

Reckitt Benckiser (Bangladesh) Limited

Auditor's report and financial statements as at and
for the year ended 31 December 2019

Reckitt Benckiser (Bangladesh) Limited
Statement of profit or loss and other comprehensive income

For the year ended 31 December

<i>In Taka</i>	Note	2019	2018 Restated*
Revenue	7	4,126,150,222	3,561,898,791
Cost of sales	8	(1,878,203,439)	(1,755,638,024)
Gross profit		2,247,946,783	1,806,260,767
Other income	9	982,886	3,853,354
Operating expenses	10	(1,370,180,346)	(1,280,295,456)
Impairment loss reversal on trade receivables	18(A)(i)	551,118	699,211
Operating profit		879,300,441	530,517,876
Finance income	11	46,405,986	21,409,314
Finance costs	12	(2,165,338)	-
Profit before contribution to WPPF		923,541,089	551,927,190
Contribution to WPPF	13	(43,978,147)	(26,282,247)
Profit before tax		879,562,942	525,644,943
Income tax expense	14(A)	(260,301,685)	(193,871,698)
Profit for the year		619,261,257	331,773,245
Other comprehensive income			
Remeasurement of defined benefit liability	22(A)	(300,000)	(8,630,000)
Related tax	14(B)	75,000	2,157,500
Other comprehensive income/(loss) for the year, net of tax		(225,000)	(6,472,500)
Total comprehensive income for the year		619,036,257	325,300,745
Earnings per share			
Basic earnings per share (Taka)	15(A)	131.06	70.22

* The comparative information of the statement of profit or loss and other comprehensive income of prior year number has been restated in compliance with IAS 8. See Note 40.

The notes on pages 10 to 50 are an integral part of these financial statements.

Salahuddin Mahmud
Director

Sourav Mitra
Director &
Chief Financial Officer

Vishal Gupta
Managing Director

Md. Nazmul Arefin
Company Secretary

As per our report of same date.

Dhaka, 30 April 2020



Auditor
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh

Reckitt Benckiser (Bangladesh) Limited
Statement of changes in equity

For the year ended 31 December 2019

<i>In Taka</i>	<i>Note</i>	Share capital	Retained earnings	Total
Balance at 1 January 2018		47,250,000	256,464,942	303,714,942
Total comprehensive income for the year				
Profit for the year 2018		-	331,773,245	331,773,245
Other comprehensive income/(loss) for the year		-	(6,472,500)	(6,472,500)
Total comprehensive income for the year		-	325,300,745	325,300,745
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2017	23(B)(i)(b)	-	(243,337,500)	(243,337,500)
Total transactions with owners of the Company		-	(243,337,500)	(243,337,500)
Balance at 31 December 2018		47,250,000	338,428,187	385,678,187
Balance at 1 January 2019		47,250,000	338,428,187	385,678,187
Total comprehensive income for the year				
Profit for the year 2019		-	619,261,257	619,261,257
Other comprehensive income/(loss) for the year		-	(225,000)	(225,000)
Total comprehensive income for the year		-	619,036,257	619,036,257
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2018	23(B)(i)(b)	-	(330,750,000)	(330,750,000)
Total transactions with owners of the Company		-	(330,750,000)	(330,750,000)
Balance at 31 December 2019		47,250,000	626,714,444	673,964,444

The notes on pages 10 to 50 are an integral part of these financial statements.



Reckitt Benckiser (Bangladesh) Limited
Statement of cash flows

For the year ended 31 December			
<i>In Taka</i>	<i>Note</i>	2019	2018
Cash flows from operating activities			
Receipts from customers		4,715,828,257	4,059,529,689
Payment to suppliers, employees and others		(3,568,167,446)	(3,203,341,849)
Payment for technical services fee	23(B)(ii)(a)(a.1)	(105,089,000)	(97,917,000)
Cash generated from operating activities		1,042,571,811	758,270,840
Income tax paid	25	(208,355,470)	(147,724,785)
Net cash from operating activities	31	834,216,341	610,546,055
Cash flows from investing activities			
Acquisition of property, plant and equipment		(140,907,938)	(157,682,875)
Proceeds from sale of property, plant and equipment		1,129,813	4,212,400
Income from investment during the year		44,430,711	22,207,228
Net cash used in investing activities		(95,347,414)	(131,263,247)
Cash flows from financing activities			
Dividends paid	23(B)(i)	(330,911,630)	(243,738,459)
Payment of lease liabilities	27(A)(iii)	(16,535,316)	-
Net cash used in financing activities		(347,446,946)	(243,738,459)
Net increase in cash and cash equivalents		391,421,981	235,544,349
Cash and cash equivalents at 1 January		949,871,155	714,326,806
Cash and cash equivalents at 31 December		1,341,293,136	949,871,155

The notes on pages 10 to 50 are an integral part of these financial statements.



Reckitt Benckiser (Bangladesh) Limited
Notes to the financial statements

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, toiletries and pharmaceuticals products.

2. Statement of compliance and basis of preparation

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

The Company also complied with the requirements of following laws and regulations from various Government bodies:

- i. Bangladesh Securities and Exchange Rules 1987;
- ii. The Income Tax ordinance, 1984;
- iii. The Value Added Tax Act, 1991*; and
- iv. The Value Added Tax and Supplementary Duty Act, 2012.

* The Value Added Tax Act, 1991 was superseded by The Value Added Tax and Supplementary Duty Act, 2012 from 1 July 2019.

Details of the Company's accounting policies, including changes during the year, if any, are included in Note 41.

These financial statements are authorised for issue by the Company's board of directors on 30 April 2020.

3. Functional and presentational currency

These financial statements are presented in Taka/Tk./BDT, which is the Company's functional currency. All amounts have been rounded to the nearest taka, unless otherwise indicated.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 27 – lease term: whether the Company is reasonably certain to exercise extension options.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 7 and Note 23 – revenue recognition: estimate of expected returns;
- Note 22 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 14(D) – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 17 – provision for inventory obsolescence;
- Note 25 – current tax liabilities; and
- Note 41(H) – useful life of property, plant and equipment.



Notes to the financial statements (continued)

5. Changes in significant accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company initially applied IFRS 16 *Leases* from 1 January 2019. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

The Company applied IFRS 16 using the modified retrospective approach, under which the effect of initial application is recognised from 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 41(M).

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

B. As a lessee

As a lessee, the Company leases only buildings. The Company previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

i. Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to its largest property lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. rent for sales office);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.



Notes to the financial statements (continued)

C. Impact on financial statements

i. Impact on transition*

On transition to IFRS 16, the Company recognised additional right-of-use assets, and additional lease liabilities. The impact on transition is summarised below.

<i>In Taka</i>	1 January 2019
Right-of-use assets – property, plant and equipment	64,785,711
Lease liabilities	(43,336,455)
Prepayments (Prepaid rent)	(21,449,256)

* For the impact of IFRS 16 on profit or loss for the period, see Note 27(A). For the impact of IFRS 16 on segment information and EBITDA, see Notes 6. For the details of accounting policies under IFRS 16 and IAS 17, see Note 41(M).

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 6.10%.

<i>In Taka</i>	1 January 2019
Operating lease commitments at 31 December 2018 as disclosed under IAS 17 in the Company's financial statements	45,423,771
Discounted using the incremental borrowing rate at 1 January 2019	43,336,455



Notes to the financial statements (continued)

6. Operating segments

A. Basis for segmentation

The Company has following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Household and toiletries	Manufacturing and trading of hygiene and home care products.
Pharmaceuticals	Trading of health care products.

