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Reckitt Benckiser (Bangladesh) Limited

Interim Condensed Financial Statements
as at and for the period ended 30 June 2020
(Un-audited)



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Reckitt Benckiser (Bangladesh) Limited
Condensed Statement of Financial Position
As at 30 June 2020

| | 30 June 2020 (Unaudited) BDT'000 | 31 December 2019 (Audited) BDT'000 |
|--------------------------------------|--|--|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 608,775 | 509,344 |
| Capital work-in-progress | 12,781 | - |
| Deferred tax assets | 20,063 | 12,625 |
| Total non-current assets | 641,619 | 521,970 |
| Current assets | | |
| Inventories | 324,733 | 451,118 |
| Trade and other receivables | 33,500 | 43,906 |
| Advances, deposits and prepayments | 46,885 | 26,496 |
| Cash and cash equivalents | 2,310,590 | 1,341,293 |
| Total current assets | 2,715,707 | 1,862,814 |
| Total assets | 3,357,326 | 2,384,784 |
| Equity and liabilities | | |
| Shareholders' equity | | |
| Share capital | 47,250 | 47,250 |
| Retained earnings | 898,451 | 626,714 |
| Total equity | 945,701 | 673,964 |
| Non-current liabilities | | |
| Employee benefits - gratuity | 161,305 | 147,637 |
| Lease liabilities | 154,779 | 12,742 |
| Total non-current liabilities | 316,084 | 160,379 |
| Current liabilities | | |
| Trade and other payables | 1,810,273 | 1,354,274 |
| Lease liabilities | 23,328 | 16,224 |
| Provision for taxation | 261,940 | 179,941 |
| Total current liabilities | 2,095,542 | 1,550,440 |
| Total equity and liabilities | 3,357,326 | 2,384,784 |


Salahuddin Mahmud
Director


Sourav Mitra
Director &
Chief Financial Officer


Vishal Gupta
Managing Director


Md. Nazmul Arefin
Company Secretary



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Reckitt Benckiser (Bangladesh) Limited
Condensed Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
for the period ended 30 June 2020

| | 1 January to 30 June 2020 | 1 January to 30 June 2019 | 1 April to 30 June 2020 | 1 April to 30 June 2019 |
|---|------------------------------|------------------------------|----------------------------|----------------------------|
| | BDT'000 | BDT'000 | BDT'000 | BDT'000 |
| Revenue | 2,585,711 | 2,006,337 | 1,384,167 | 956,673 |
| Cost of sales | (1,137,801) | (931,499) | (609,773) | (451,314) |
| Gross profit | 1,447,910 | 1,074,838 | 774,395 | 505,359 |
| Other income | (421) | 1,028 | 0 | 0 |
| Net operating expenses | (957,200) | (787,553) | (463,786) | (349,383) |
| Impairment loss reversal on trade receivables | (14) | 376 | 129 | 284 |
| | (957,634) | (786,149) | (463,657) | (349,098) |
| Profit from operation | 490,276 | 288,689 | 310,738 | 156,261 |
| Finance income | 33,425 | 11,787 | 18,188 | 8,844 |
| Finance cost | (5,308) | | (4,757) | |
| Profit before Contribution to WPPF | 518,393 | 300,477 | 324,169 | 165,105 |
| Contribution to WPPF | (24,685) | (14,308) | (15,436) | (7,862) |
| Profit before tax | 493,708 | 286,169 | 308,733 | 157,243 |
| Income tax expense | (221,972) | (110,027) | (150,597) | (54,164) |
| Profit after tax | 271,737 | 176,141 | 158,136 | 103,079 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 271,737 | 176,141 | 158,136 | 103,079 |
| Earnings per share | | | | |
| Basic earnings per share (Taka) | 57.51 | 37.28 | 33.47 | 21.82 |

Note:

- 1) Strong Revenue growth driven by increased demand of personal hygiene products during Pandemic
- 2) Tax provision increased due to insertion of a new section in the Finance act 2020 under ITO 1984 i.e. section 30 (p)

Salahuddin Mahmud
Director

Sourav Mitra
Director &
Chief Financial Officer

Vishal Gupta
Managing Director

Md. Nazmul Arefin
Company Secretary



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Reckitt Benckiser (Bangladesh) Limited
Condensed Statement of changes in equity (Un-audited)
for the period ended 30 June 2020

| | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total</u> |
|---|--------------------------|------------------------------|----------------|
| | BDT'000 | BDT'000 | BDT'000 |
| Balance as at 1 January 2020 | 47,250 | 626,714 | 673,964 |
| Final cash dividend for the year 2019 | - | | - |
| Total comprehensive income for the six months period ended 30 June 2020: | | | |
| Profit for the period | - | 271,737 | 271,737 |
| Other comprehensive income | - | - | - |
| Balance as at 30 June 2020 | 47,250 | 898,451 | 945,701 |

| | | | |
|---|---------------|----------------|----------------|
| Balance as at 1 January 2019 | 47,250 | 338,428 | 385,678 |
| Final cash dividend for the year 2018 | - | (330,750) | (330,750) |
| Total comprehensive income for the six months period ended 30 June 2019: | | | |
| Profit for the period | - | 176,141 | 176,141 |
| Other comprehensive income | - | - | - |
| Balance as at 30 June 2019 | 47,250 | 183,820 | 231,070 |



