


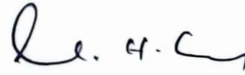
Bata Shoe Company (Bangladesh) Limited

Financial Highlights

	<u>30-Jun-23</u>	<u>31-Dec-22</u>
Net Assets Value (NAV)	3,888,296,417	3,449,545,928
NAV Per Share	284.23	252.16
	<u>30-Jun-23</u>	<u>30-Jun-22</u>
Earnings Per Share (EPS)	32.07	24.41
Net Operating Cash Flow Per Share	16.64	28.86



Chairman



Director



Finance Director




Company Secretary and
GM - Finance



Bata Shoe Company (Bangladesh) Limited
Statement of financial position

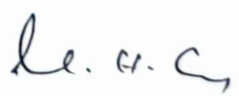
<i>In taka</i>	30 June 2023	31 December 2022
Assets		
Property, plant and equipment	950,537,388	889,359,970
Right-of-use assets	1,733,886,242	1,683,763,012
Deferred tax assets	268,993,200	271,203,200
Non-current assets	2,953,416,830	2,844,326,182
Inventories	3,323,816,286	3,032,204,800
Trade and other receivables	32,194,838	8,816,726
Advances, deposits and prepayments	314,590,127	321,377,166
Cash and cash equivalents	908,710,194	1,265,057,145
Current assets	4,579,311,445	4,627,455,837
Total assets	7,532,728,275	7,471,782,019
Equity		
Share capital	136,800,000	136,800,000
Reserves and surplus	110,492,803	110,492,803
Retained earnings	3,641,003,614	3,202,253,125
Total equity	3,888,296,417	3,449,545,928
Liabilities		
Lease liabilities	1,207,336,726	1,127,565,079
Non-current liabilities	1,207,336,726	1,127,565,079
Lease liabilities	399,746,126	443,452,648
Trade and other payables	1,656,857,348	2,134,911,699
Unclaimed dividend	9,845,968	11,382,659
Contract liabilities	22,354,419	55,022,042
Current tax liabilities	348,291,271	249,901,964
Current liabilities	2,437,095,132	2,894,671,012
Total liabilities	3,644,431,858	4,022,236,091
Total equity and liabilities	7,532,728,275	7,471,782,019
Net asset value (NAV) per share	284.23	252.16



 Chairman



 Finance Director



 Director



 Company Secretary and
 GM - Finance



Bata Shoe Company (Bangladesh) Limited
Statement of profit or loss and other comprehensive income

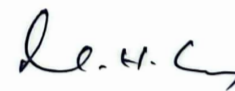
For the period ended 30 June <i>In taka</i>	For the six-month period ended		For the three-month period ended	
	2023	2022	2023	2022
Revenue	5,664,668,858	5,281,380,248	3,216,291,484	3,135,736,574
Cost of sales	(3,100,352,217)	(3,008,845,782)	(1,723,781,132)	(1,698,584,574)
Gross profit	2,564,316,641	2,272,534,466	1,492,510,352	1,437,152,000
Other income	11,632,309	33,146,540	10,534,883	16,483,692
Operating expenses	(1,894,893,114)	(1,711,608,892)	(1,058,077,218)	(990,615,648)
Operating profit	681,055,836	594,072,114	444,968,017	463,020,044
Finance income	61,556,656	21,578,006	46,218,112	14,347,424
Finance costs	(73,706,714)	(119,537,553)	(22,615,024)	(79,032,659)
Net finance costs	(12,150,058)	(97,959,547)	23,603,088	(64,685,235)
Profit before tax and contribution to WPPF	668,905,778	496,112,567	468,571,105	398,334,809
Contribution to WPPF	(33,445,289)	(24,805,628)	(23,428,555)	(19,916,740)
Profit before tax	635,460,489	471,306,939	445,142,550	378,418,069
Income tax expense	(196,710,000)	(137,332,000)	(142,684,000)	(112,924,000)
Profit for the period	438,750,489	333,974,939	302,458,550	265,494,069
Other comprehensive loss, net of tax	-	-	-	-
Total comprehensive income	438,750,489	333,974,939	302,458,550	265,494,069
Earnings per share	32.07	24.41	22.11	19.41