These two reportable segments are the strategic business units of the company and are managed separately based on the Company's management and internal reporting structure. For each of the strategic business units, the management committee reviews internal management report on at least a monthly basis. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

2019 <i>In Taka</i>	Reportable segments		
	Household and toiletries	Pharmaceuticals	Total
Revenue	3,831,972,963	294,177,259	4,126,150,222
Cost of sales	(1,695,987,354)	(182,216,085)	(1,878,203,439)
Gross profit	2,135,985,609	111,961,174	2,247,946,783
Operating expenses			
Administrative expenses	(203,199,402)	(15,669,017)	(218,868,419)
Marketing expenses	(622,105,087)	(34,946,858)	(657,051,945)
Selling and distribution expenses	(331,462,112)	(11,117,192)	(342,579,304)
Impairment loss reversal on trade receivables	511,826	39,292	551,118
	(1,156,254,775)	(61,693,775)	(1,217,948,550)
Profit from operation	979,730,834	50,267,399	1,029,998,233

2018 <i>In Taka</i>	Reportable segments (restated)*		
	Household and toiletries	Pharmaceuticals	Total
Revenue	3,276,717,666	285,181,125	3,561,898,791
Cost of sales	(1,603,843,978)	(151,794,046)	(1,755,638,024)
Gross profit	1,672,873,688	133,387,079	1,806,260,767
Operating expenses			
Administrative expenses	(200,812,463)	(15,943,954)	(216,756,417)
Marketing expenses	(539,857,535)	(46,669,224)	(586,526,759)
Selling and distribution expenses	(262,396,577)	(19,964,473)	(282,361,050)
Impairment loss reversal on trade receivables	649,773	49,438	699,211
	(1,002,416,802)	(82,528,213)	(1,084,945,015)
Profit from operation	670,456,886	50,858,866	721,315,752

* The Company has restated the previously reported segment information of Revenue and Marketing expenses for the year ended 31 December 2018. See Note 40.



Notes to the financial statements (continued)**6. Operating segments (continued)****C. Reconciliation of information on reportable segments to IFRS measures**

<i>In Taka</i>	<i>Note</i>	2019	2018 Restated
<i>i. Revenues</i>			
Total revenue for reportable segments	6(B)	4,126,150,222	3,561,898,791
Revenue for other segments		-	-
Elimination of inter-segment revenue		-	-
Total revenue		4,126,150,222	3,561,898,791
<i>ii. Profit before tax</i>			
Total profit before tax for reportable segments	6(B)	1,029,998,233	721,315,752
Profit before tax for other segments		-	-
Elimination of inter-segment profit		-	-
Amount not related to reported segments	6(C)(iii)	(150,435,291)	(195,670,809)
Total profit before tax		879,562,942	525,644,943
<i>iii. Amount not related to reportable segments</i>			
Other income	9	982,886	3,853,354
Technical services fee	10	(151,680,678)	(194,651,230)
Finance income	11	46,405,986	21,409,314
Finance costs	12	(2,165,338)	-
Contribution to Workers' Profit Participation Fund	13	(43,978,147)	(26,282,247)
		(150,435,291)	(195,670,809)

Considering the current size and operations of the Company, segmental assets and liabilities are not considered to be critical for regular review by the management.

Accordingly no disclosure is made regarding the segmental assets and liabilities.



Notes to the financial statements (continued)

7. Revenue

See accounting policy in Note 41(B)

<i>In Taka</i>	Note	2019	2018 Restated*
Revenue including VAT		4,822,159,187	4,166,308,176
VAT		(696,008,965)	(604,409,385)
	7(A)	4,126,150,222	3,561,898,791

A. Disaggregation of revenue

<i>In Taka</i>	Unit of measurement	2019		2018 Restated*	
		Quantity	Amount	Quantity	Amount
Household and toiletries	Cases	2,299,828	3,831,972,963	2,032,921	3,276,717,666
Pharmaceuticals	Cases	185,572	294,177,259	161,794	285,181,125
		2,485,400	4,126,150,222	2,194,715	3,561,898,791

* The Company has restated the previously reported revenue for the year ended 31 December 2018. See Note 40.

8. Cost of sales

<i>In Taka</i>	Note	2019	2018
Manufacturing unit			
Opening balance of raw and packing materials		174,816,109	186,250,504
Purchases during the year		1,360,149,211	1,148,608,963
Closing balance of raw and packing materials	17	(173,423,635)	(174,816,109)
Materials consumed		1,361,541,685	1,160,043,358
Salaries, wages and welfare expenses		226,996,237	183,934,294
Product testing and laboratory expenses		1,719,468	2,104,329
Exchange (gain)/loss		4,195,585	4,831,212
Travelling and conveyance		3,361,867	2,927,281
Power, fuel and utilities		25,312,083	21,202,486
Vehicle expenses		52,942	84,305
Repairs, maintenance and others		44,850,672	42,550,681
Rent, rates and taxes		3,496,437	3,394,248
Printing, stationery and office supplies		1,037,215	2,711,019
Insurance		3,349,524	3,753,537
Office expenses		5,196,556	4,386,516
Safety, health and environment		1,532,616	-
Depreciation	16(B)	73,096,837	61,488,731
Manufacturing overhead		394,198,039	333,368,639
Opening stock of work-in-progress		1,355,345	3,472,103
Closing stock of work-in-progress	17	(2,012,634)	(1,355,345)
		(657,289)	2,116,758
Cost of production		1,755,082,435	1,495,528,755
Opening stock of own manufactured finished goods		61,796,301	39,101,746
Closing stock of own manufactured finished goods	17(B)(i)	(154,351,051)	(61,796,301)
		(92,554,750)	(22,694,555)
Cost of sales - manufacturing unit		1,662,527,685	1,472,834,200
Trading unit			
Opening stock of finished goods		52,155,803	17,748,718
Purchase of finished goods	8(A)	273,351,093	317,210,909
Closing stock of finished goods	17(B)(i)	(109,831,142)	(52,155,803)
Cost of sales - trading unit		215,675,754	282,803,824
Total cost of sales		1,878,203,439	1,755,638,024



Notes to the financial statements (continued)

8. Cost of sales (continued)
A. Cost of sales - trading unit

<i>In Taka</i>	Unit of measurement	Opening stock		Purchase		Closing stock		Cost of sales - trading unit	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Household and toiletries	Metric Ton	48.54	41,690,276	280.01	198,750,936	106.30	91,493,286	222.26	148,947,926
	Thousand Litre	0.49	395,067	176.88	23,588,458	2.67	1,471,699	174.70	22,511,826
	Million No.	0.04	2,042,379	-	-	-	-	0.04	2,042,379
Pharmaceuticals	Million No.	2.70	2,445,587	-	-	-	-	2.70	2,445,587
	Thousand Litre	14.85	5,582,494	154.60	51,011,699	45.95	16,866,157	123.50	39,728,036
	Metric Ton	-	-	-	-	-	-	-	-
Total for the year 2019			52,155,803		273,351,093		109,831,142		215,675,754
Household and toiletries	Metric Ton	23.00	10,064,377	494.00	260,214,244	48.54	41,690,276	468.46	228,588,345
	Thousand Litre	7.00	1,498,290	16.00	8,253,905	0.49	395,067	22.51	9,357,128
	Million No.	-	-	0.14	2,654,835	0.04	2,042,379	0.10	612,456
Pharmaceuticals	Million No.	4.00	2,562,732	11.06	9,092,884	2.70	2,445,587	12.35	9,210,029
	Thousand Litre	15.14	3,623,319	115.76	36,995,041	14.85	5,582,494	116.06	35,035,866
	Metric Ton	-	-	-	-	-	-	-	-
Total for the year 2018			17,748,718		317,210,909		52,155,803		282,803,824



Notes to the financial statements (continued)

