

Quarterly Financial Statement (Unaudited) for the period ended as at 30 September 2016

British American Tobacco Bangladesh Company Limited

EXCELLENCE IN GOVERNANCE



**HIGHEST
TAX PAYER**

**REWARD FOR
BEST PRACTICES**

**BEST EMPLOYER
OF CHOICE**



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 Sep 2016

In thousands of BDT

	Notes	30 Sep 2016	31-Dec-2015
TOTAL ASSETS		37,099,390	29,590,831
NON-CURRENT ASSETS:		14,508,006	13,665,015
Property, plant and equipment		14,508,006	13,665,015
CURRENT ASSETS:		22,591,384	15,925,816
Inventories	2	18,525,949	8,553,377
Trade and other receivables	3	462,244	940,758
Advance deposit and pre-payments	4	2,198,886	4,074,679
Cash and Cash Equivalents		1,404,305	2,357,002
TOTAL EQUITY & LIABILITIES		37,099,390	29,590,831
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY:		16,741,179	14,609,519
Share Capital		600,000	600,000
Capital Reserve		64,896	64,896
Retained Earnings		16,076,282	13,944,623
NON-CURRENT LIABILITIES:		2,544,386	2,531,026
Net defined benefit plans		500,272	461,230
Deferred Tax Liability		2,044,114	2,069,796
CURRENT LIABILITIES:		17,813,825	12,450,286
Short Term Bank Loans		3,500,000	-
Trade and other payables	5	10,251,702	7,842,726
Current tax liabilities	6	3,004,647	3,500,379
Provisions for expenses		1,057,474	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 Sep 2016

In thousands of BDT	Notes	1-Jan-16	1-Jan-15	1-July-16	1-July-15
		To	To	To	To
		30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
Gross Turnover		119,626,337	102,936,630	37,362,425	30,645,252
Supplementary duty & VAT		(88,130,705)	(73,939,987)	(27,763,090)	(21,730,097)
NET TURNOVER	7	31,495,633	28,996,642	9,599,335	8,915,155
Cost of sales		(17,025,336)	(15,180,776)	(5,267,211)	(4,591,298)
GROSS PROFIT		14,470,297	13,815,866	4,332,124	4,323,858
Operating expenses		(3,806,525)	(3,762,210)	(1,197,293)	(1,284,173)
OPERATING PROFIT		10,663,772	10,053,656	3,134,830	3,039,684
Non-operating income/(expenses)		(8,003)	28,902	(17,037)	14,281
Net financial income/(expenses)		(24,222)	(139,880)	(37,669)	(28,787)
PROFIT BEFORE CONTRIBUTION TO WPPF		10,631,546	9,942,678	3,080,124	3,025,178
Contribution to WPPF		(531,577)	(499,469)	(154,006)	(151,496)
PROFIT BEFORE INCOME TAX		10,099,969	9,443,209	2,926,118	2,873,682
Income tax expense:		(4,668,310)	(5,064,605)	(1,348,938)	(1,257,924)
Current Tax		(4,693,992)	(4,979,717)	(1,341,223)	(1,271,716)
Deferred Tax		25,682	(84,889)	(7,714)	13,792
NET PROFIT AFTER TAX FOR THE PERIOD		5,431,659	4,378,604	1,577,180	1,615,758
Other Comprehensive Income/(Expense)		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,431,659	4,378,604	1,577,180	1,615,758
APPROPRIATIONS:		5,431,659	4,378,604	1,577,180	1,615,758
Revenue Reserve					
Earnings Per Share		Taka	Taka	Taka	Taka
		90.53	72.98	26.29	26.93


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


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Statement of Changes in Equity

For the Period From 1 Jan 2016 to 30 Sep 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 Sep 2015	-	4,378,604	-	4,378,604
Other comprehensive income	-	-	-	-
Total comprehensive Income	-	4,378,604	-	4,378,604
Dividend Paid in H1 2015	-	-	-	-
<i>Final Dividend for 2014</i>	-	(2,700,000)	-	(2,700,000)
Balance as of 30 Sep 2015	600,000	12,477,219	64,896	13,142,114
Balance as at 1 January 2016	600,000	13,944,623	64,896	14,609,519
Profit for the period ended 30 Sep 2016	-	5,431,659	-	5,431,659
Other comprehensive income	-	-	-	-
Total comprehensive Income	-	5,431,659	-	5,431,659
Dividend Paid in H1 2016	-	-	-	-
<i>Final Dividend for 2015</i>	-	(3,300,000)	-	(3,300,000)
Balance as of 30 Sep 2016	600,000	16,076,282	64,896	16,741,177

