

**Quarterly Financial Statements (Unaudited)  
for the quarter ended as at 31 March 2014**

British American Tobacco Bangladesh Company Limited



**OUR PEOPLE  
OUR STRENGTH**



**BRITISH AMERICAN  
TOBACCO**  
BANGLADESH

More than 100 years ago, the Company established itself on the land of opportunities and possibilities-Bangladesh. Since independence, BAT Bangladesh has displayed an unwavering commitment to the country and this commitment sets BAT Bangladesh apart from any other business entity. This uniqueness reflects through the passion and dedication of the 52,000 employees, farmers, distributors and suppliers of BAT Bangladesh across the country. BAT Bangladesh is listed on both Dhaka and Chittagong Stock Exchanges and is currently ranked as number 1 (one) amongst the listed companies in Bangladesh in terms of being the highest taxpayer (BDT 8,436 crores paid in the last year). BAT Bangladesh has and will continue to value relationship with the Bangladesh Government, shareholders and other stakeholders of the Company by practising the best corporate governance. This has been possible because of the dedication and hard work of our people which bring the difference.

**OUR PEOPLE  
OUR STRENGTH**


**British American Tobacco Bangladesh Company Limited**  
**Statement of Financial Position (Unaudited)**  
**As at 31 March 2014**

	Notes	<u>31-Mar-14</u> Taka '000s	<u>31-Dec-13</u> Taka '000s
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	2	8,545,670	8,513,166
<b>Current assets:</b>			
Inventories	3	6,425,788	6,626,703
Trade and other receivables		517,012	770,917
Advance deposit and pre-payments		3,164,722	634,885
Cash and Cash Equivalents		3,331,994	1,918,126
<b>Total current assets</b>		<b>13,439,516</b>	<b>9,950,631</b>
<b>Total assets</b>		<b>21,985,186</b>	<b>18,463,798</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the company</b>			
Share capital		600,000	600,000
Capital reserve	4	64,896	64,896
Retained earnings	5	9,478,515	8,236,694
<b>Total equity</b>		<b>10,143,411</b>	<b>8,901,590</b>
<b>Non-current liabilities:</b>			
Gratuity	6	407,889	364,063
Deferred tax liability	7	844,285	883,376
Obligation under finance lease (due after one year)		-	-
<b>Total non-current liabilities</b>		<b>1,252,174</b>	<b>1,247,439</b>
<b>Current liabilities:</b>			
Provision for expenses		3,099,221	2,338,056
Trade and other payables		5,019,783	3,701,889
Income tax liability		2,465,031	2,267,283
Obligation under finance lease (due within one year)		5,566	7,541
<b>Total current liabilities</b>		<b>10,589,601</b>	<b>8,314,769</b>
<b>Total equity and liabilities</b>		<b>21,985,186</b>	<b>18,463,798</b>

The annexed notes 1 to 11 form an integral part of these financial statements.

  
 Shehzad Munim  
 Managing Director

  
 William Francis Pregel  
 Finance Director


  
 Md. Azizur Rahman  
 Company Secretary

**British American Tobacco Bangladesh Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the quarter ended 31 March 2014**

	Notes	<b>1-Jan-14 to 31-Mar-14</b>	<b>1-Jan-13 to 31-Mar-13</b>
		Taka '000s	Taka '000s
Gross Turnover		31,070,073	27,050,879
Supplementary duty & VAT		(21,919,184)	(19,343,426)
<b>Net turnover</b>	8	<b>9,150,889</b>	<b>7,707,453</b>
Cost of Sales		(4,920,608)	(4,380,515)
<b>Gross profit</b>		<b>4,230,281</b>	<b>3,326,938</b>
Operating expenses		(1,977,228)	(1,327,019)
<b>Operating profit</b>		<b>2,253,053</b>	<b>1,999,919</b>
Other Income		8,244	9,437
Net financial income/(Expense)		16,390	62,752
		2,277,687	2,072,108
Workers' profit participation fund		(117,619)	(103,614)
Profit before income tax		2,160,068	1,968,494
Income tax expense:			
Current tax	9.1	(957,337)	(775,338)
Deferred tax	9.2	39,090	24,524
		(918,247)	(750,814)
<b>Profit for the period</b>		<b>1,241,822</b>	<b>1,217,680</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>1,241,822</b>	<b>1,217,680</b>
<b>Total comprehensive income transfer to revenue reserve</b>		<b>1,241,822</b>	<b>1,217,680</b>
<b>Appropriations:</b>			
<b>Revenue reserve</b>		<b>1,241,822</b>	<b>1,217,680</b>
		Taka	Taka
<b>Earnings Per Share</b>	10	<b>20.70</b>	<b>20.29</b>

