. Gratuity

255,361	240,592
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This represents total liability of the Company on account of gratuity that would be payable if all eligible employees retire on the reporting date.

30-Jun-2013	31-Dec-2012
Taka '000	Taka '000

7. Deferred tax liability

Opening balance	723,643	669,079
Addition	154,795	54,564
Closing balance	878,438	723,643

8. Net turnover

	Unit	Qty	30-Jun-2013	30-Jun-2012
Gross Turnover	Million sticks	17,830	53,266,965	43,743,597
Supplementary duty and VAT			(38,271,655)	(31,359,893)
			14,995,310	12,383,704
Turnover from leaf tobacco export	Million Kg	2,775	603,658	656,557
Export duty			(61,798)	(69,062)
			541,860	587,495
			15,537,170	12,971,199

	30-Jun-2013	30-Jun-2012
	<u>Taka '000</u>	<u>Taka '000</u>
9. Tax		
9.1 Current Tax		
Provision for the period	2,346,841	1,202,072
	<u>2,346,841</u>	<u>1,202,072</u>
9.2 Deferred Tax		
Provision for the period	154,795	(9,507)
	<u>154,795</u>	<u>(9,507)</u>

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 Tk. 10 each as issued up to 30 June 2013.



British American Tobacco Bangladesh Company Limited

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