

**Quarterly Financial Statements (Unaudited)  
for the quarter ended as at 30 September 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 (Unaudited)**  
**As at 30 September 2014**

	Notes	<b>30-Sep-14</b> Taka '000s	<b>31-Dec-13</b> Taka '000s
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	2	9,950,544	8,513,166
<b>Current assets:</b>			
Inventories	3	12,287,479	6,626,703
Trade and other receivables		1,298,006	770,917
Advance deposit and pre-payments		726,911	634,885
Cash and Cash Equivalents		1,138,841	1,918,126
<b>Total current assets</b>		<b>15,451,237</b>	<b>9,950,631</b>
<b>Total assets</b>		<b>25,401,780</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	9,372,940	8,236,694
<b>Total equity</b>		<b>10,037,836</b>	<b>8,901,590</b>
<b>Non-current liabilities:</b>			
Gratuity	6	465,308	364,063
Deferred tax liability	7	1,033,470	883,376
Obligation under finance lease (due after one year)		-	-
<b>Total non-current liabilities</b>		<b>1,498,778</b>	<b>1,247,439</b>
<b>Current liabilities:</b>			
Bank overdraft		527,448	-
Short term bank loans		3,350,000	-
Provision for expenses		2,696,916	2,338,056
Trade and other payables		4,792,067	3,701,889
Income tax liability		2,497,301	2,267,283
Obligation under finance lease (due within one year)		1,434	7,541
<b>Total current liabilities</b>		<b>13,865,167</b>	<b>8,314,769</b>
<b>Total equity and liabilities</b>		<b>25,401,780</b>	<b>18,463,798</b>

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

  
 Shehzad Munim  
 Managing Director

  
 William Pegel  
 Director

  
 Md. Azizur Rahman  
 Company Secretary

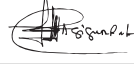
**British American Tobacco Bangladesh Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**For the period ended 30 September 2014**

	Notes	1-Jan-14 to 30-Sep-14	1-Jan-13 to 30-Sep-13	1-Jul-14 to 30-Sep-14	1-Jul-13 to 30-Sep-13
		Taka '000s	Taka '000s	Taka '000s	Taka '000s
Gross Turnover		91,571,375	80,676,001	28,882,374	26,805,379
Supplementary duty & VAT		(65,404,500)	(57,539,802)	(20,980,769)	(19,206,350)
<b>Net turnover</b>	8	<b>26,166,875</b>	<b>23,136,199</b>	<b>7,901,605</b>	<b>7,599,029</b>
Cost of Sales		(14,087,642)	(12,832,965)	(4,493,416)	(4,073,608)
<b>Gross profit</b>		<b>12,079,233</b>	<b>10,303,234</b>	<b>3,408,189</b>	<b>3,525,421</b>
Operating expenses		(4,242,891)	(3,292,203)	(858,287)	(1,250,694)
<b>Operating profit</b>		<b>7,836,341</b>	<b>7,011,031</b>	<b>2,549,902</b>	<b>2,274,727</b>
Other Income		28,026	84,108	(1,946)	63,157
Net financial income/(Expense)		(109,082)	18,769	(85,904)	(29,202)
		7,755,285	7,113,908	2,462,052	2,308,682
Workers' profit participation fund		(387,764)	(355,695)	(123,103)	(115,434)
Profit before income tax		7,367,520	6,758,213	2,338,949	2,193,248
Income tax expense:	9				
Current tax	9.1	(2,961,180)	(3,212,957)	(891,492)	(866,116)
Deferred tax	9.2	(150,094)	(102,188)	(63,477)	52,607
		(3,111,274)	(3,315,145)	(954,968)	(813,509)
<b>Profit for the period</b>		<b>4,256,247</b>	<b>3,443,068</b>	<b>1,383,981</b>	<b>1,379,739</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>4,256,247</b>	<b>3,443,068</b>	<b>1,383,981</b>	<b>1,379,739</b>
<b>Total comprehensive income transfer to revenue reserve</b>		<b>4,256,247</b>	<b>3,443,068</b>	<b>1,383,981</b>	<b>1,379,739</b>
<b>Appropriations:</b>					
<b>Revenue reserve</b>		<b>4,256,247</b>	<b>3,443,068</b>	<b>1,383,981</b>	<b>1,379,739</b>
		Taka	Taka	Taka	Taka
<b>Earnings Per Share</b>	10	<b>70.94</b>	<b>57.38</b>	<b>23.07</b>	<b>23.00</b>

