

**Quarterly Financial Statement (Unaudited)  
for the quarter ended as at 30 September 2015**

British American Tobacco Bangladesh Company Limited



**PARTNERING  
FOR  
PROGRESS**

# PARTNERING FOR PROGRESS

Progress comes when we venture beyond the borders that surround us and enter into uncharted territory. It means taking footsteps towards opportunities which will help to bring about change. Since its establishment in Bangladesh in 1910, British American Tobacco (BAT) has always been moving forward with the purpose of bringing positive change for one and all.

BAT has made itself deeply rooted in Bangladesh since the time it commenced operations in the country. Not only does BAT Bangladesh help to develop dynamic professionals who are able to take on leadership roles anywhere in the world, it also engages in the best business practices while adopting the latest technology. The Company is the highest taxpayer to the National Exchequer, which uses the funds for infrastructure development and service provision. BAT Bangladesh's various community development initiatives play a part in enhancing the livelihood of countless individuals. Furthermore, the Company is renowned for practicing best corporate governance. As a result the Company achieved four awards from various credible organisations both in the national and international stage.

As you turn these pages, the commitment and dedicated efforts of BAT Bangladesh will become clear to you. Like Bangladesh, the Company has faced its share of challenges but has endured the trials and tribulations and moved forward. Here's hoping that BAT Bangladesh will stay in the course for many more years to come and will forever be a partner in progress.



BRITISH AMERICAN  
TOBACCO  
BANGLADESH

**British American Tobacco Bangladesh Company Limited**  
**Statement of Financial Position (Unaudited)**  
**As at 30 September 2015**

	Notes	<u>30-Sep-2015</u> Taka '000s	<u>31-Dec-2014</u> Taka '000s
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	2	<b>12,486,992</b>	<b>12,018,576</b>
<b>Current assets:</b>			
Inventories	3	9,451,212	9,098,197
Trade and other receivables		533,663	1,492,454
Advance deposit and pre-payments		1,731,325	2,370,897
Cash and Cash Equivalents		3,754,759	1,740,302
<b>Total current assets</b>		<b>15,470,959</b>	<b>14,701,850</b>
<b>Total assets</b>		<b>27,957,951</b>	<b>26,720,426</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	12,479,554	10,798,615
<b>Total equity</b>		<b>13,144,450</b>	<b>11,463,511</b>
<b>Non-current liabilities:</b>			
Gratuity	6	400,654	368,112
Deferred tax liability	7	1,226,771	1,140,562
<b>Total non-current liabilities</b>		<b>1,627,426</b>	<b>1,508,674</b>
<b>Current liabilities:</b>			
Bank overdraft		-	347,610
Short term bank loans		1,200,000	2,800,000
Provisions for expenses		769,698	1,354,891
Trade and other payables		7,199,962	6,515,827
Income tax liability		4,016,416	2,729,914
<b>Total current liabilities</b>		<b>13,186,076</b>	<b>13,748,241</b>
<b>Total equity and liabilities</b>		<b>27,957,951</b>	<b>26,720,426</b>

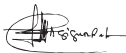
The annexed notes 1 to 10 form an integral part of these financial statements.

  
 Mr. Golam Mainuddin  
 Chairman

  
 Mr. Shehzad Munim  
 Managing Director

  
 Mr. Md. Mosharraf Hossain  
 Bhuiyan ndc  
 Director

  
 Mr. William Pegel  
 Finance Director

  
 Md. Azizur Rahman  
 Company Secretary

**British American Tobacco Bangladesh Company Limited**  
**Statement of Comprehensive Income (Unaudited)**  
**for the period ended 30 September 2015**