Chairman



Finance Director



Director



Company Secretary and
GM - Finance



Bata Shoe Company (Bangladesh) Limited
Statement of changes in equity

For the period ended 30 June 2023						
<i>In taka</i>	Share capital	Reserve on revaluation of land	Non-distributable special reserve	General Reserve	Retained earnings	Total equity
Balance at 1 January 2022	136,800,000	60,631,183	998,620	48,863,000	3,204,583,592	3,451,876,395
Total comprehensive income for the period						
Profit for the period	-	-	-	-	333,974,939	333,974,939
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	333,974,939	333,974,939
Contributions and distributions						
Interim dividends	-	-	-	-	-	-
Final dividends	-	-	-	-	(34,200,000)	(34,200,000)
Total transactions with owners of the Compa	-	-	-	-	(34,200,000)	(34,200,000)
Balance at 30 June 2022	136,800,000	60,631,183	998,620	48,863,000	3,504,358,531	3,751,651,334
Balance at 1 January 2023	136,800,000	60,631,183	998,620	48,863,000	3,202,253,125	3,449,545,928
Total comprehensive income for the period						
Profit for the period	-	-	-	-	438,750,489	438,750,489
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	438,750,489	438,750,489
Contributions and distributions						
Interim dividends	-	-	-	-	-	-
Final dividends	-	-	-	-	-	-
Total transactions with owners of the Compa	-	-	-	-	-	-
Balance at 30 June 2023	136,800,000	60,631,183	998,620	48,863,000	3,641,003,614	3,888,296,417



Bata Shoe Company (Bangladesh) Limited
Statement of cash flows

For the period ended 30 June		
<i>In taka</i>	2023	2022
Cash flows from operating activities		
Cash receipts from customers	5,608,288,771	5,108,964,490
Cash payments to and on behalf of employees	(909,379,421)	(743,424,173)
Cash payments to suppliers and contractors for goods and services	(4,339,176,897)	(3,804,332,269)
Cash generated from operating activities	359,732,453	561,208,048
Interest received	36,333,036	21,578,006
Interest paid	(72,317,605)	(122,690,331)
Income taxes paid	(96,110,693)	(65,228,285)
Net cash from operating activities	227,637,191	394,867,438
Cash flows from investing activities		
Acquisition of property, plant and equipment	(119,237,701)	(59,557,558)
Proceeds from sale of property, plant and equipment	2,811,490	997,446
Net cash used in investing activities	(116,426,211)	(58,560,112)
Cash flows from financing activities		
Payment of lease liabilities (principal portion)	(240,554,705)	(226,878,623)
Dividend paid	(225,614,117)	(623,442)
Net cash used in financing activities	(466,168,822)	(227,502,065)
Net increase in cash and cash equivalents	(354,957,842)	108,805,261
Cash and cash equivalents at the beginning	1,265,057,145	622,781,937
Effect of movements in exchange rates on cash held	(1,389,109)	39,242
Cash and cash equivalents at 30 June	908,710,194	731,626,440
Net Operating Cash Flow Per Share (NOCFPS)	16.64	28.86



Bata Shoe Company (Bangladesh) Limited
Notes to the financial statements
For the period ended 30 June 2023

1. Reporting entity

Bata Shoe Company (Bangladesh) Limited (hereinafter referred to as "Bata" or "the Company") is a public company limited by shares. It was incorporated in Bangladesh in 1972 under the Companies Act 1913. The address of the registered office of the Company is situated at Tongi, Gazipur, Bangladesh. The Company is one of the operating companies of worldwide Bata Shoe Organization (BSO) and a subsidiary of Bafin (Nederland) BV in Netherlands holding 70% of the Company's shares. The shares of the Company are listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Pursuant to recent amendment to the Companies Act 1994 incorporating certain amendments, among others, is to change of the word "Limited" by the word "PLC" in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

The Company is mainly engaged in manufacturing and marketing of leather, rubber, plastic, canvas footwear, hosiery and accessories items. Manufacturing plants of the Company are situated at Tongi and Dhamrai.

