

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
TOTAL ASSETS		32,790,128	29,590,831
NON-CURRENT ASSETS:		13,449,885	13,665,015
Property, plant and equipment		13,449,885	13,665,015
CURRENT ASSETS:		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
TOTAL EQUITY & LIABILITIES		32,790,128	29,590,831
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY:		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
NON-CURRENT LIABILITIES:		2,518,517	2,531,026
Net defined benefit plans		482,117	461,230
Deferred Tax Liability		2,036,400	2,069,796
CURRENT LIABILITIES:		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)
NET TURNOVER	7	21,896,298	20,081,487	11,416,406	10,604,263
Cost of sales		(11,758,125)	(10,589,478)	(6,175,746)	(5,496,862)
GROSS PROFIT		10,138,173	9,492,009	5,240,660	5,107,401
Operating expenses		(2,609,232)	(2,478,037)	(1,359,703)	(1,404,979)
OPERATING PROFIT		7,528,941	7,013,972	3,880,957	3,702,422
Non-operating income/(expenses)		9,033	14,621	(24)	7,750
Net financial income/(expenses)		13,447	(111,093)	(1,849)	(52,044)
PROFIT BEFORE CONTRIBUTION TO WPPF		7,551,421	6,917,500	3,879,084	3,658,128
Contribution to WPPF		(377,571)	(347,973)	(193,954)	(185,004)
PROFIT BEFORE INCOME TAX		7,173,850	6,569,527	3,685,130	3,473,124
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)
NET PROFIT AFTER TAX FOR THE PERIOD		3,854,478	2,762,846	1,984,578	972,767
Other Comprehensive Income/(Expense)		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,854,478	2,762,846	1,984,578	972,767
APPROPRIATIONS:		3,854,478	2,762,846	1,984,578	972,767
Revenue Reserve					
		Taka	Taka	Taka	Taka
Earnings Per Share		64.24	46.05	33.08	16.21

The annexed notes 1 to 7 form an integral part of these financial statements.


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Chairman


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Managing Director


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Company Secretary

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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
Balance as at 1 January 2015	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	-	-	-	-
Total comprehensive Income	-	2,762,846	-	2,762,846
Dividend Paid in H1 2015				
<i>Final Dividend for 2014</i>		<i>(2,700,000)</i>	-	<i>(2,700,000)</i>
Balance as of 30 June 2015	<u>600,000</u>	<u>10,861,461</u>	<u>64,896</u>	<u>11,526,357</u>
Balance as at 1 January 2016	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	-	-	-	-
Total comprehensive Income	-	3,854,478	-	3,854,478
Dividend Paid in H1 2016				
<i>Final Dividend for 2015</i>		<i>(3,300,000)</i>	-	<i>(3,300,000)</i>
Balance as of 30 June 2016	<u>600,000</u>	<u>14,499,101</u>	<u>64,896</u>	<u>15,163,997</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
CASH FLOWS FROM OPERATING ACTIVITIES		
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)
Cash generated from operating activities	3,329,003	2,270,227
Income Tax Paid	(4,603,588)	(2,744,964)
Interest Received/ (Paid)	8,670	(111,093)
NET CASH GENERATED FROM OPERATING ACTIVITIES	(1,265,915)	(585,830)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(433,619)	(675,434)
Proceeds from sale of property, plant and equipment	6,582	297
NET CASH USED IN INVESTING ACTIVITIES	(427,038)	(675,137)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan received	4,200,000	3,300,000
Dividend paid	(3,496,453)	(2,683,406)
NET CASH USED IN FINANCING ACTIVITIES	703,547	616,594
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
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,367,596	1,095,929
Closing cash and cash equivalents have been arrived at as follows:		
Cash and bank balances	1,367,596	1,095,929
Bank overdraft	-	-
	1,367,596	1,095,929


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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.

In thousands of BDT	1 Jan 2016 To 30 June 2016	1 Jan 2015 To 31 Dec 2015
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2 INVENTORIES

<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
	15,785,141	8,553,377

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
	105,745	940,758

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
	2,081,761	4,074,679

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
	7,746,938	7,842,726

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
	6,819,751	8,363,254
Advance payment of corporate tax	(4,570,191)	(4,862,875)
	2,249,560	3,500,379

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)
Net Turnover from Local Sales			21,674,510	19,793,163
Turnover from Leaf Tobacco Export	Million Kg	0.88	251,965	320,944
Export Duty			(30,177)	(32,620)
Net Turnover from Export Sales			221,788	288,324
NET TURNOVER			21,896,298	20,081,487



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TOBACCO**
BANGLADESH

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