  
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 Managing Director

  
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**British American Tobacco Bangladesh Company Limited**  
**Statement of Changes in Equity (Unaudited)**  
**For the quarter ended 31 March 2014**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Capital reserve</b>	<b>Total Equity</b>
	Taka '000s	Taka '000s	Taka '000s	Taka '000s
Balance at 1 January 2013	600,000	6,368,044	64,896	7,032,940
Dividend paid in Q1 2013	-	-	-	-
Final dividend for 2012				
Final dividend for 2013				
Profit for the quarter ended 31 March 2013	-	1,217,680	-	1,217,680
Balance as at 31 March 2013	600,000	7,585,725	64,896	8,250,621
Balance at 1 January 2014	600,000	8,236,694	64,896	8,901,590
Dividend paid in Q1 2014	-	-	-	-
Final dividend for 2012				
Final dividend for 2013				
Profit for the quarter ended 31 March 2014	-	1,241,822	-	1,241,822
<b>Balance as at 31 March 2014</b>	<b>600,000</b>	<b>9,478,515</b>	<b>64,896</b>	<b>10,143,411</b>



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Managing Director



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Md. Azizur Rahman  
Company Secretary

# British American Tobacco Bangladesh Company Limited

## Statement of Cash Flows (Unaudited)

For the quarter ended 31 March 2014

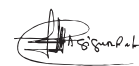
	1-Jan-14 to 31-Mar-14	1-Jan-13 to 31-Mar-13
	Taka '000s	Taka '000s
<b>Cash flows from operating activities:</b>		
Collection from distributors, leaf export and others	31,323,978	27,355,847
Payment for costs and expenses	(6,625,086)	(5,518,142)
Supplementary duty and VAT paid	(22,395,432)	(19,238,755)
<b>Cash generated from operation</b>	<b>2,303,460</b>	<b>2,598,950</b>
Income tax paid	(759,588)	(500,861)
Interest received	16,390	62,752
<b>Net cash flows from operating activities</b>	<b>1,560,262</b>	<b>2,160,841</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(143,713)	(135,021)
Proceeds from sale of property, plant and equipment	-	4
<b>Net cash used in investing activities</b>	<b>(143,713)</b>	<b>(135,017)</b>
<b>Cash flows from financing activities:</b>		
Finance lease payment	(1,974)	(3,667)
Dividend paid	(707)	(2,053)
<b>Net cash used in financing activities</b>	<b>(2,682)</b>	<b>(5,720)</b>
Net increase/(decrease) in cash and cash equivalents for the quarter	1,413,868	2,020,104
Cash and cash equivalents at the beginning of the quarter	1,918,126	2,270,567
<b>Cash and cash equivalents at the end of the quarter</b>	<b>3,331,994</b>	<b>4,290,671</b>