8. Cost of sales (continued)

B. Raw and packing materials consumed

<i>In Taka</i>	Unit of measurement	Opening stock		Purchase		Closing stock		Consumption	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Various raw material	Metric Ton	1,269.40	147,081,721	11,085.62	876,644,439	1,211.46	136,384,803	11,143.56	887,341,357
Blow moulding and injection	Thousand Pcs	2,157.39	8,556,830	44,180.11	232,856,075	2,494.27	10,453,337	43,843.24	230,959,568
Boxes solid board and corrugated	Thousand Pcs	3,353.44	7,181,929	63,115.14	160,016,164	6,238.27	10,258,640	60,230.30	156,939,453
Others		7,481.45	11,995,629	71,597.71	90,632,533	10,107.58	16,326,855	68,971.58	86,301,307
Total for the year 2019			174,816,109		1,360,149,211		173,423,635		1,361,541,685
Various raw material	Metric Ton	1,473.00	159,746,315	10,103.40	757,274,896	1,269.40	147,081,721	10,307.00	769,939,490
Blow moulding and injection	Thousand Pcs	3,071.00	11,640,102	38,738.39	180,275,522	2,157.39	8,556,830	39,652.00	183,358,794
Boxes solid board and corrugated	Thousand Pcs	3,335.00	5,334,910	56,273.44	122,835,215	3,353.44	7,181,929	56,255.00	120,988,196
Others		12,865.00	9,529,177	64,577.45	88,223,330	7,481.45	11,995,629	69,961.00	85,756,878
Total for the year 2018			186,250,504		1,148,608,963		174,816,109		1,160,043,358

C. Percentage of raw materials and packing materials consumed

<i>In Taka</i>	Note	2019		2018	
		%	Amount	%	Amount
Raw materials	8(D)	65%	887,341,357	66%	769,939,490
Packing materials	8(D)	35%	474,200,328	34%	390,103,868
		100%	1,361,541,685	100%	1,160,043,358
Local materials consumed		35%	471,315,496	33%	386,472,012
Imported materials consumed		65%	890,226,189	67%	773,571,346
		100%	1,361,541,685	100%	1,160,043,358



Notes to the financial statements (continued)**8. Cost of sales (continued)****D. Analysis of material consumed**

<i>In Taka</i>	<i>Note</i>	2019	2018
Raw material			
Soap Noodles		473,138,529	444,426,444
BIS/2 Hydroxyl Ethyl Oleylamine		51,023,065	45,670,201
Cetyl Trimethyl Amm. Chloride		36,935,340	36,395,351
Pine Oil 85%min BP		75,167,593	44,047,581
PCMX		40,404,494	30,451,975
Hydrochloric acid		24,938,308	19,962,068
Snowfresh 228093 D		19,898,977	17,452,705
Frosty Int - AAD07282/00		13,410,597	3,293,605
LABSA		14,520,228	15,191,906
Climbazole		2,487,984	6,319,392
Color Pigment Yelow		3,974,659	3,530,487
Granular Soda Dyed		5,223,336	4,766,982
Galaxy MW 257		8,145,646	7,682,429
CX-140		8,582,338	6,955,628
Texapon Als IS T		7,552,332	7,773,393
Isopropyl Alcohol		7,944,632	7,352,340
Na Lauryl Ether		5,939,742	7,247,567
Castor Oil		5,373,589	5,065,936
Pamplozest		6,659,840	4,914,779
Perfume jasmina		499,249	473,504
Challenge 157708 B		3,736,103	-
Lemon Grass Oil		3,294,693	-
Dolomite BD For Harpic Total		8,579,186	-
Others		59,910,897	50,965,217
		887,341,357	769,939,490
Packing material			
Skillet		94,696,745	77,600,534
Outer and cartons		62,242,708	43,387,662
Plastic container		199,296,106	160,201,982
Label		39,879,963	44,881,589
Polybag /HDPE		31,747,728	27,460,050
Cap		31,663,463	23,156,811
Others		14,673,615	13,415,240
		474,200,328	390,103,868
		1,361,541,685	1,160,043,358

E. Value of imports - at cost and freight basis

Raw and packing materials and finished goods for re-sale	804,841,601	739,210,589
Capital goods	60,989,236	91,586,253
	865,830,837	830,796,842



Notes to the financial statements (continued)

8. Cost of sales (continued)

F. Statement of production

i. Own manufacture

Line of business	Unit of measurement	Installed capacity shift single basis	Multiple shifts as applicable		Percentage increase/ (decrease)
			2019	2018	
Household & toiletries	Thousand Litre	14,041	31,623	6,688	373%
	Million No.	-	-	202	-100%
	Metric Ton	5,439	16,316	10,080	62%
Pharmaceuticals	Million Tablets	-	-	-	0%
	Thousand Litre	220	661	323	105%
Total	Million Tablets	-	-	-	0%
	Metric Ton	5,439	16,316	10,080	62%
	Thousand Litre	14,261	32,283	7,011	360%
	Million No.	-	-	202	-100%

ii. Imports for re-sale

Total business	Million No.	-	10	-100%
	Metric Ton	280	-	100%
	Thousand Litre	331	569	-42%



Notes to the financial statements (continued)**9. Other income**

<i>In Taka</i>	2019	2018
Profit/(loss) on sale of property, plant and equipment	982,886	3,853,354
	982,886	3,853,354

10. Operating expenses

<i>In Taka</i>	Note	2019	2018 Restated
Selling and distribution expenses	10(A)	342,579,304	282,361,050
Administrative expenses	10(B)	218,868,419	216,756,417
Royalties/Technical services fees	23(B)(ii)	151,680,678	194,651,230
Marketing expenses	10(C)	657,051,945	586,526,759
		1,370,180,346	1,280,295,456

A. Selling and distribution expenses

Salaries, wages and welfare expenses		219,183,015	179,197,229
Carriage outwards		46,470,422	41,612,947
Depot expenses		25,717,583	27,872,948
Entertainment		-	10,445
Vehicle expenses		10,291,383	8,618,998
Printing and stationery		380,918	854,440
Travelling		18,755,772	16,172,750
Sales office expenses		2,615,625	2,094,400
Insurance		401,402	450,795
Depreciation	16(B)	18,763,184	5,466,098
Others		-	10,000
		342,579,304	282,361,050

B. Administrative expenses

Salaries, wages and welfare expenses		158,968,211	161,242,632
Non-executive directors fee		555,897	318,750
Trademarks and patents		-	72,000
Communication		5,281,866	5,706,794
Vehicle expenses		2,064,188	1,090,121
Travelling		2,954,130	2,299,535
Corporate office expenses		9,476,860	19,044,820
Repairs and maintenance		6,689,618	5,061,139
Legal and professional charges	10(B)(i)	10,213,448	11,788,041
Printing and stationery		3,165,502	2,732,255
Subscriptions		321,800	209,550
Staff recruitment, training and development expenses		1,467,403	678,196
Entertainment		136,671	86,594
AGM expenses		558,101	410,044
Bank charges		716,429	1,079,326
Insurance		249,865	479,882
Depreciation	16(B)	16,013,230	4,394,352
Others		35,200	62,386
		218,868,419	216,756,417



Notes to the financial statements (continued)**10. Net operating expenses (continued)****B. Administrative expenses (continued)****i. Legal and professional charges**

<i>In Taka</i>	<i>Note</i>	2019	2018
Audit fee		1,000,000	951,720
Tax services		1,796,256	996,300
Legal consultancy		2,145,614	3,484,652
Other consulting fees		5,271,578	6,355,369
		10,213,448	11,788,041

C. Marketing expenses

<i>In Taka</i>	2019	2018 Restated*
Media	300,464,747	274,427,517
Consumer marketing	115,548,388	107,879,698
Market research	4,313,906	2,810,634
Trade marketing	236,724,904	201,408,910
	657,051,945	586,526,759

* The Company has restated the previously reported trade marketing under marketing expenses for the year ended 31 December 2018. See Note 40.

11. Finance income

<i>In Taka</i>	2019	2018
Interest income	46,405,986	21,409,314
	46,405,986	21,409,314

12. Finance costs

<i>In Taka</i>	2019	2018
Interest expense on lease liabilities	2,165,338	-
	2,165,338	-

13. Contribution to WPPF

<i>In Taka</i>	2019	2018
Profit before contribution to WPPF	923,541,089	551,927,190
Applicable contribution rate	5%	5%
	43,978,147	26,282,247

The Company contributes 5% of the profit before tax after charging such expense as contribution to WPPF. See Note 41(C)(iv).