2. Basis of accounting

The financial statements have been prepared on a going concern basis in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules, 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act 2015 and other applicable laws in Bangladesh.

The titles and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act 1994 and the Securities and Exchange Rules 1987. However, such differences are not material and in the view of management IFRSs titles and format give better presentation to the shareholders.

These financial statements were authorized for issue by the Board of Directors at its 261th meeting held on 31 July 2023.

3. Functional and presentational currency

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

4. Comparatives and rearrangement

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements.

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



Notes to the financial statements (continued)

5. Use of estimates and judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of 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. Revision 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 24: Lease term

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial period is included in the following notes:

- Note 13: Depreciation on property, plant and equipment
- Note 15: Provision for obsolescence
- Note 23: Deferred tax assets/liabilities
- Note 16: Measurement of allowance for trade receivables
- Note 25(B): Recognition and measurement of provisions
- Note 28: Uncertain tax provisions



Notes to the financial statements (continued)

6. Revenue

<i>In taka</i>	Note	For the six-month period ended	
		30 June 2023	30 June 2022
Local	6(A)	5,664,668,858	5,280,239,888
Export		-	1,140,360
		5,664,668,858	5,281,380,248

A. Disaggregation of local revenue

Shoes	5,436,813,410	5,078,418,628
Hosiery and accessories	227,855,448	201,821,260
	5,664,668,858	5,280,239,888

7. Cost of sales

Materials:		
Opening stock of raw materials	397,331,563	490,464,218
Purchase during the period	1,377,313,608	1,319,007,243
Cost of raw materials available for use	1,774,645,171	1,809,471,461
Closing stock of raw materials	(380,324,700)	(456,602,481)
Raw materials consumed	1,394,320,471	1,352,868,980
Direct wages	218,441,843	215,555,880
Prime costs	1,612,762,314	1,568,424,860
Manufacturing overheads	247,993,909	184,194,015
Opening work-in-progress	29,905,081	29,493,864
Closing work-in-progress	(21,695,900)	(14,214,481)
Cost of goods manufactured	1,868,965,404	1,767,898,258
Opening stock of finished goods	2,604,968,156	2,253,859,743
Purchase of finished goods during the period	1,548,214,343	1,816,828,090
Cost of finished goods available for sale	6,022,147,903	5,838,586,091
Closing stock of finished goods	(2,921,795,686)	(2,829,740,309)
	3,100,352,217	3,008,845,782

8. Other income

Discount for early payment	27,597,905	43,834,422
Loss on disposal of property, plant and equipment	(15,390,783)	(17,063,771)
Gain/(loss) on remeasurement of lease liabilities	(574,813)	6,375,889
	11,632,309	33,146,540

9. Operating expenses

Administrative expenses	1,023,723,390	1,170,682,439
Selling and distribution expenses	871,169,724	540,926,453
	1,894,893,114	1,711,608,892



Notes to the financial statements (continued)

10. Net finance costs

<i>In taka</i>	Note	For the six-month period ended	
		30 June 2023	30 June 2022
Finance income	10(A)	61,556,656	21,578,006
Finance costs	10(B)	(73,706,714)	(119,537,553)
		(12,150,058)	(97,959,547)

A. Finance income

Interest on short term deposits		36,333,036	21,578,006
Net foreign exchange gain		25,223,620	-
		61,556,656	21,578,006

B. Finance costs

Interest expense on lease liabilities	24	73,706,714	72,171,986
Net foreign exchange loss		-	47,365,567
		73,706,714	119,537,553

11. Contribution to WPPF

Profit before tax and contribution to WPPF		668,905,778	496,112,567
Applicable contribution rate		5%	5%
Amount of contribution to WPPF		33,445,289	24,805,628

The Company kept 5% provision for Workers Profit Participation Fund (WPPF) on its profit before WPPF at the end of period as per the Labour Act, 2006 (amended in 2015).