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


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Statement of Cash Flows

for the Period from 1 January 2016 to 30 Sep 2016

In thousands of BDT	1 Jan 2016 To 30 Sep 2016	1 Jan 2015 To 30 Sep 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection From Distributors, Leaf Export and Others	120,131,437	103,538,752
Payment for Costs and Expenses	(20,753,718)	(20,217,605)
Supplementary Duty and VAT Paid	(93,493,678)	(72,035,806)
Cash generated from operating activities	5,884,040	11,285,341
Income Tax Paid	(5,189,724)	(3,691,894)
Interest Received/ (Paid)	(20,938)	(135,867)
NET CASH GENERATED FROM OPERATING ACTIVITIES	673,379	7,457,581
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,832,803)	(1,158,396)
Proceeds from sale of property, plant and equipment	7,800	297
NET CASH USED IN INVESTING ACTIVITIES	(1,825,003)	(1,158,099)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan received	3,500,000	1,200,000
Dividend paid	(3,301,073)	(2,684,678)
NET CASH USED IN FINANCING ACTIVITIES	198,927	(1,484,678)
Net Increase/(Decrease) in Cash and Cash Equivalents For the Period	(952,697)	4,814,804
Cash and cash equivalents at the beginning of the period	2,357,002	(1,060,045)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,404,305	3,754,759
Closing cash and cash equivalents have been arrived at as follows:		
Cash and bank balances	1,404,305	3,754,759
	1,404,305	3,754,759


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Notes to the Financial Statements for the Period ended 30 Sept 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 Q3 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.

	1 Jan 2016 To 30 Sep 2016	1 Jan 2015 To 31 Dec 2015
2 INVENTORIES		
<i>In thousands of BDT</i>		
Leaf	8,736,654	5,093,475
Wrapping materials	313,974	375,273
Work in process	11,565	24,534
Consumable stores	533,074	444,890
Finished goods	8,311,838	2,147,529
Inventories in transit	618,844	467,676
	18,525,949	8,553,377

3 TRADE AND OTHER RECEIVABLES

<i>In thousands of BDT</i>		
Trade receivables	311,917	817,017
Intercompany receivables	140,151	113,091
Sundry receivables	10,175	10,650
	462,244	940,758

4 ADVANCES, DEPOSITS AND PREPAYMENTS

<i>In thousands of BDT</i>		
Advances	2,123,478	3,869,025
Deposits	28,263	99,598
Prepayments	47,146	106,056
	2,198,886	4,074,679

	1 Jan 2016 To 30 Sep 2016	1 Jan 2015 To 31 Dec 2015
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5 TRADE AND OTHER PAYABLES

In thousands of BDT

Trade payables	4,465,423	3,405,933
Intercompany payables	4,050,579	3,257,811
Workers' profit Participation Fund	531,577	10,767
Wages and other benefits	246,124	323,608
Unclaimed dividend	40,698	41,771
Sundry payables	917,301	802,836
	10,251,702	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	4,693,992	5,633,340
	8,194,371	8,363,254
Advance payment of corporate tax	(5,189,723)	(4,862,875)
	3,004,647	3,500,379

7 NET TURNOVER

	<u>Unit</u>	<u>Quantity</u>		
Gross Turnover	Million Sticks	35,522	118,997,057	101,761,198
Supplementary Duty and VAT			(88,065,696)	(73,817,890)
Net Turnover from Local Sales			30,931,362	27,943,309
Turnover from Leaf Tobacco Export	Million Kg	3.02	629,280	1,175,431
Export Duty			(65,008)	(122,098)
Net Turnover from Export Sales			564,272	1,053,333
NET TURNOVER			31,495,633	28,996,641



**BRITISH AMERICAN
TOBACCO**
BANGLADESH

New DOHS Road Mohakhali
Dhaka 1206, P.O. Box 6069 Bangladesh
Tel: +88 02 9842791-5, Fax: +88 02 9842786
www.batbangladesh.com