Notes to the financial statements (continued)

14. Income tax expense

See accounting policy in Note 41(E)

A. Amounts recognised in profit or loss

<i>In Taka</i>	<i>Note</i>	2019	2018
Current tax expense			
Current year		257,661,670	189,198,659
		257,661,670	189,198,659
Deferred tax (income)/expense			
Origination/(reversal) of temporary differences	14(D)	2,640,015	4,673,039
		2,640,015	4,673,039
Tax expense on continuing operations		260,301,685	193,871,698

B. Amounts recognised in OCI

<i>In Taka</i>	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of						
defined benefit liability	(300,000)	75,000	(225,000)	(8,630,000)	2,157,500	(6,472,500)
	(300,000)	75,000	(225,000)	(8,630,000)	2,157,500	(6,472,500)

C. Reconciliation of effective tax rate

<i>In Taka</i>	2019		2018	
Profit before tax		879,562,942		525,644,943
Tax using the Company's tax rate	25.00%	219,890,736	25.00%	131,411,236
Factors affecting the tax charge for current period:				
Excess/(deficit) of accounting depreciation over fiscal depreciation	-1.21%	(10,629,095)	0.63%	3,329,601
Excess/(deficit) of rental payment over expenses under IFRS-16	0.34%	2,989,502	0.00%	-
Provision for stock obsolescence	0.02%	215,478	0.00%	-
Non-deductible expenses	3.31%	29,072,287	5.91%	31,040,265
Excess of gratuity provision over payment of gratuity	1.37%	12,064,369	-0.05%	(257,500)
Excess of technical services fee over payment of technical services fee	2.74%	24,133,005	7.26%	38,140,768
Excess of accounting profit over fiscal tax profit on property, plant and equipment	-0.10%	(907,884)	-0.14%	(714,282)
Allowable deductions	-2.18%	(19,166,728)	-2.62%	(13,751,429)
Movement of temporary differences: as above	0.30%	2,640,015	0.89%	4,673,039
	29.59%	260,301,685	36.88%	193,871,698



Notes to the financial statements (continued)

14. Income tax expense (continued)

D. Movement in deferred tax balances

2019	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
<i>In Taka</i>						
Property, plant and equipment	(13,246,714)	(15,281,251)	-	(28,527,965)	-	(28,527,965)
Employee benefits	24,770,000	12,064,369	75,000	36,909,369	36,909,369	-
Trade and other receivables	210,500	(137,780)	-	72,720	72,720	-
Inventories	3,456,712	215,478	-	3,672,190	3,672,190	-
RoU assets- Impact of IFRS 16	-	(6,742,450)	-	(6,742,450)	-	(6,742,450)
Lease liabilities- Impact of IFRS 16	-	7,241,619	-	7,241,619	7,241,619	-
Net deferred tax assets (liabilities)	15,190,498	(2,640,015)	75,000	12,625,483	47,895,898	(35,270,415)

2018	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
<i>In Taka</i>						
Property, plant and equipment	(12,988,391)	(258,323)	-	(13,246,714)	-	(13,246,714)
Employee benefits	22,870,000	(257,500)	2,157,500	24,770,000	24,770,000	-
Trade and other receivables	-	210,500	-	210,500	210,500	-
Inventories	7,824,428	(4,367,716)	-	3,456,712	3,456,712	-
Net deferred tax assets (liabilities)	17,706,037	(4,673,039)	2,157,500	15,190,498	28,437,212	(13,246,714)

15. Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

<i>In Taka</i>	Note	2019	2018
Net profit after tax for the year, attributable to the owners of the company		619,261,257	331,773,245
Profit/(loss) attributable to ordinary shareholders		619,261,257	331,773,245

ii. Weighted-average number of ordinary shares (basic)

Issued ordinary shares at 31 December	21(A)	4,725,000	4,725,000
Weighted-average number of ordinary shares at 31 December		4,725,000	4,725,000
Basic earnings per share (EPS)		131.06	70.22

Weighted average number of ordinary shares was not changed during the current and prior year.

B. Diluted earnings per share

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



Notes to the financial statements (continued)

16. Property, plant and equipment

See accounting policy in Note 41(H)

A. Reconciliation of carrying amount

<i>In Taka</i>	Leasehold land	Buildings	Plant and machinery	Furniture fixtures and equipment	Computers	Vehicles	Under construction	Total
Cost								
Balance at 1 January 2018	209,490	229,044,435	264,213,168	106,483,701	31,685,242	54,808,028	55,745,618	742,189,682
Additions	-	-	-	1,129,088	4,167,735	1,958,913	143,848,693	151,104,429
Transfers/capitalised	-	15,780,686	29,072,887	22,295,502	-	-	(67,149,075)	-
Disposal/adjustment	-	-	(78,580,360)	(1,305,859)	-	-	-	(79,886,219)
Balance at 31 December 2018	209,490	244,825,121	214,705,695	128,602,432	35,852,977	56,766,941	132,445,236	813,407,892
Balance at 1 January 2019	209,490	244,825,121	214,705,695	128,602,432	35,852,977	56,766,941	132,445,236	813,407,892
Recognition of right-of-use asset on initial application of IFRS 16	-	64,785,711	-	-	-	-	-	64,785,711
Adjusted balance at 1 January 2019	209,490	309,610,832	214,705,695	128,602,432	35,852,977	56,766,941	132,445,236	878,193,603
Additions	-	-	-	3,554,998	6,873,773	-	128,652,666	139,081,437
Transfers/capitalised	-	63,564,761	143,852,405	28,720,327	173,000	-	(236,310,493)	-
Disposal/adjustment	-	(1,449,097)	(8,760,159)	(3,050,857)	(2,131,784)	-	-	(15,391,897)
Balance at 31 December 2019	209,490	371,726,496	349,797,941	157,826,900	40,767,966	56,766,941	24,787,409	1,001,883,143
Accumulated depreciation								
Balance at 1 January 2018	209,490	114,331,355	165,169,793	61,384,568	28,732,911	38,260,392	-	408,088,509
Depreciation for the year	-	14,449,008	28,920,531	18,136,742	3,069,467	6,773,433	-	71,349,181
Disposal/adjustment	-	-	(78,580,035)	(947,138)	-	-	-	(79,527,173)
Balance at 31 December 2018	209,490	128,780,363	115,510,289	78,574,172	31,802,378	45,033,825	-	399,910,517
Balance at 1 January 2019	209,490	128,780,363	115,510,289	78,574,172	31,802,378	45,033,825	-	399,910,517
Adjusted balance at 1 January 2019	209,490	128,780,363	115,510,289	78,574,172	31,802,378	45,033,825	-	399,910,517
Depreciation for the year	-	44,496,636	35,496,903	18,602,215	3,828,138	5,449,359	-	107,873,251
Disposal/adjustment	-	(1,413,056)	(8,710,131)	(2,990,055)	(2,131,728)	-	-	(15,244,970)
Balance at 31 December 2019	209,490	171,863,943	142,297,061	94,186,332	33,498,788	50,483,184	-	492,538,798
Carrying amounts								
At 1 January 2018	-	114,713,080	99,043,375	45,099,133	2,952,331	16,547,636	55,745,618	334,101,173
At 31 December 2018	-	116,044,758	99,195,406	50,028,260	4,050,599	11,733,116	132,445,236	413,497,375
At 31 December 2019	-	199,862,553	207,500,880	63,640,568	7,269,178	6,283,757	24,787,409	509,344,345

B. Allocation of depreciation

<i>In Taka</i>	2019	2018
Cost of sales	73,096,837	61,488,731
Selling and distribution expenses	18,763,184	5,466,098
Administrative expenses	16,013,230	4,394,352
	107,873,251	71,349,181



Notes to the financial statements (continued)

16. Property, plant and equipment (continued)

C. Under construction

See accounting policy in Note 41(l)

<i>In Taka</i>	Furniture fixtures and equipment	Buildings	Plant and machinery	Computers	Total
Cost					
Balance at 1 January 2018	7,697,450	13,494,987	34,553,181	-	55,745,618
Additions	21,186,630	27,217,761	95,444,302	-	143,848,693
Transfers/capitalised	(22,295,502)	(15,780,686)	(29,072,887)	-	(67,149,075)
Balance at 31 December 2018	6,588,578	24,932,062	100,924,596	-	132,445,236
Balance at 1 January 2019	6,588,578	24,932,062	100,924,596	-	132,445,236
Additions	43,530,263	40,903,535	43,896,668	322,200	128,652,666
Transfers/capitalised	(28,720,327)	(63,564,761)	(143,852,405)	(173,000)	(236,310,493)
Balance at 31 December 2019	21,398,514	2,270,836	968,859	149,200	24,787,409