		1-Jan-15 To <b>30-Sep-15</b>	1-Jan-14 To <b>30-Sep-14</b>	1-July-15 To <b>30-Sep-15</b>	1-July-14 To <b>30-Sep-14</b>
	Notes	Taka '000s	Taka '000s	Taka '000s	Taka '000s
Gross Turnover		102,940,716	90,843,403	30,646,363	28,154,043
Supplementary duty & VAT		(73,939,283)	(65,403,872)	(21,729,959)	(20,980,142)
<b>Net turnover</b>	8	29,001,433	25,439,531	8,916,404	7,174,261
Cost of sales		(14,591,120)	(13,397,598)	(4,487,579)	(3,803,372)
<b>Gross Profit</b>		14,410,312	12,041,933	4,428,825	3,370,889
Operating expenses		(4,367,585)	(4,206,046)	(1,389,174)	(821,442)
<b>Operating Profit</b>		10,042,727	7,835,886	3,039,651	2,549,447
Other Income		39,831	28,918	14,314	(1,054)
Net financial Income/(Expense)		(139,880)	(109,519)	(28,787)	(86,341)
		9,942,678	7,755,285	3,025,178	2,462,052
Workers' profit participation fund		(497,134)	(387,764)	(149,161)	(123,103)
<b>Profit before income tax</b>		<b>9,445,544</b>	<b>7,367,520</b>	<b>2,876,017</b>	<b>2,338,949</b>
Income tax expense:					
Current Tax	9.1	(4,978,396)	(2,961,180)	(1,271,716)	(891,492)
Deferred Tax	9.2	(86,209)	(150,094)	(13,792)	(63,477)
		(5,064,605)	(3,111,274)	(1,257,924)	(954,968)
<b>Profit for the period</b>		<b>4,380,939</b>	<b>4,256,247</b>	<b>1,618,093</b>	<b>1,383,981</b>
<b>Total comprehensive income transfer to revenue reserve</b>		<b>4,380,939</b>	<b>4,256,247</b>	<b>1,618,093</b>	<b>1,383,981</b>
<b>Appropriations:</b>					
Revenue Reserve		4,380,939	4,256,247	1,618,093	1,383,981
		Taka	Taka	Taka	Taka
<b>Earnings Per Share</b>	10	73.02	70.94	26.97	23.07

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

  
Mr. Golam Mainuddin  
Chairman

  
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Managing Director

  
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Bhuiyan ndc  
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Mr. William Pegel  
Finance Director

  
Md. Azizur Rahman  
Company Secretary

**British American Tobacco Bangladesh Company Limited**  
**Statement of Changes in Equity (Unaudited)**  
**for the period ended 30 September 2015**

	<u>Share capital</u> Taka '000s	<u>Retained earning</u> Taka '000s	<u>Capital reserve</u> Taka '000s	<u>Total Equity</u> Taka '000s
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>
<b>Balance at 1 January 2015</b>	<b>600,000</b>	<b>10,798,615</b>	<b>64,896</b>	<b>11,463,511</b>
Dividend Paid in 2015	-	(2,700,000)		(2,700,000)
Final dividend for 2014		(2,700,000)		(2,700,000)
Interim dividend for 2015				
Profit for the period of 1 January to 30 September 2015	-	4,380,939	-	4,380,939
<b>Balance as at 30 September 2015</b>	<b>600,000</b>	<b>12,479,554</b>	<b>64,896</b>	<b>13,144,450</b>

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**British American Tobacco Bangladesh Company Limited**  
**Statement of Cash Flows (Unaudited)**  
**for the period ended 30 September 2015**

	1-Jan-15 To 30-Sep-15 Taka '000s	1-Jan-14 To 30-Sep-14 Taka '000s
<b>Cash flows from operating activities:</b>		
Collection from distributors, leaf export and others	103,899,506	91,044,286
Payment for costs and expenses	(23,378,706)	(19,856,769)
Supplementary duty and VAT paid	(72,035,806)	(67,873,226)
<b>Cash generated from operation</b>	<b>8,484,994</b>	<b>3,314,291</b>
Income tax paid	(3,691,894)	(2,731,161)
Interest paid	(135,867)	(109,082)
Net cash flows from operating activities	<u>4,657,234</u>	<u>474,048</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(1,158,396)	(2,007,830)
Proceeds from sale of property, plant and equipment	297	248
<b>Net cash used in investing activities</b>	<u>(1,158,099)</u>	<u>(2,007,582)</u>
<b>Cash flows from financing activities:</b>		
Finance lease payment	-	(6,107)
Dividend paid	(2,684,678)	(3,117,092)
<b>Net cash used in financing activities</b>	<u>(2,684,678)</u>	<u>(3,123,199)</u>
Net increase/(decrease) in cash and cash equivalents for the period	814,457	(4,656,733)
Cash and cash equivalents at the beginning of the period	1,740,302	1,918,126
<b>Cash and cash equivalents at the end of the Period</b>	<b><u>2,554,759</u></b>	<b><u>(2,738,607)</u></b>
Closing cash and cash equivalents have been arrived at as follows:		
Short term bank loan	(1,200,000)	(3,350,000)
Cash and bank balances	3,754,759	1,138,841
Bank overdraft	-	(527,448)
	<b><u>2,554,759</u></b>	<b><u>(2,738,607)</u></b>

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# British American Tobacco Bangladesh Company Limited

## Notes to the Financial Statements For the period of 1 January to 30 September 2015

### 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 2015 accounts. (Certain figures for 2014 have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial and to comply with relevant BAS.)