12. Income tax expense

A. Amounts recognised in profit or loss

Current tax expense			
Current period		194,500,000	140,000,000
		194,500,000	140,000,000
Deferred tax expense/(income)			
Current period	23(A)	2,210,000	(2,668,000)
		2,210,000	(2,668,000)
Income tax expense		196,710,000	137,332,000

B. Reconciliation of effective tax rate

Profit before tax			635,460,489	471,306,939
Income tax using applicable tax rate	22.50%	22.50%	142,978,609	106,044,061
Factors affecting the tax charge for current period:				
- Non-deductible expenses	8.11%	7.20%	51,521,391	33,955,939
- Movement of temporary difference	0.35%	-0.57%	2,210,000	(2,668,000)
	30.96%	29.14%	196,710,000	137,332,000



Notes to the financial statements (continued)

13. Property, plant and equipment

A. Reconciliation of carrying amount

<i>In taka</i>	Freehold land	Buildings	Plant and machineries	Vehicles	Computer and computer equipments	Furniture, fixture and office equipments	Under construction	Total
Cost								
Balance as at 1 January 2022	86,057,856	421,705,632	847,588,724	21,072,963	102,071,771	1,203,358,549	25,234,571	2,707,090,066
Additions	-	11,143,966	5,351,142	-	17,510,616	158,425,503	21,172,600	213,603,827
Disposals	-	-	-	(5,647,409)	(7,282,541)	(124,797,235)	-	(137,727,185)
Transfer	-	-	23,735,803	-	3,331,119	15,826,648	(42,893,570)	-
Balance as at 31 December 2022	86,057,856	432,849,598	876,675,669	15,425,554	115,630,965	1,252,813,465	3,513,601	2,782,966,708
Balance as at 1 January 2023	86,057,856	432,849,598	876,675,669	15,425,554	115,630,965	1,252,813,465	3,513,601	2,782,966,708
Additions	-	5,321,180	784,354	-	21,088,755	90,258,694	38,156,513	155,609,496
Disposals	-	-	-	(1,776,500)	-	(84,869,869)	-	(86,646,369)
Transfer	-	-	1,784,718	-	-	-	(1,784,718)	-
Balance as at 30 June 2023	86,057,856	438,170,778	879,244,741	13,649,054	136,719,720	1,258,202,290	39,885,396	2,851,929,835
Accumulated depreciation								
Balance as at 1 January 2022	-	246,475,531	713,525,804	20,264,848	84,272,061	786,270,276	-	1,850,808,520
Depreciation	-	8,841,037	34,004,800	570,435	10,374,782	94,699,980	-	148,491,034
Disposals	-	-	-	(5,647,409)	(7,022,557)	(93,022,850)	-	(105,692,816)
Balance as at 31 December 2022	-	255,316,568	747,530,604	15,187,874	87,624,286	787,947,406	-	1,893,606,738
Balance as at 1 January 2023	-	255,316,568	747,530,604	15,187,874	87,624,286	787,947,406	-	1,893,606,738
Depreciation	-	4,552,235	18,458,422	237,680	5,963,212	47,018,256	-	76,229,805
Disposals	-	-	-	(1,776,500)	-	(66,667,596)	-	(68,444,096)
Balance as at 30 June 2023	-	259,868,803	765,989,026	13,649,054	93,587,498	768,298,066	-	1,901,392,447
Carrying amounts								
At 1 January 2022	86,057,856	175,230,101	134,062,920	808,115	17,799,710	417,088,273	25,234,571	856,281,546
At 31 December 2022	86,057,856	177,533,030	129,145,065	237,680	28,006,679	464,866,059	3,513,601	889,359,970
At 30 June 2023	86,057,856	178,301,975	113,255,715	-	43,132,222	489,904,224	39,885,396	950,537,388