17. Inventories

See accounting policy in Note 41(G)

<i>In Taka</i>	Note	2019	2018
Raw and packing materials	17(A)	178,522,343	179,766,729
Provision for inventory obsolescence		(5,098,708)	(4,950,620)
Net raw and packing materials		173,423,635	174,816,109
Finished goods		273,772,243	122,828,330
Provision for inventory obsolescence		(9,590,050)	(8,876,226)
Net finished goods	17(B)	264,182,193	113,952,104
Work-in-progress		2,012,634	1,355,345
Inventory in transit	17(C)	11,499,930	11,006,139
		13,512,564	12,361,484
		451,118,392	301,129,697

A. Raw and packing materials

Raw materials	141,483,511	152,032,341
Packing materials	37,038,832	27,734,388
	178,522,343	179,766,729

B. Finished goods

i. Operational allocation of finished goods

Manufacturing unit	154,351,051	61,796,301
Trading unit	109,831,142	52,155,803
	264,182,193	113,952,104



Notes to the financial statements (continued)

17. Inventories (continued)

B. Finished goods (continued)

ii. Business line-wise allocation of finished goods

Business line	Unit of measurement	2019		2018	
		Quantity Unit	Amount Taka	Quantity Unit	Amount Taka
Household and toiletries	Metric Ton	671	199,125,874	534	74,553,727
	Thousand Litre	593	41,827,292	346	22,420,304
	Million No.	-	-	0.04	2,042,379
			240,953,166		99,016,410
Pharmaceuticals	Thousand Litre	75	23,229,027	50	12,490,107
	Million No.	-	-	2.70	2,445,587
			23,229,027		14,935,694
			264,182,193		113,952,104

C. Inventory in transit

<i>In Taka</i>	2019	2018
Raw and packing materials	5,306,604	1,566,110
Finished goods	6,193,326	9,440,029
	11,499,930	11,006,139

18. Trade and other receivables

<i>In Taka</i>	Note	2019	2018
Trade receivables	18(A)	40,888,404	81,090,165
Other receivables	18(B)	3,017,522	3,773,453
		43,905,926	84,863,618

A. Trade receivables

Trade receivables		41,179,284	81,932,163
Allowance for impairment of trade receivables	18(A)(i)	(290,880)	(841,998)
		40,888,404	81,090,165

i. Allowance for impairment of trade receivables

Balance at 1 January	841,998	1,541,209
Provision made during the year	(551,118)	(699,211)
Balance at 31 December	290,880	841,998

B. Other receivables

Inter-company receivables	18(B)(i)	513,078	3,244,284
Interest receivables		2,504,444	529,169
		3,017,522	3,773,453

i. Inter-company receivables

Reckitt Benckiser Corporate Services Limited, UK	513,078	523,192
Reckitt Benckiser (India) Ltd.	-	2,721,092
	513,078	3,244,284



Notes to the financial statements (continued)**19. Advances, deposits and prepayments**

<i>In Taka</i>	2019	2018
Advances		
Advance to suppliers	10,697,725	8,812,046
Advance to employees	3,511,550	2,835,636
	14,209,275	11,647,682
Deposits		
Security deposit	1,056,000	1,056,000
VAT current account	-	1,194,636
	1,056,000	2,250,636
Prepayments		
Prepaid insurance	1,632,230	2,159,800
Prepaid others	1,341,590	1,298,492
Prepaid government fees*	6,979,087	13,227,964
Prepaid rent	1,278,160	17,169,756
	11,231,067	33,856,012
	26,496,342	47,754,330

* Prepaid government fees includes Taka 1,983,526 (2018: Taka 1,983,526) for claiming VAT refund and Taka 3,944,343 (2018: 3,944,343) for claiming duty drawback refund for exporting goods on which VAT was paid at the time of import.

20. Cash and cash equivalents

<i>In Taka</i>	Note	2019	2018
Cash in hand		106,000	195,007
Cash at bank	20(A)	1,341,187,136	949,676,148
		1,341,293,136	949,871,155

A. Cash at bank

Hong Kong and Shanghai Banking Corporation Limited	43,090,123	50,096,546
Standard Chartered Bank	98,097,013	399,579,602
Short term deposits*	1,200,000,000	500,000,000
	1,341,187,136	949,676,148

*As at 31 December 2019, the company had four short term deposits with HSBC and SCB with maturity of less than three months.



Notes to the financial statements (continued)

21. Share capital

See accounting policy in Note 41(F)

<i>In Taka</i>	2019	2018
130,000 ordinary shares of Taka 10 each fully paid up in cash	1,300,000	1,300,000
20,000 ordinary shares of Taka 10 each fully paid up in other than cash	200,000	200,000
4,575,000 ordinary shares of Taka 10 each fully paid bonus share	45,750,000	45,750,000
In issue at 31 December - fully paid	47,250,000	47,250,000
Authorised		
25,000,000 ordinary shares of Taka 10 each	250,000,000	250,000,000

A. Position of shareholding

<i>Name of the shareholders</i>	Number of shares Unit	At 31 December 2019		At 31 December 2018	
		Face value Taka	Percentage of holding %	Face value Taka	Percentage of holding %
Parent company					
Reckitt Benckiser plc, UK	3,919,918	39,199,180	82.96	39,199,180	82.96
Bangladeshi shareholders:					
ICB Unit Fund	16,778	167,780	0.36	256,000	0.54
Investment Corporation of Bangladesh (ICB)	15,774	157,740	0.33	430,640	0.91
ICB Mutual Funds	300	3,000	0.01	3,000	0.01
Individuals	322,504	3,225,040	6.83	2,657,500	5.62
Government of Bangladesh	178,339	1,783,390	3.77	1,783,390	3.77
Sadharan Bima Corporation (SBC)	79,059	790,590	1.67	790,590	1.67
Other institutions	192,328	1,923,280	4.07	2,129,700	4.51
	4,725,000	47,250,000	100.00	47,250,000	100.00

B. Classification of shareholders by holdings

<i>Holdings</i>	At 31 December 2019		At 31 December 2018	
	Number of holders	Percentage of holdings	Number of holders	Percentage of holdings
Less than 500 shares	2,434	3.12	2,059	2.75
500 to 5,000 shares	93	2.18	80	1.89
5,001 to 10,000 shares	6	0.94	3	0.47
10,001 to 20,000 shares	4	1.25	3	0.95
20,001 to 30,000 shares	-	-	1	0.54
30,001 to 40,000 shares	-	-	-	-
40,001 to 50,000 shares	-	-	1	0.91
50,001 to 100,000 shares	2	3.00	2	3.00
100,001 to 1,000,000 shares	2	6.55	2	6.52
Over 1,000,000 shares	1	82.96	1	82.96
	2,542	100.00	2,152	100.00

C. Dividends

The following final dividends were declared and paid by the Company for the year.

