

# Half Yearly Financial Statement (Unaudited) for the period ended as at 30 June 2016

British American Tobacco Bangladesh Company Limited

## EXCELLENCE IN GOVERNANCE



**BEST EMPLOYER  
OF CHOICE**



**REWARD FOR  
BEST PRACTICES**



**HIGHEST  
TAX PAYER**



# 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 centenary 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 Company Limited

## Statement of Financial Position

### As at 30 June 2016

In thousands of BDT

	Notes	30 June 2016	31-Dec-2015
<b>TOTAL ASSETS</b>		32,790,128	29,590,831
<b>NON-CURRENT ASSETS:</b>		13,449,885	13,665,015
Property, plant and equipment		13,449,885	13,665,015
<b>CURRENT ASSETS:</b>		19,340,243	15,925,816
Inventories		15,785,141	8,553,377
Trade and other receivables	2	105,745	940,758
Advance deposit and pre-payments	3	2,081,761	4,074,679
Cash and Cash Equivalents	4	1,367,596	2,357,002
<b>TOTAL EQUITY &amp; LIABILITIES</b>		32,790,128	29,590,831
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY:</b>		15,163,997	14,609,519
Share Capital		600,000	600,000
Capital Reserve		64,896	64,896
Retained Earnings		14,499,101	13,944,623
<b>NON-CURRENT LIABILITIES:</b>		2,518,517	2,531,026
Net defined benefit plans		482,117	461,230
Deferred Tax Liability		2,036,400	2,069,796
<b>CURRENT LIABILITIES:</b>		15,107,614	12,450,286
Short Term Bank Loans		4,200,000	-
Trade and other payables	5	7,746,938	7,842,726
Current tax liabilities	6	2,249,560	3,500,379
Provisions for expenses		911,116	1,107,181

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 30 June 2016

In thousands of BDT		1-Jan-16 To 30-Jun-16	1-Jan-15 To 30-Jun-15	1-Apr-16 To 30-Jun-16	1-Apr-15 To 30-Jun-15
	Notes				
Gross Turnover		82,263,912	72,291,377	42,431,408	37,184,630
Supplementary duty & VAT		(60,367,614)	(52,209,890)	(31,015,002)	(26,580,367)
<b>NET TURNOVER</b>	7	<b>21,896,298</b>	<b>20,081,487</b>	<b>11,416,406</b>	<b>10,604,263</b>
Cost of sales		(11,758,125)	(10,589,478)	(6,175,746)	(5,496,862)
<b>GROSS PROFIT</b>		<b>10,138,173</b>	<b>9,492,009</b>	<b>5,240,660</b>	<b>5,107,401</b>
Operating expenses		(2,609,232)	(2,478,037)	(1,359,703)	(1,404,979)
<b>OPERATING PROFIT</b>		<b>7,528,941</b>	<b>7,013,972</b>	<b>3,880,957</b>	<b>3,702,422</b>
Non-operating income/(expenses)		9,033	14,621	(24)	7,750
Net financial income/(expenses)		13,447	(111,093)	(1,849)	(52,044)
<b>PROFIT BEFORE CONTRIBUTION TO WPPF</b>		<b>7,551,421</b>	<b>6,917,500</b>	<b>3,879,084</b>	<b>3,658,128</b>
Contribution to WPPF		(377,571)	(347,973)	(193,954)	(185,004)
<b>PROFIT BEFORE INCOME TAX</b>		<b>7,173,850</b>	<b>6,569,527</b>	<b>3,685,130</b>	<b>3,473,124</b>
Income tax expense:		(3,319,372)	(3,806,681)	(1,700,552)	(2,500,357)
Current Tax		(3,352,769)	(3,708,001)	(1,711,889)	(2,381,322)
Deferred Tax		33,396	(98,681)	11,337	(119,035)
<b>NET PROFIT AFTER TAX FOR THE PERIOD</b>		<b>3,854,478</b>	<b>2,762,846</b>	<b>1,984,578</b>	<b>972,767</b>
Other Comprehensive Income/(Expense)		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>3,854,478</b>	<b>2,762,846</b>	<b>1,984,578</b>	<b>972,767</b>
<b>APPROPRIATIONS:</b>		<b>3,854,478</b>	<b>2,762,846</b>	<b>1,984,578</b>	<b>972,767</b>
Revenue Reserve					
		Taka	Taka	Taka	Taka
<b>Earnings Per Share</b>		64.24	46.05	33.08	16.21


The annexed notes 1 to 7 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 Changes in Equity

