

**Quarterly Financial Statements (Unaudited)
for the quarter ended as at 31 March 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 31 March 2015

	Notes	<u>31-Mar-15</u> Taka '000s	<u>31-Dec-14</u> Taka '000s
ASSETS			
Non-current assets:			
Property, plant and equipment	2	12,057,627	12,018,576
Current assets:			
Inventories	3	10,159,017	9,098,197
Trade and other receivables		1,806,265	1,766,817
Advance deposit and pre-payments		3,126,184	2,451,127
Cash and Cash Equivalents		1,222,740	1,740,302
Total current assets		16,314,205	15,056,444
Total assets		28,371,833	27,075,019
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital		600,000	600,000
Capital reserve	4	64,896	64,896
Retained earnings	5	12,588,695	10,798,615
Total equity		13,253,590	11,463,511
Non-current liabilities:			
Gratuity	6	362,637	368,112
Deferred tax liability	7	1,120,207	1,140,562
Total non-current liabilities		1,482,844	1,508,674
Current liabilities:			
Bank overdraft		139,159	347,610
Short term bank loans		2,150,000	2,800,000
Provisions for expenses		1,537,105	1,354,891
Trade and other payables		6,637,558	6,870,420
Income tax liability		3,171,575	2,729,914
Total current liabilities		13,635,398	14,102,835
Total equity and liabilities		28,371,833	27,075,019

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


 Shehzad Munim
 Managing Director


 William Francis Pegel
 Director



 Md. Azizur Rahman
 Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Comprehensive Income (Unaudited)
For the quarter ended 31 March 2015

	Notes	1-Jan-15 to 31-Mar-15	1-Jan-14 to 31-Mar-14
		Taka '000s	Taka '000s
Gross Turnover		35,089,764	31,070,073
Supplementary duty & VAT		(25,629,219)	(21,919,184)
Net turnover	8	9,460,545	9,150,889
Cost of Sales		(4,886,713)	(4,920,608)
Gross profit		4,573,832	4,230,281
Operating expenses		(1,273,313)	(1,977,228)
Operating profit		3,300,519	2,253,053
Other Income		17,903	8,244
Net financial income/(Expense)		(59,049)	16,390
		3,259,372	2,277,687
Workers' profit participation fund		(162,969)	(117,619)
Profit before income tax		3,096,404	2,160,068
Income tax expense:	9		
Current tax	9.1	(1,326,678)	(957,337)
Deferred tax	9.2	20,354	39,090
		(1,306,324)	(918,247)
Profit for the period		1,790,080	1,241,822
Other comprehensive income		-	-
Total comprehensive income for the period		1,790,080	1,241,822
Total comprehensive income transfer to revenue reserve		1,790,080	1,241,822
Appropriations:			
Revenue reserve		1,790,080	1,241,822
		Taka	Taka
Earnings Per Share	10	29.83	20.70


 Shehzad Munim
 Managing Director


 William Francis Pegel
 Director


 Md. Azizur Rahman
 Company Secretary

British American Tobacco Bangladesh Company Limited
Statement of Changes in Equity (Unaudited)
For the quarter ended 31 March 2015

	Share capital	Retained earnings	Capital reserve	Total Equity
	<u>Taka '000s</u>	<u>Taka '000s</u>	<u>Taka '000s</u>	<u>Taka '000s</u>
Balance at 1 January 2014	600,000	8,236,694	64,896	8,901,590
Dividend paid in Q1 2014	-	-	-	-
Final dividend for 2013				
Interim dividend for 2014				
Profit for the quarter ended 31 March 2014	-	1,241,822	-	1,241,822
Balance as at 31 March 2014	600,000	9,478,515	64,896	10,143,411
Balance at 1 January 2015	600,000	10,798,615	64,896	11,463,511
Dividend paid in Q1 2015	-	-	-	-
Final dividend for 2014				
Interim dividend for 2015				
Profit for the quarter ended 31 March 2015	-	1,790,080	-	1,790,080
Balance as at 31 March 2015	600,000	12,588,695	64,896	13,253,590

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



Shehzad Munim
Managing Director



William Francis Pegel
Director



Md. Azizur Rahman
Company Secretary

British American Tobacco Bangladesh Company Limited

Statement of Cash Flows (Unaudited)