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Managing Director



William Francis Pregel  
Finance Director



Md. Azizur Rahman  
Company Secretary

## British American Tobacco Bangladesh Company Limited

### Notes to the Financial Statements (Unaudited)

#### For the quarter ended 31 March 2014

### 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 2014 accounts.

### 2. Property, plant and equipment

Particulars	Cost at		Additions and transfers		Disposal/ adjustment		Cost at		Accumulated depreciation		Disposal/ adjustment		Accumulated depreciation		Cost less accumulated depreciation	
	1 January 2014	31 March 2014	during the period	from WIP during the period	during the period	31 March 2014	at 1 January 2014	charge for the period	during the period	31 March 2014	during the period	31 March 2014	during the period	31 March 2014	during the period	31 March 2014
	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s	Taka '000s
<b>Original cost:</b>																
Freehold land	343,685	343,685	-	-	-	343,685	-	-	-	-	-	-	-	-	-	343,685
Freehold building	697,251	697,251	-	-	-	697,251	130,681	4,292	-	134,973	-	-	-	134,973	-	562,279
Leasehold building	222,719	222,719	-	-	-	222,719	92,709	2,373	-	95,082	-	-	-	95,082	-	127,637
Plant and machinery	7,753,967	7,843,710	89,742	-	-	7,843,710	3,907,722	114,625	-	4,022,346	-	-	-	4,022,346	-	3,821,363
Laboratory equipment	175,354	175,354	-	-	-	175,354	81,676	6,717	-	88,393	-	-	-	88,393	-	86,962
Office equipment	431,383	434,043	2,660	-	-	434,043	235,420	17,667	-	253,086	-	-	-	253,086	-	180,956
Furniture and fixtures	225,881	225,881	-	-	-	225,881	117,984	7,029	-	125,012	-	-	-	125,012	-	100,869
Air conditioners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	713,288	764,508	51,310	-	-	764,508	405,836	33,268	-	439,104	-	-	-	439,104	-	325,494
	10,563,529	10,707,241	143,713	-	-	10,707,241	4,972,026	185,970	-	5,157,996	-	-	-	5,157,996	-	5,549,245
Buildings, plant and machinery etc. under construction	2,841,553	2,856,294	14,741	-	-	2,856,294	-	-	-	-	-	-	-	-	-	2,856,294
31-Mar-2014	<b>13,405,081</b>	<b>13,563,535</b>	<b>158,454</b>	-	-	<b>13,563,535</b>	<b>4,972,026</b>	<b>185,970</b>	-	<b>5,157,996</b>	-	-	-	<b>5,157,996</b>	-	<b>8,405,539</b>
31-Dec-2013	<b>11,073,579</b>	<b>11,166,645</b>	<b>135,021</b>	-	<b>(41,956)</b>	<b>11,166,645</b>	<b>5,211,952</b>	<b>228,476</b>	<b>(41,242)</b>	<b>5,399,186</b>	-	-	-	<b>5,399,186</b>	-	<b>5,767,458</b>

			<b>31-Mar-2014</b>	<b>31-Dec-2013</b>
			Taka '000	Taka '000
<b>3. Inventories</b>				
Leaf			2,899,137	4,165,565
Wrapping materials			607,397	623,328
Work in process			27,016	31,082
Finished goods			2,300,341	1,336,598
Consumable stores			591,897	470,130
			<b>6,425,788</b>	<b>6,626,703</b>
<b>4. Capital reserve</b>			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.				
<b>5. Retained Earnings</b>				
Opening balance			8,236,694	6,368,044
Less: Dividend paid			-	3,000,000
			8,236,694	3,368,044
Add: Net profit transferred from profit and loss account			1,241,822	4,868,649
<b>Closing balance</b>			<b>9,478,515</b>	<b>8,236,694</b>
<b>6. Gratuity</b>			<b>407,889</b>	<b>364,063</b>
This represents total liability of the Company on account of gratuity that would be payable if all eligible employees retire on the reporting date.				
<b>7. Deferred tax liability</b>				
Opening balance			883,376	723,643
Add: addition			(39,091)	159,733
Closing balance			<b>844,285</b>	<b>883,376</b>
<b>8. Net turnover</b>				
	Unit	Qty	Q1 2014	Q1 2013
Gross Turnover	Million sticks	10,108	30,310,674	26,713,892
Supplementary duty and VAT			(21,844,752)	(19,308,765)
			<b>8,465,922</b>	<b>7,405,127</b>
Turnover from leaf tobacco export	Million Kg	3,900	759,399	336,987
Export duty			(74,432)	(34,661)
			<b>684,968</b>	<b>302,326</b>
			<b>9,150,889</b>	<b>7,707,453</b>



## 9. Tax

### 9.1 Current Tax

Provision for the quarter

Q1 2014

Q1 2013

957,337

775,338

**957,337**

**775,338**

### 9.2 Deferred Tax

Provision for the quarter

(39,091)

(24,524)

**(39,091)**

**(24,524)**

## 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 31 March 2014.

## 12 Events after the reporting date

For the year 2013, the Board of Directors recommended a final cash dividend of 520% i.e. Tk. 52 per share amounting to Tk. 3,120,000,000 at the board meeting held on 26 February, 2014, which was approved in the 41<sup>st</sup> Annual General Meeting on 23 April 2014.



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