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Reckitt Benckiser (Bangladesh) Limited
Condensed Statement of cash flows (Un-audited)
for the period ended 30 June 2020

| | <u>1 January to 30 June 2020</u> BDT'000 | <u>1 January to 30 June 2019</u> BDT'000 |
|---|---|---|
| Cash Flows from operating activities | | |
| Receipts from customers | 3,002,005 | 2,242,187 |
| Payment to suppliers, employees and others | (1,860,420) | (1,787,893) |
| Cash generated from operating activities | <u>1,141,585</u> | <u>454,294</u> |
| Income taxes paid | (139,973) | (113,041) |
| Net cash from operating activities | <u>1,001,612</u> | <u>341,253</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (45,569) | (22,541) |
| Proceeds from disposal of property, plant and equipment | | 1,125 |
| Income from investment during the period | 29,450 | 9,532 |
| Net cash used in investing activities | <u>(16,119)</u> | <u>(11,884)</u> |
| Cash flows from financing activities | | |
| Dividend paid | - | (327,751) |
| Payment of lease liabilities | (16,196) | |
| Net cash used in financing activities | <u>(16,196)</u> | <u>(327,751)</u> |
| Net (decrease)/increase in cash and cash equivalents | <u>969,296</u> | <u>1,618</u> |
| Cash and cash equivalents as at 1 January | 1,341,293 | 949,871 |
| Cash and cash equivalents as at 30 June | <u>2,310,590</u> | <u>951,489</u> |



Reckitt Benckiser (Bangladesh) Limited
Notes to the interim condensed financial statements
as at and for the period ended 30 June 2020

1. Reporting entity

Reckitt Benckiser (Bangladesh) Limited (the 'Company') was incorporated on 15 April 1961 in erstwhile East Pakistan (became independent in 1971 as Bangladesh) under the Companies Act 1913 (as amended in 1994) as "Robinson's Foods (Pakistan) Limited". The name of the Company was changed to "Robinson's Foods (Bangladesh) Limited" under a special resolution on 24 August 1972. In 20 March 1986 in an extra-ordinary general meeting the name of the Company was again changed to Reckitt & Colman Bangladesh Limited. Finally, after the merger with Benckiser, in accordance with parent company, the name of the Company was again changed to Reckitt Benckiser (Bangladesh) Limited, under an extra-ordinary general meeting held on 9 November 2000. It is a public limited company and its shares are listed on Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The address of the Company's registered office is 58/59 Nasirabad Industrial Area, Chittagong.

The Company is engaged in manufacturing and marketing of household and toiletries, pharmaceuticals and food products.

2. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34: Interim Financial Reporting, the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission and other applicable laws in Bangladesh.

These financial statements are authorised for issue by the Company's board of directors on 26 July 2020.

3. Functional and presentational currency

These condensed interim financial statements are presented in Taka/Tk./BDT, which is the Company's functional currency. The amounts in these condensed interim financial statements have been rounded off to the nearest BDT in thousand (BDT'000) except otherwise indicated.

4. Significant accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim financial information as were applied in the preparation of the financial statements of Reckitt Benckiser (Bangladesh) Limited as at and for the year ended 31 December 2019.

5. Share capital

| | As at 30 June 2020 | As at 31 December 2019 |
|---|-----------------------|---------------------------|
| | BDT'000 | BDT'000 |
| 130,000 ordinary shares of Taka 10 each fully paid up in cash | 1,300 | 1,300 |
| 20,000 ordinary shares of Taka 10 each fully paid up in other than cash | 200 | 200 |
| 4,575,000 ordinary shares of Taka 10 each fully paid bonus share | 45,750 | 45,750 |
| | 47,250 | 47,250 |
| Authorised | | |
| 25,000,000 ordinary shares of Taka 10 each | 250,000 | 250,000 |