<i>In Taka</i>	2019	2018
BDT 70 per qualifying ordinary share (2018: BDT 51.50)	330,750,000	243,337,500
	330,750,000	243,337,500

After the reporting date, the following final dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences. **See Note 35.**

<i>In Taka</i>	2019	2018
BDT 125 per qualifying ordinary share (2018: BDT 70)	590,625,000	330,750,000
	590,625,000	330,750,000



Notes to the financial statements (continued)

22. Employee benefits

See accounting policy in Note 41(C)

<i>In Taka</i>	2019	2018
Net defined benefit asset	-	-
Total employee benefit asset	-	-
Net defined benefit liability	147,637,475	99,080,000
Total employee benefit liabilities	147,637,475	99,080,000

A. Movement in net defined benefit asset and liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components.

<i>In Taka</i>	Defined benefit obligation		Fair value of plan assets		Net defined (asset)/liability	
	2019	2018	2019	2018	2019	2018
Balance at 1 January	99,080,000	91,480,000	-	-	99,080,000	91,480,000
Included in profit or loss						
Current service cost	16,167,416	10,695,221	-	-	16,167,416	10,695,221
Past service costs	32,000,000	-	-	-	32,000,000	-
Interest cost/(income)	8,260,000	7,620,000	-	-	8,260,000	7,620,000
	56,427,416	18,315,221	-	-	56,427,416	18,315,221
Included in OCI						
Actuarial (gain)/loss arising from:						
Return on plan assets	-	-	-	-	-	-
Financial assumption	-	-	-	-	-	-
Experience adjustment	300,000	8,630,000	-	-	300,000	8,630,000
	56,727,416	26,945,221	-	-	56,727,416	26,945,221
Other						
Contribution paid by the employer						
Benefits paid	(8,169,941)	(19,345,221)	-	-	(8,169,941)	(19,345,221)
	(8,169,941)	(19,345,221)	-	-	(8,169,941)	(19,345,221)
Balance at 31 December	147,637,475	99,080,000	-	-	147,637,475	99,080,000
<i>In Taka</i>					2019	2018
Current portion					9,260,000	3,760,000
Non Current portion					138,377,475	95,320,000
					147,637,475	99,080,000

B. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	2019	2018
Financial assumptions:		
Discount rate	9.25%	8.50%
Salary escalation rate	8.50%	7.50%
Demographic assumptions:		
Withdrawal rate	2.00%	2.00%

Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Indian Assured Life Mortality rate (2006-08) ultimate based on the mortality experience of assured lives in India is being used as a reasonable approximation. The current longevities underlying the values of the defined obligations at the reporting date was adopted from Indian Life Mortality table.

C. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 December 2019		31 December 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(133,240,000)	165,510,000	(9,940,000)	11,870,000
Future salary growth (1% movement)	165,470,000	(133,020,000)	11,870,000	(10,120,000)

Although the analysis does not take of full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.



Notes to the financial statements (continued)

23. Trade and other payables

<i>In Taka</i>	<i>Note</i>	2019	2018
Trade payables	23(A)	148,121,451	161,903,457
Other payables	23(B)	1,206,152,385	1,035,009,837
		1,354,273,836	1,196,913,294

A. Trade payables

Inter-company trade payables	23(A)(i)	5,382,092	2,642,994
Third party trade payables		142,739,359	159,260,463
		148,121,451	161,903,457

i. Inter-company trade payables

Reckitt Benckiser (India) Ltd.		3,079,966	-
Reckitt Benckiser (Pakistan) Ltd.		2,302,126	2,642,994
		5,382,092	2,642,994

B. Other payables

Third party other payables	23(B)(i)	781,428,474	656,877,604
Inter-company other payables	23(B)(ii)	424,723,911	378,132,233
		1,206,152,385	1,035,009,837

i. Third party other payables

Payable for employee remuneration and other expenses		628,068,450	569,487,812
Advance from customers		30,109,345	-
Advance from third parties		1,099,996	1,099,996
Withholding tax and VAT payables		26,433,691	8,880,294
Worker's profit participation fund	13	43,978,147	26,282,247
Payable for capital expenditure		10,953,012	12,779,513
Return provision		31,820,989	31,448,933
Unclaimed dividend	23(B)(i)(a)	8,964,844	6,898,809
		781,428,474	656,877,604

a. Unclaimed dividend

<i>In taka</i>	2019	2018
Final 2018	1,345,624	-
Final 2017	862,341	-
2017 Interim	507,634	526,746
2016 Final	614,434	636,746
2016 1st Interim	622,578	254,998
2015 2nd Interim	249,260	637,878
2015 1st Interim	735,863	752,863
2014 Final	149,515	154,190
2014 2nd Interim	506,878	513,572
2014 1st Interim	1,356,295	1,367,432
2013 Final	1,020,430	1,036,632
2012 Final	429,878	448,778
2011 Final	235,272	237,432
2011 Interim	328,842	331,542
	8,964,844	6,898,809



Notes to the financial statements (continued)

23. Trade and other payables (continued)

B. Other payables (continued)

i. Third party other payables (continued)

b. Dividend paid during the year

<i>In taka</i>	2019	2018
Reckitt Benckiser plc, UK	274,394,260	201,875,777
Foreign shareholders	274,394,260	201,875,777
ICB Unit Fund	1,250,200	1,996,810
Investment Corporation of Bangladesh (ICB)	1,767,710	2,835,794
Mutual Funds	1,035,790	2,260,181
Individuals	21,197,750	11,827,490
Government of Bangladesh	12,483,730	9,184,459
Sadharan Bima Corporation (SBC)	5,513,130	4,056,089
Institutions	13,107,430	9,300,900
Bangladeshi shareholders	56,355,740	41,461,723
Dividend declared and paid in the year	330,750,000	243,337,500

c. Payment during the year from unclaimed dividend

2017 Final	19,699	-
2017 Interim	19,112	2,338
2016 Final	22,312	36,656
2016 Interim	15,300	5,100
2015 2nd Interim	5,738	1,913
2015 Interim	17,001	11,263
2014 Final	4,675	8,075
2014 2nd Interim	6,694	14,134
2014 1st Interim	11,138	4,950
2013 Final	16,200	309,600
2012 Final	18,901	4,050
2011 Final	2,160	1,800
2011 Interim	2,700	1,080
	161,630	400,959
Payment during the year	330,911,630	243,738,459

ii. Inter-company other payables

<i>In Taka</i>	Note	2019	2018
Payable for technical services fees			
Reckitt and Colman Overseas Limited, UK	23(B)(ii)(a)	194,651,230	378,132,233
		194,651,230	378,132,233
Payable for royalties			
Reckitt Benckiser Health Limited, UK	23(B)(ii)(b)	157,067,055	-
Reckitt Benckiser (ENA) B.V., Netherlands	23(B)(ii)(c)	73,005,626	-
		230,072,681	-
		424,723,911	378,132,233

a. Payable for technical services fees

Balance at 1 January		378,132,233	281,398,003
Charge for the year		-	194,651,230
Write back of unapproved portion of technical services fees		(78,392,003)	-
Net charge for the year		(78,392,003)	194,651,230
Paid during the year	23(B)(ii)(a)(a.1)	(105,089,000)	(97,917,000)
Balance at 31 December		194,651,230	378,132,233



Notes to the financial statements (continued)**23. Trade and other payables (continued)****B. Other payables (continued)****ii. Inter-company other payables (continued)****a.1. Paid during the year**

<i>In Taka</i>	2019	2018
Paid to Reckitt and Colman Overseas Limited, UK	(68,307,850)	(63,646,050)
VAT on technical services fee	(15,763,350)	(14,687,550)
AIT on technical services fee	(21,017,800)	(19,583,400)
	(105,089,000)	(97,917,000)

b. Payable for royalties - Reckitt Benckiser Health Limited

Balance at 1 January	-	-
Charge for the year	157,067,055	-
	157,067,055	-
Paid during the year	-	-
Balance at 31 December	157,067,055	-

c. Payable for royalties - Reckitt Benckiser (ENA) B.V.

Balance at 1 January	-	-
Charge for the year	73,005,626	-
	73,005,626	-
Paid during the year	-	-
Balance at 31 December	73,005,626	-

24. Lease liabilities

<i>In Taka</i>	2019	2018
Current portion of lease liabilities	16,224,453	-
Non-current portion of lease liabilities	12,742,024	-
	28,966,477	-

25. Current tax liabilities

<i>In Taka</i>	Note	2019	2018
Balance at 1 January		130,635,192	89,161,318
Provision made during the year	14(A)	257,661,670	189,198,659
		388,296,862	278,359,977
Payment made under sections 64 and 74		(159,389,326)	(105,093,880)
Withholding tax		(48,966,144)	(42,630,905)
Payment made during the year		(208,355,470)	(147,724,785)
Balance at 31 December		179,941,392	130,635,192



Notes to the financial statements (continued)

26. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Further, for the current year the fair value disclosure of lease liabilities is also not required.