### 2. Property, plant and equipment

Particulars	Cost at		Disposal/		Accumulated		Depreciation		Disposal/		Accumulated		Cost less accumulated depreciation at 30 Sep 2015
	1 January 2015		adjustment during the period		depreciation at 1 January 2015		charge for the period		adjustment during the period		depreciation 30 Sep 2015		
	Taka '000s	2015	Taka '000s	2015	Taka '000s	2015	Taka '000s	2015	Taka '000s	2015	Taka '000s	2015	
Freehold building	701,242	6,634	(341)	707,535	14,559	12,984	158,331	549,204				343,685	
Freehold land	343,685	-	-	343,685	-	-	-	343,685				79,359	
Furniture and fixtures	323,079	2,801	(74,559)	251,321	220,974	19,548	171,962	79,359				66,132	
IT Equipment	287,057	1,091	(19,276)	268,872	183,309	36,368	202,739	60,839				344,942	
Laboratory equipment	180,527	32	(16,507)	164,052	110,660	9,053	103,213	60,839				93,193	
Leasehold building	376,062	110,119	(4,777)	481,404	135,471	5,660	136,462	5,420,829				400,925	
Office equipment	231,244	15,465	(29,214)	217,495	128,575	24,065	124,302	4,839,991				7,359,110	
Plant and machinery	10,020,205	263,499	(22,884)	10,260,821	4,403,091	457,002	4,839,991	4,839,991				5,420,829	
Vehicles	823,217	101,875	(2,421)	922,670	411,073	113,068	521,745	400,925				512,788	
	13,286,318	501,515	(169,978)	13,617,855	5,738,744	677,749	6,258,745	6,258,745				12,486,992	
Buildings, plant and machinery etc. under construction	4,471,002	656,880	-	5,127,882	-	677,749	-	5,127,882				12,018,576	
30-Sep-2015	17,757,319	1,538,396	(169,978)	18,745,737	5,738,744	677,749	(157,747)	6,258,745				12,486,992	
31-Dec-2014	13,655,981	4,406,253	(30,4915)	17,757,319	5,142,815	948,318	(352,389)	5,738,744				12,018,576	

	<b>30-Sep-15</b>	<b>31-Dec-14</b>
	<u>Taka '000s</u>	<u>Taka '000s</u>
<b>3. Inventories</b>		
Leaf	7,071,051	4,673,094
Wrapping materials	427,994	631,015
Work in process	22,496	40,078
Finished goods	1,516,236	3,218,884
Consumable stores	413,436	535,126
	<b><u>9,451,212</u></b>	<b><u>9,098,197</u></b>

<b>4. Capital reserve</b>	<b><u>64,896</u></b>	<b><u>64,896</u></b>
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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>30-Sep-2015</b>	<b>31-Dec-2014</b>
	<u>Taka '000s</u>	<u>Taka '000s</u>
<b>5. Retained earnings</b>		
Opening balance	10,798,615	8,236,694
Less Dividend Paid	<u>2,700,000</u>	<u>3,720,000</u>
	<b>8,098,615</b>	<b>4,516,694</b>
Add: Net profit transferred from profit and loss account	<u>4,380,939</u>	<u>6,281,922</u>
<b>Closing Balance</b>	<b><u>12,479,554</u></b>	<b><u>10,798,615</u></b>



	<b>30-Sep-2015</b>	<b>31-Dec-2014</b>
	Taka '000s	Taka '000s
<b>6. Gratuity</b>	<b>400,654</b>	<b>368,112</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>30-Sep-2015</b>	<b>31-Dec-2014</b>
	Taka '000s	Taka '000s
Opening balance	1,140,562	883,376
Add : Provision for the period	86,209	257,186
Closing balance	<b>1,226,771</b>	<b>1,140,562</b>

<b>8. Net turnover</b>	<b>Unit</b>	<b>Qty</b>	<b>Q3 2015</b>	<b>Q3 2014</b>
Gross turnover	Million sticks	<b>30,985</b>	101,805,729	89,238,254
Supplementary duty & VAT			(73,817,186)	(65,240,516)
			<b>27,988,544</b>	<b>23,997,739</b>
Turnover from Leaf tobacco export	Million Kg	<b>5,302</b>	1,134,987	1,605,149
Export Duty			(122,098)	(163,357)
			<b>1,012,889</b>	<b>1,441,792</b>
			<b>29,001,433</b>	<b>25,439,531</b>

	<u>Q3 2015</u>	<u>Q3 2014</u>
	Taka '000s	Taka '000s
<b>9. Tax</b>		
<b>9.1 Current Tax</b>		
Provision for the period	4,978,396	2,961,180
	<u><b>4,978,396</b></u>	<u><b>2,961,180</b></u>
<b>9.2 Deferred Tax</b>		
Provision for the period	86,209	150,094
	<u><b>86,209</b></u>	<u><b>150,094</b></u>
<b>10. Earnings per share</b>	<u><b>73.02</b></u>	<u><b>70.94</b></u>
<b>10.1 Basic earnings per share</b>		

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 2015.



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