For the quarter ended 31 March 2015

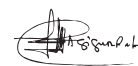
	1-Jan-15 to 31-Mar-15	1-Jan-14 to 31-Mar-14
	Taka '000s	Taka '000s
Cash flows from operating activities:		
Collection from distributors, leaf export and others	35,089,764	31,323,978
Payment for costs and expenses	(6,440,715)	(6,625,086)
Supplementary duty and VAT paid	(27,091,919)	(22,395,432)
Cash generated from operation	1,557,130	2,303,460
Income tax paid	(885,017)	(759,588)
Interest paid	(59,049)	16,390
Net cash flows from operating activities	613,064	1,560,262
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(272,013)	(143,713)
Proceeds from sale of property, plant and equipment	51	-
Net cash used in investing activities	(271,962)	(143,713)
Cash flows from financing activities:		
Finance lease payment	-	(1,974)
Dividend paid	(213)	(707)
Net cash used in financing activities	(213)	(2,682)
Net increase/(decrease) in cash and cash equivalents for the Period	340,889	1,413,868
Cash and cash equivalents at the beginning of the Period	(1,407,308)	1,918,126
Cash and cash equivalents at the end of the Period	(1,066,419)	3,331,994
Closing cash and cash equivalents have been arrived at as follows:		
Short term bank loan	(2,150,000)	-
Cash and bank balances	1,222,740	3,331,994
Bank overdraft	(139,159)	-
	(1,066,419)	3,331,994



Shehzad Munim
Managing Director



William Francis Pegel
Director



Md. Azizur Rahman
Company Secretary

British American Tobacco Bangladesh Company Limited

Notes to the Financial Statements

For the period of 1 January to 31 March 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 Q1 2015 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 31 December 2014 Taka '000s	Accumulated depreciation at 31 March 2015 Taka '000s	Depreciation charge for the period Taka '000s	Disposal/ adjustment during the period Taka '000s	Accumulated depreciation 31 December 2014 Taka '000s	Cost less accumulated depreciation 31 March 2015 Taka '000s
Freehold building	701,242	-	-	701,242	145,591	4,325	-	149,916	551,326
Freehold land	343,685	-	-	343,685	-	-	-	-	343,685
Furniture and fixtures	323,079	939	(1,335)	322,683	220,974	6,924	(529)	227,369	95,314
IT Equipment	287,057	391	(29)	287,419	183,309	14,576	(29)	197,857	89,563
Laboratory equipment	180,527	-	-	180,527	110,660	3,300	-	113,959	66,568
Leasehold building	376,062	-	-	376,062	135,471	6,437	-	141,908	234,154
Office equipment	231,244	3,143	(10)	234,377	128,575	8,087	(9)	136,653	97,724
Plant and machinery	10,020,205	-	-	10,020,205	4,403,091	151,996	-	4,555,086	5,465,119
Vehicles	823,217	5,387	-	828,604	411,073	36,511	-	447,584	381,020
	13,286,318	9,860	(1,374)	13,294,804	5,738,744	232,154	(567)	5,970,332	7,324,473
Buildings, plant and machinery etc. under construction	4,471,002	262,153	-	4,733,155	-	-	-	-	4,733,155
31-Mar-2015	17,757,319	272,013	(1,374)	18,027,959	5,738,744	232,154	(567)	5,970,332	12,057,627
31-Dec-2014	13,655,981	4,406,253	(304,915)	17,757,319	5,142,815	948,318	(352,389)	5,738,744	12,018,576

			31-Mar-2015	31-Dec-2014
			Taka '000	Taka '000
3. Inventories				
Leaf			3,002,824	4,673,094
Wrapping materials			760,380	631,015
Work in process			32,056	40,078
Finished goods			5,873,056	3,218,884
Consumable stores			490,700	535,126
			10,159,017	9,098,197
4. Capital reserve			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.				
5. Retained Earnings				
Opening balance			10,798,615	8,236,694
Less: Dividend paid			-	3,720,000
			10,798,615	4,516,694
Add: Net profit transferred from profit and loss account			1,790,080	6,281,922
Closing balance			12,588,695	10,798,615
6. Gratuity			362,637	368,112
This represents total liability of the Company on account of gratuity that would be payable if all eligible employees retire on the reporting date.				
7. Deferred tax liability				
Opening balance			1,140,562	883,376
Add: addition			(20,354)	257,186
Closing balance			1,120,207	1,140,562
8. Net turnover				
	Unit	Qty	Q1 2015	Q1 2014
Gross Turnover	Million sticks	10,942	34,939,915	30,310,674
Supplementary duty and VAT			(25,615,562)	(21,844,752)
			9,324,354	8,465,922
Turnover from leaf tobacco export	Million Kg	585	149,849	759,399
Export duty			(13,657)	(74,432)
			136,191	684,967
			9,460,545	9,150,889

9. Tax

9.1 Current Tax

Provision for the quarter

Q1 2015	Q1 2014
<u>1,326,678</u>	<u>957,337</u>
<u>1,326,678</u>	<u>957,337</u>

9.2 Deferred Tax

Provision for the quarter

<u>(20,354)</u>	<u>257,186</u>
<u>(20,354)</u>	<u>(257,186)</u>

10. Earnings per share

29.83

20.70

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 2015.



**BRITISH AMERICAN
TOBACCO**
BANGLADESH

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