<i>In Taka</i>	Note	Carrying amount					Other financial liabilities	Total
		Fair value-hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost		
31 December 2019								
Financial assets not measured at fair value								
Trade and other receivables	18	-	-	-	-	43,905,926	-	43,905,926
Cash and cash equivalents	20	-	-	-	-	1,341,293,136	-	1,341,293,136
		-	-	-	-	1,385,199,062	-	1,385,199,062
Financial liabilities not measured at fair value								
Trade and other payables	23	-	-	-	-	-	(1,354,273,836)	(1,354,273,836)
		-	-	-	-	-	(1,354,273,836)	(1,354,273,836)
31 December 2018								
Financial assets not measured at fair value								
Trade and other receivables	18	-	-	-	-	84,863,618	-	84,863,618
Cash and cash equivalents	20	-	-	-	-	949,871,155	-	949,871,155
		-	-	-	-	1,034,734,773	-	1,034,734,773
Financial liabilities not measured at fair value								
Trade and other payables	23	-	-	-	-	-	(1,196,913,294)	(1,196,913,294)
		-	-	-	-	-	(1,196,913,294)	(1,196,913,294)

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, and trade and other payables because their carrying amounts are a reasonable approximation of fair values.



Notes to the financial statements (continued)

26. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see (B)(ii));
- liquidity risk (see (B)(iii)); and
- market risk (see (B)(iv)).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii. Credit risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, aging profile etc. Trade and other receivables are mainly related to the interest receivables and other fees.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<i>In Taka</i>	<i>Note</i>	2019	2018
Trade and other receivables	18	43,905,926	84,863,618
Cash and cash equivalents	20	1,341,293,136	949,871,155
		1,385,199,062	1,034,734,773



Notes to the financial statements (continued)**26. Financial instruments - Fair values and risk management (continued)****B. Financial risk management (continued)****(a.1) Trade and other receivables**

The exposure to credit risk for Trade and other receivables at the end of the reporting year by external and intercompany was:

<i>In Taka</i>	<i>Note</i>	2019	2018
Trade receivables	18(A)	41,179,284	81,932,163
Interest receivables	18(B)	2,504,444	529,169
Inter-company receivables	18(B)(i)	513,078	3,244,284
		44,196,806	85,705,616

The aging of trade receivables at 31 December

Past due 1-30 days	40,048,157	77,173,380
Past due 31-60 days	1,131,127	4,758,783
Past due 61-90 days	-	-
Past due 91-180 days	-	-
Past due over 180 days	-	-
	41,179,284	81,932,163

The aging of interest receivables at 31 December

Past due 1-30 days	2,504,444	529,169
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91-180 days	-	-
Past due over 180 days	-	-
	2,504,444	529,169

The aging of inter-company receivables at 31 December

Past due 1-30 days	513,078	523,192
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91-180 days	-	-
Past due over 180 days	-	2,721,092
	513,078	3,244,284

(a.2) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents at the end of the reporting year was:

<i>In Taka</i>	<i>Note</i>	2019	2018
Cash in hand	20	106,000	195,007
Cash at bank	20(A)	1,341,187,136	949,676,148
		1,341,293,136	949,871,155

Cash at bank are held with HSBC and SCB which are rated ST-1 & AAA based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL) respectively.



Notes to the financial statements (continued)

26. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the Company may also get support from the parent in the form of shareholder's loan/capital contribution to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

<i>In Taka</i>	Note	Carrying amount	Contractual cash flows					
			Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 December 2019								
Non-derivative financial liabilities								
Third party trade payables	23(A)	142,739,359	(142,739,359)	(142,739,359)	-	-	-	-
Inter-company trade payables	23(A)(i)	5,382,092	(5,382,092)	(5,382,092)	-	-	-	-
Third party other payables	23(B)(i)	781,428,474	(781,428,474)	(772,463,630)	(8,964,844)	-	-	-
Inter-company other payables	23(B)(ii)	424,723,911	(424,723,911)	-	(424,723,911)	-	-	-
Lease liabilities	24	28,966,477	(29,619,475)	(8,518,997)	(7,770,812)	(13,329,666)	-	-
		1,383,240,313	(1,383,893,311)	(929,104,078)	(441,459,567)	(13,329,666)	-	-
31 December 2018								
Non-derivative financial liabilities								
Third party trade payables	23(A)	159,260,463	(159,260,463)	(159,260,463)	-	-	-	-
Inter-company trade payables	23(A)(i)	2,642,994	(2,642,994)	(2,642,994)	-	-	-	-
Third party other payables	23(B)(i)	656,877,604	(656,877,604)	(649,978,795)	(6,898,809)	-	-	-
Inter-company other payables	23(B)(ii)	378,132,233	(378,132,233)	-	(378,132,233)	-	-	-
		1,196,913,294	(1,196,913,294)	(811,882,252)	(385,031,042)	-	-	-



Notes to the financial statements (continued)

26. Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings incurred in foreign currencies. The Company's foreign currency transactions are denominated in USD, EUR and GBP.

(b) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

	31 December 2019				31 December 2018			
	BDT	USD	EUR	GBP	BDT	USD	EUR	GBP
Foreign currency denominated assets								
Receivables due from related parties	513,078	6,043	-	-	3,244,284	38,782	-	-
Total assets	513,078	6,043	-	-	3,244,284	38,782	-	-
Foreign currency denominated liabilities								
Trade payables due to related parties	(5,382,092)	(63,390)	-	-	(2,642,994)	(31,595)	-	-
Total liabilities	(5,382,092)	(63,390)	-	-	(2,642,994)	(31,595)	-	-
Net exposure	(4,869,014)	(57,347)	-	-	601,290	7,187	-	-

(c) The following significant exchange rates have been applied during the year

	2019	2018
Average rate		
USD	84.34	83.89
EUR	94.41	99.07
GBP	107.69	111.99
Year end spot rate		
USD	84.90	83.65
EUR	95.19	95.93
GBP	112.56	106.69

(d) Market risk-interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. All payables of the company are interest free. Therefore no interest rate risk arises for the company as at 31 December 2019.



Notes to the financial statements (continued)

27. Leases

See accounting policy in Note 41(M)

A. Leases as lessee (IFRS 16)

The Company leases distribution centers and head-office. The leases for distribution centers run for a period of 2 - 3 years and head office for a period of 8 years, with an option to renew the lease after that date.

The leases for distribution centers and head-office were entered into many years ago. Previously, these leases were classified as operating leases under IAS 17.

The Company leases sales offices with contract terms of one year. These leases are short-term and leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Company is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 16(A)).

<i>In Taka</i>	Buildings
2019	
Balance at 1 January	64,785,711
Depreciation charge for the year	(26,327,985)
Additions to right-of-use assets	-
Derecognition of right-of-use assets	-
Balance at 31 December	38,457,726

ii. Amounts recognised in profit or loss

<i>In Taka</i>	2019
2019 – Leases under IFRS 16	
Interest on lease liabilities	2,165,338
Expenses relating to short-term leases and leases of low-value assets	1,139,918
	3,305,256
<i>In Taka</i>	2018
2018 – Operating leases under IAS 17	
Lease expense	28,604,579
	28,604,579

iii. Amounts recognised in statement of cash flows

<i>In Taka</i>	2019
Total cash outflow for leases	16,535,316

iv. Extension options

Some property leases contain extension options exercisable by the Company. However, There is no extension option for Head-office lease. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

B. Leases as lessor

The Company does not provide any lease facility to other entity.



Notes to the financial statements (continued)

28. Related parties

A. Parent and ultimate controlling party

Reckitt Benckiser plc, UK has 82.96% shareholding of the Company. As a result, the parent and ultimate controlling party of the Company is Reckitt Benckiser plc, UK.

B. Transactions with key management personnel

i. Key management personnel compensation

Key management personnel compensation comprised the following.