### For the Period From 1 Jan 2016 to 30 June 2016

In thousands of BDT	Share Capital	Retained Earnings	Capital Reserve	Total Equity
<b>Balance as at 1 January 2015</b>	600,000	10,798,615	64,896	11,463,511
Profit for the period ended 30 June 2015	-	2,762,846	-	2,762,846
Other comprehensive income	-	-	-	-
<b>Total comprehensive Income</b>	-	<b>2,762,846</b>	-	<b>2,762,846</b>
<b>Dividend Paid in H1 2015</b>				
<i>Final Dividend for 2014</i>		<i>(2,700,000)</i>	-	<i>(2,700,000)</i>
<b>Balance as of 30 June 2015</b>	<u>600,000</u>	<u>10,861,461</u>	<u>64,896</u>	<u>11,526,357</u>
<b>Balance as at 1 January 2016</b>	600,000	13,944,623	64,896	14,609,519
Profit for the period ended 30 June 2016	-	3,854,478	-	3,854,478
Other comprehensive income	-	-	-	-
<b>Total comprehensive Income</b>	-	<b>3,854,478</b>	-	<b>3,854,478</b>
<b>Dividend Paid in H1 2016</b>				
<i>Final Dividend for 2015</i>		<i>(3,300,000)</i>	-	<i>(3,300,000)</i>
<b>Balance as of 30 June 2016</b>	<u><b>600,000</b></u>	<u><b>14,499,101</b></u>	<u><b>64,896</b></u>	<u><b>15,163,997</b></u>

The annexed notes 1 to 7 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 Cash Flows

### for the Period from 1 January 2016 to 30 June 2016

In thousands of BDT	1 Jan 2016 To 30 June 2016	1 Jan 2015 To 30 June 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collection From Distributors, Leaf Export and Others	83,098,926	72,757,111
Payment for Costs and Expenses	(15,878,628)	(18,244,066)
Supplementary Duty and VAT Paid	(63,891,294)	(52,242,818)
<b>Cash generated from operating activities</b>	<b>3,329,003</b>	<b>2,270,227</b>
Income Tax Paid	(4,603,588)	(2,744,964)
Interest Received/ (Paid)	8,670	(111,093)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(1,265,915)</b>	<b>(585,830)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(433,619)	(675,434)
Proceeds from sale of property, plant and equipment	6,582	297
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(427,038)</b>	<b>(675,137)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term loan received	4,200,000	3,300,000
Dividend paid	(3,496,453)	(2,683,406)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>703,547</b>	<b>616,594</b>
Net Increase/(Decrease) in Cash and Cash Equivalents For the Period	(989,406)	(644,373)
Cash and cash equivalents at the beginning of the period	2,357,002	1,740,302
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,367,596</b>	<b>1,095,929</b>
Closing cash and cash equivalents have been arrived at as follows:		
Cash and bank balances	1,367,596	1,095,929
Bank overdraft	-	-
	<b>1,367,596</b>	<b>1,095,929</b>

  
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# British American Tobacco Bangladesh Company Limited

## Notes to the Financial Statements

### For the Period from 1 January to 30 June 2016

- 1** 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 H1 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.

<b>In thousands of BDT</b>	<b>1 Jan 2016 To 30 June 2016</b>	<b>1 Jan 2015 To 31 Dec 2015</b>
<b>2 INVENTORIES</b>		
<i>In thousands of BDT</i>		
Leaf	9,014,881	5,093,475
Wrapping materials	311,802	375,273
Work in process	9,530	24,534
Consumable stores	475,161	444,890
Finished goods	5,690,558	2,147,529
Inventories in transit	283,209	467,676
	<b>15,785,141</b>	<b>8,553,377</b>

### **3 TRADE AND OTHER RECEIVABLES**

<i>In thousands of BDT</i>		
Trade receivables	5,340	817,017
Intercompany receivables	100,405	113,091
Sundry receivables	-	10,650
	<b>105,745</b>	<b>940,758</b>

### **4. ADVANCES, DEPOSITS AND PREPAYMENTS**

<i>In thousands of BDT</i>		
Advances	2,033,555	3,869,025
Deposits	1,060	99,598
Prepayments	47,146	106,056
	<b>2,081,761</b>	<b>4,074,679</b>

In thousands of BDT

1 Jan 2016  
To  
30 June 2016

1 Jan 2015  
To  
31 Dec 2015

## 5 TRADE AND OTHER PAYABLES

*In thousands of BDT*

Trade payables	2,565,499	3,405,933
Intercompany payables	3,690,243	3,257,811
Workers' profit Participation Fund	377,571	10,767
Wages and other benefits	226,725	323,608
Unclaimed dividend	40,978	41,771
Sundry payables	845,922	802,836
	<b>7,746,938</b>	<b>7,842,726</b>

## 6 CURRENT TAX LIABILITIES

*In thousands of BDT*

Balance as at 1 January	3,500,379	2,729,914
Provision made during the period	3,319,372	5,633,340
	<b>6,819,751</b>	<b>8,363,254</b>
Advance payment of corporate tax	(4,570,191)	(4,862,875)
	<b>2,249,560</b>	<b>3,500,379</b>

## 7 NET TURNOVER

	<u>Unit</u>	<u>Quantity</u>		
Gross Turnover	Million Sticks	25,262.41	82,011,947	71,970,434
Supplementary Duty and VAT			(60,337,437)	(52,177,271)
<b>Net Turnover from Local Sales</b>			<b>21,674,510</b>	<b>19,793,163</b>
Turnover from Leaf Tobacco Export	Million Kg	0.88	251,965	320,944
Export Duty			(30,177)	(32,620)
<b>Net Turnover from Export Sales</b>			<b>221,788</b>	<b>288,324</b>
<b>NET TURNOVER</b>			<b>21,896,298</b>	<b>20,081,487</b>





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