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

  
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 William Pegel  
 Director

  
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 Company Secretary

**British American Tobacco Bangladesh Company Limited**  
**Statement of Changes in Equity (Unaudited)**  
**For the period ended 30 September 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 2013	-	(2,400,000)	-	(2,400,000)
Final dividend for 2012	-	(2,400,000)	-	(2,400,000)
Interim dividend for 2013	-	-	-	-
Actual loss for Employee Benefit	-	(78,580)	-	(78,580)
Profit for the period of 1 January to 30 September 2013	-	3,443,068	-	3,443,068
Balance as at 30 September 2013	600,000	7,332,533	64,896	7,997,429
Balance at 1 January 2014	600,000	8,236,694	64,896	8,901,590
Dividend paid in 2014:	-	(3,120,000)	-	(3,120,000)
Final dividend for 2013	-	(3,120,000)	-	(3,120,000)
Interim dividend for 2014	-	-	-	-
Profit for the period of 1 January to 30 September 2014	-	4,256,247	-	4,256,247
<b>Balance as at 30 September 2014</b>	<b>600,000</b>	<b>9,372,940</b>	<b>64,896</b>	<b>10,037,836</b>



Shehzad Munim  
Managing Director



William Pegel  
Director



Md. Azizur Rahman  
Company Secretary

# British American Tobacco Bangladesh Company Limited

## Statement of Cash Flows (Unaudited)


For the period ended 30 September 2014

	1-Jan-14 to 30-Sep-14	1-Jan-13 to 30-Sep-13
	Taka '000s	Taka '000s
<b>Cash flows from operating activities:</b>		
Collection from distributors, leaf export and others	91,044,286	80,248,979
Payment for costs and expenses	(19,856,769)	(14,951,012)
Supplementary duty and VAT paid	(67,873,226)	(60,252,443)
<b>Cash generated from operation</b>	<b>3,314,291</b>	<b>5,045,524</b>
Income tax paid	(2,731,161)	(2,196,805)
Interest paid	(109,082)	18,769
<b>Net cash flows from operating activities</b>	<b>474,048</b>	<b>2,867,488</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(2,007,830)	(1,920,808)
Proceeds from sale of property, plant and equipment	248	36,316
<b>Net cash used in investing activities</b>	<b>(2,007,582)</b>	<b>(1,884,492)</b>
<b>Cash flows from financing activities:</b>		
Short term bank loan	3,350,000	8,347
Finance lease payment	(6,107)	(8,419)
Dividend paid	(3,117,092)	(2,398,767)
<b>Net cash used in financing activities</b>	<b>226,801</b>	<b>(2,398,839)</b>
Net increase/(decrease) in cash and cash equivalents for the period	(1,306,733)	(1,415,843)
Cash and cash equivalents at the beginning of the period	1,918,126	2,270,567
<b>Cash and cash equivalents at the end of the period</b>	<b>611,393</b>	<b>854,724</b>
Closing cash and cash equivalents have been arrived at as follows:		
Cash and bank balances	1,138,841	863,160
Bank overdraft	(527,448)	(8,436)
	<b>611,393</b>	<b>854,724</b>

The annexed notes 1 to 10 from and integral part of these financial statements.

  
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Managing Director

  
William Pegel  
Director

  
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Company Secretary

# British American Tobacco Bangladesh Company Limited

## Notes to the Financial Statements For the period of 1 January to 30 September 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 Q3 2014 accounts.