<i>In Taka</i>	2019		2018	
	Managing Director	Directors and managers	Managing Director	Directors and managers
Remuneration, bonus and other benefits	38,526,087	298,103,881	45,606,041	256,373,691
Housing rental	-	58,794,303	-	57,655,909
Leave passage	-	7,906,184	-	7,599,873
Medical	-	6,309,759	-	2,078,053
Short-term employee benefits	38,526,087	371,114,127	45,606,041	323,707,526
Gratuity provision	-	55,842,416	-	15,249,667
Provident fund	-	13,694,558	-	11,752,234
Post-employment benefits	-	69,536,974	-	27,001,901
	38,526,087	440,651,101	45,606,041	350,709,427
Number	1	153	1	97

Compensation for Reckitt's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan and provident fund. These expenses are included in operating expenses.

Managing director and certain managers are provided with Company's car, subject to certain limit.

C. Other related party transactions

<i>In Taka</i>	Note	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
		2019	2018	2019	2018
Parent of the Company					
Dividend paid					
Reckitt Benckiser plc, UK	23(B)(i)(b)	274,394,260	201,875,777	-	-
Fellow subsidiaries of the Company					
Import of raw materials and finished goods					
Reckitt Benckiser (India) Ltd.		132,329,968	52,204,009	3,079,966	-
Reckitt Benckiser Healthcare (UK) Ltd.		57,031,611	24,506,754	-	-
Reckitt Benckiser (Pakistan) Ltd.		10,455,832	5,030,305	2,302,126	2,642,994
Technical services fees					
Reckitt and Colman Overseas Limited, UK		-	194,651,230	194,651,230	378,132,233
Royalties					
Reckitt Benckiser Health Limited, UK		157,067,055	-	157,067,055	-
Reckitt Benckiser (ENA) B.V., Netherlands		73,005,626	-	73,005,626	-
Sale of goods					
Reckitt Benckiser (India) Ltd.		-	3,290,198	-	2,721,092
Systems support services					
Reckitt Benckiser Corporate Services Limited, UK		3,568,753	3,165,758	513,078	523,192



Notes to the financial statements (continued)**29. Net asset value per share**

<i>In Taka</i>	2019	2018
Net Asset	673,964,444	385,678,187
Weighted average number of ordinary shares outstanding during the year	4,725,000	4,725,000
Net asset value per share	142.64	81.63

30. Net operating cash flow per share

<i>In Taka</i>	2019	2018
Net operating cash flow	834,216,341	610,546,055
Weighted average number of ordinary shares outstanding during the year	4,725,000	4,725,000
Net operating cash flow per share	176.55	129.22

31. Reconciliation of net operating cash flow

<i>In Taka</i>	<i>Note</i>	2019	2018
Profit before tax		879,562,942	525,644,943
Adjustment for:			
- Depreciation	16(B)	107,873,251	71,349,181
- (Gain)/Loss on sale of property, plant and equipment	9	(982,886)	(3,853,354)
- Impairment loss reversal on trade receivables	18(A)(i)	(551,118)	(699,211)
- Finance costs	12	2,165,338	-
- Finance income	11	(46,405,986)	(21,409,314)
		941,661,541	571,032,245
Changes in:			
- Inventories		(149,988,695)	(26,404,019)
- Trade and other receivables		42,932,967	45,578,293
- Advances, deposits and prepayments		21,257,988	18,608,606
- Trade and other payables		138,150,535	150,485,715
- Employee benefits		48,557,475	(1,030,000)
Cash generated from operating activities		1,042,571,811	758,270,840
Income tax paid	25	(208,355,470)	(147,724,785)
Net cash generated by operating activities		834,216,341	610,546,055

32. Commitments

At 31 December, there were some outstanding purchase orders for the company for capital expenditures.

A. Capital expenditure commitment

<i>In Taka</i>	2019	2018
Financial expenditures - outstanding purchase orders	-	12,734,680
	-	12,734,680



Notes to the financial statements (continued)

33. Contingent liabilities

There are contingent liabilities of Taka 116,681,135 (2018: Taka 74,833,620) on account of bank guarantees, acceptance trust receipt under letter of credit and Taka 236,389,485 (2018: Taka 210,255,506) on account of ordinary letter of credit issued by Standard Chartered Bank in favour of the Company.

Out of Taka 7,912,508, Taka 6,068,041 for bank guarantees (2018: Taka 7,544,501) and Taka 1,844,467 for performance bond guarantees (2018: Taka 958,087) on behalf of Reckitt Benckiser (Bangladesh) Limited.

There is a documentary credit of Taka 8,172,329 (2018: Taka 17,286,332) and import bills/bills receivable Taka 2,589,510 (2018: Taka 6,931,362) have been issued by SCB and HSBC on behalf of Reckitt Benckiser (Bangladesh) Limited.

<i>In Taka</i>	2019	2018
Guarantees issued by the Company's scheduled bankers to third parties on counter - indemnities given by the Company	7,912,508	8,502,588
Irrevocable letter of credit opened by the scheduled banks net of on account payment	355,919,951	300,804,231
	363,832,459	309,306,819

34. Number of employees

The company employed 230 (2018: 211) permanent employees and a varying number of casual and temporary employees as required. All permanent employees receive total remuneration in excess of Taka 36,000 per annum.

35. Events after the reporting date

For the year 2019, the Board of Directors recommended a final dividend of Taka 125 per share amounting to Taka 590,625,000 at the board meeting held on 30 April 2020.

Above recommended dividend represents 95.38% of net profit after tax of the Company for the income year year ended 31 December 2019. As a result, the Company shall not be attracted any tax liability as per section 16G of Income Tax Ordinance, 1984.

On 11 March 2020, coronavirus disease (COVID-19) has been declared a pandemic by the World Health Organization, and most governments including Bangladesh have taken restrictive measures to contain its further spread affecting free movement of people and goods.

The evolution of COVID-19 as well as its impact on the global economy, and more specifically, on the Company's activities, is hard to estimate at this stage. As such, these events, which occurred subsequent to the balance sheet date, together are material without requiring any adjustments in these financial statements.

While no material effects on the Company's financial position, results of operations and cash flows have yet been identified at the date of these financial statements, management will continue monitoring and evaluating them during the 2020 financial year.

There is no any other significant events after balance sheet date that may affect financial statements of the Company for the year ended 31 December 2019.



Notes to the financial statements (continued)

36. Remittance made in foreign currency (FC)

<i>Currency</i>	2019		2018	
	FC	Taka	FC	Taka
Dividend paid to Reckitt Benckiser Plc, UK (GBP)	2,273,986	246,954,834	1,684,169	181,688,199
Reckitt and Colman Overseas Ltd. (GBP)	604,494	68,307,850	537,097	63,646,050
Tower Wattson India Private Limited (USD)	1,600	135,200	1,600	134,240
Total		315,397,884		245,468,489

37. Receipt in foreign currency (FC)

<i>Currency</i>	Nature of receipt	2019		2018	
		FC	Taka	FC	Taka
Reckitt Benckiser Corporate Services Ltd. (USD)	System Support Service	24,304	2,028,654	18,865	1,582,180
Total		24,304	2,028,654	18,865	1,582,180

38. Production capacity

Line of business	Unit of measurement	Installed capacity	Production
		for the year 2019	for the year 2019
Household & toiletries	Thousand Litre	31,623	11,224
	Metric Ton	16,316	6,985
Pharmaceuticals	Thousand Litre	661	607
Total	Thousand Litre	32,283	11,831
	Metric Ton	16,316	6,985



41. Significant accounting policies (continued)

N. Contingencies (continued)

ii. Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

O. Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

Related disclosure of earnings per share has been provided in Note 15.

P. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company's management committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assesses its performance, and for which discrete financial information is available.

Q. Reporting period

The financial period of the Company covers 12 months period from 1 January to 31 December.

R. Events after the reporting date

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the Note 35.

42. Going concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern.

43. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- *Amendments to References to Conceptual Framework in IFRS Standards.*
- *Definition of a Business (Amendments to IFRS 3).*
- *Definition of Material (Amendments to IAS 1 and IAS 8).*
- *IFRS 17 Insurance Contracts.*