i. Position of shareholding

| Name of the shareholders | At 30 June 2020 | | | At 31 December 2019 | | |
|--------------------------------------|--------------------------|--------------------|-------------------------------|---------------------|-------------------------------|--|
| | Number of shares Unit | Face value Taka | Percentage of holding % | Face value Taka | Percentage of holding % | |
| Parent company | | | | | | |
| Reckitt Benckiser plc, UK | 3,919,918 | 39,199 | 82.96 | 39,199 | 82.96 | |
| | | | - | | | |
| Bangladeshi shareholders: | | | | | | |
| ICB Unit Fund | 14,201 | 142 | 0.30 | 168 | 0.36 | |
| Investment Corporation of Bangladesh | 15,774 | 158 | 0.33 | 158 | 0.33 | |
| ICB Mutual Funds | 50 | 1 | 0.00 | 3 | 0.01 | |
| Individuals | 312,441 | 3,124 | 6.61 | 3,225 | 6.83 | |
| Government of Bangladesh | 178,339 | 1,783 | 3.77 | 1,783 | 3.77 | |
| Sadharan Bima Corporation (SBC) | 78,759 | 788 | 1.67 | 791 | 1.67 | |
| Other institutions | 205,518 | 2,055 | 4.35 | 1,923 | 4.07 | |
| | 4,725,000 | 47,250 | 100.00 | 47,250 | 100 | |

ii. Classification of shareholders by holdings

| Holdings | At 30 June 2020 | | At 31 December 2019 | |
|-----------------------------|----------------------|---------------------------|----------------------|---------------------------|
| | Number of holders | Percentage of holdings | Number of holders | Percentage of holdings |
| Less than 500 shares | 2,103 | 2.48 | 2434 | 3.12 |
| 500 to 5,000 shares | 101 | 3.04 | 93 | 2.18 |
| 5,001 to 10,000 shares | 5 | 0.86 | 6 | 0.94 |
| 10,001 to 20,000 shares | 4 | 1.11 | 4 | 1.25 |
| 20,001 to 30,000 shares | 0 | 0.00 | 0 | 0.00 |
| 30,001 to 40,000 shares | 0 | 0.00 | 0 | 0.00 |
| 40,001 to 50,000 shares | 0 | 0.00 | 0 | 0.00 |
| 50,001 to 100,000 shares | 2 | 3.00 | 2 | 3.00 |
| 100,001 to 1,000,000 shares | 2 | 6.55 | 2 | 6.55 |
| Over 1,000,000 shares | 1 | 82.96 | 1 | 82.96 |
| | 2218 | 100.00 | 2542 | 100.00 |

6. Net asset value per share

| | As at 30 June 2020 | As at 31 December 2019 |
|--|-----------------------|---------------------------|
| Net Asset (BDT) | 945,700,521 | 673,964,444 |
| Weighted average number of ordinary shares outstanding during the period | 4,725,000 | 4,725,000 |
| Net asset value per share (par value BDT 10 each) (BDT) | 200.15 | 142.64 |

7. Earnings per share

A. Basic earnings per share

| | 1 January to 30 June 2020 | 1 January to 30 June 2019 |
|--|------------------------------|------------------------------|
| Profit attributable to ordinary shareholders (BDT) | 271,736,521 | 176,141,189 |
| Weighted-average number of ordinary shares outstanding | 4,725,000 | 4,725,000 |
| Basic earnings per share (par value BDT 10 each) (BDT) | 57.51 | 37.28 |

B. Diluted earnings per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the period.

**8. Net operating cash flow per share**

| | 1 January to 30 June 2020 | 1 January to 30 June 2019 |
|--|------------------------------|------------------------------|
| Net operating cash flow (BDT) | 1,001,611,628 | 341,253,057 |
| Weighted average number of ordinary shares outstanding during the period | 4,725,000 | 4,725,000 |
| Net operating cash flow per share (par value BDT 10 each) (BDT) | 211.98 | 72.22 |

9. Reconciliation of net operating cash flow:

| | 1 January to 30 June 2020 BDT'000 | 1 January to 30 June 2019 BDT'000 |
|---|---|---|
| Profit after tax | 271,737 | 176,141 |
| Income tax expense | 221,972 | 110,027 |
| Profit before tax | 493,708 | 286,169 |
| Adjustment for: | | |
| Depreciation & Amortization | 46,753 | 39,369 |
| (Gain)/Loss on Sale of Fixed Assets | 421 | (1,028) |
| Other non-cash adjustment | 14 | (376) |
| Other non-operating adjustments | (33,425) | (11,787) |
| | 507,470 | 312,346 |
| Changes in: | | |
| Inventories | 126,386 | 1,652 |
| Trade and other receivables | 10,406 | 18,721 |
| Trade and other payables | 517,711 | 133,213 |
| Increase in advances, deposits and prepayments | (20,389) | (11,637) |
| Cash generated from operating activities | 1,141,585 | 454,294 |
| Income tax paid | (139,973) | (113,041) |
| Net cash generated by operating activities | 1,001,612 | 341,253 |

11 Comparative figures

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged whenever considered necessary to conform to current period's presentation.