### 2. Property, plant and equipment

Particulars	Cost at 1 January 2014 Taka '000s	Additions and transfers from WIP during the period Taka '000s	Disposal/ adjustment during the period Taka '000s	Cost at 30 September 2014 Taka '000s	Accumulated depreciation at 1 January 2014 Taka '000s	Depreciation charge for the period Taka '000s	Disposal/ adjustment during the period Taka '000s	Accumulated depreciation 30 September 2014 Taka '000s	Cost less accumulated depreciation 30 September 2014 Taka '000s
<b>Original cost:</b>									
Freehold land	343,685	-	-	343,685	-	-	-	-	343,685
Freehold building	697,251	-	-	697,251	130,681	12,876	-	143,557	553,695
Leasehold building	376,071	-	-	376,071	101,660	19,919	-	121,579	254,492
Plant and machinery	7,753,967	2,336,792	-	10,090,760	3,907,722	398,332	-	4,306,054	5,784,706
Laboratory equipment	175,354	-	-	175,354	81,676	18,534	-	100,210	75,145
Office equipment	431,383	25,065	(11,925)	444,523	235,420	52,279	(11,806)	275,892	168,631
Furniture and fixtures	225,881	-	-	225,881	117,984	19,799	-	137,783	88,099
Air conditioners	-	-	-	-	-	-	-	-	-
Vehicles	713,288	226,113	(2,900)	936,500	405,836	112,592	(2,607)	515,820	420,680
	10,716,881	2,587,971	(14,825)	13,290,026	4,980,977	634,330	(14,413)	5,600,895	7,689,132
Buildings, plant and machinery etc. under construction	2,841,553	(580,141)	-	2,261,412	-	-	-	-	2,261,412
30-Sep-2014	<b>13,558,434</b>	<b>2,007,830</b>	<b>(14,825)</b>	<b>15,551,438</b>	<b>4,980,977</b>	<b>634,330</b>	<b>(14,413)</b>	<b>5,600,895</b>	<b>9,950,544</b>
31-Dec-2013	<b>11,073,579</b>	<b>3,419,137</b>	<b>(836,736)</b>	<b>13,655,981</b>	<b>5,211,952</b>	<b>768,565</b>	<b>(837,703)</b>	<b>5,142,815</b>	<b>8,513,166</b>

			<b>30-Sep-2014</b>	<b>31-Dec-2013</b>
			Taka '000s	Taka '000s
<b>3. Inventories</b>				
Leaf			6,822,012	4,165,565
Wrapping materials			467,003	623,328
Work in process			30,211	31,082
Finished goods			4,368,242	1,336,598
Consumable stores			600,010	470,130
			<b>12,287,479</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			3,120,000	3,000,000
			5,116,694	3,368,044
Add: Net profit transferred from profit and loss account			4,256,247	4,868,649
<b>Closing balance</b>			<b>9,372,940</b>	<b>8,236,694</b>
<b>6. Gratuity</b>			<b>465,308</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			150,094	159,733
Closing balance			<b>1,033,471</b>	<b>883,376</b>
<b>8. Net turnover</b>				
	Unit	Qty	1-Jan-14 to 30-Sep-14	1-Jan-13 to 30-Sep-13
Gross Turnover	Million sticks	28,487	89,966,226	53,266,965
Supplementary duty and VAT			(65,241,143)	(38,271,655)
			<b>24,725,083</b>	<b>14,995,310</b>
Turnover from leaf tobacco export	Million Kg	6,983	1,605,149	603,658
Export duty			(163,357)	(61,798)
			<b>1,441,792</b>	<b>541,860</b>
			<b>26,166,875</b>	<b>15,537,170</b>



## 9. Tax

### 9.1 Current Tax

	1-Jan-14 to 30-Sep-14	1-Jan-13 to 30-Sep-13
Provision for the quarter	2,961,180	2,346,841
	<b>2,961,180</b>	<b>2,346,841</b>

### 9.2 Deferred Tax

Provision for the quarter	150,094	154,795
	<b>150,094</b>	<b>154,795</b>

## 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 September 2014.



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