Notes to the financial statements (continued)

14. Right-of-use assets

A. Reconciliation of carrying amount

<i>In taka</i>	Building and Vehicles	Total
Cost		
Balance as at 1 January 2022	3,051,527,150	3,051,527,150
Additions	643,855,609	643,855,609
Modifications	162,000,624	162,000,624
Adjustment for remeasurement	(7,217,465)	(7,217,465)
Balance as at 31 December 2022	3,850,165,918	3,850,165,918
Balance as at 1 January 2023	3,850,165,918	3,850,165,918
Additions	68,734,694	68,734,694
Modifications	258,694,937	258,694,937
Adjustment for remeasurement	574,813	574,813
Balance as at 30 June 2023	4,178,170,362	4,178,170,362
Accumulated Depreciation		
Balance as at 1 January 2022	1,592,848,459	1,592,848,459
Depreciation	573,554,447	573,554,447
Balance as at 31 December 2021	2,166,402,906	2,166,402,906
Balance as at 1 January 2023	2,166,402,906	2,166,402,906
Depreciation	277,881,214	277,881,214
Balance as at 30 June 2023	2,444,284,120	2,444,284,120
Carrying amounts		
At 1 January 2022	1,458,678,691	1,458,678,691
At 31 December 2022	1,683,763,012	1,683,763,012
At 30 June 2023	1,733,886,242	1,733,886,242

15. Inventories

<i>In taka</i>	30 June 2023	31 December 2022
Raw materials	380,324,700	397,331,563
Work in process	21,695,900	29,905,081
Finished goods	2,921,795,686	2,604,968,156
	3,323,816,286	3,032,204,800



Notes to the financial statements (continued)**16. Trade and other receivables**

<i>In taka</i>		30 June 2023	31 December 2022
Trade receivables from external parties	16(A)	637,658,025	622,389,323
Trade receivables from related parties	29(C)	1,190,891	-
Other receivables	16(B)	13,402,209	6,149,338
Provision for impairment loss on trade receivables	16(C)	(620,056,287)	(619,721,935)
		32,194,838	8,816,726
A. Trade receivables from external parties			
Receivables from dealers		620,332,167	620,569,105
Receivables from institutional sale		17,325,858	1,820,218
		637,658,025	622,389,323
B. Other receivables			
Interest Receivable		7,450,665	-
VAT claims		5,951,544	406,471
Insurance claims		-	5,742,867
		13,402,209	6,149,338
C. Provision for impairment loss on trade receivables			
Opening balance		619,721,935	620,911,954
Provision made/(reversed) during the period/year		334,352	(1,190,019)
Closing balance		620,056,287	619,721,935



Notes to the financial statements (continued)

17. Advances, deposits and prepayments

<i>In taka</i>	<i>Note</i>	30 June 2023	31 December 2022
Advances	17(A)	43,544,167	28,546,624
Deposits	17(B)	164,944,591	215,273,846
Prepayments	17(C)	106,101,369	77,556,696
		314,590,127	321,377,166
A. Advances			
Advance to suppliers		6,708,219	9,335,346
Advance to employees	17(A)(i)	36,835,948	19,211,278
		43,544,167	28,546,624
i. Advance paid			
Provision for doubtful debts		(27,299,374)	(27,299,374)
		36,835,948	19,211,278
B. Deposits			
Security and other deposits		164,944,591	215,273,846
		164,944,591	215,273,846
C. Prepayments			
Prepayments to landlords		99,690,204	60,410,180
Prepaid insurance		6,411,165	17,146,516
		106,101,369	77,556,696
18. Cash and cash equivalents			
Cash in hand		444,184	185,348
Bank balances		908,266,010	1,264,871,797
		908,710,194	1,265,057,145
19. Share capital			
Authorised			
20,000,000 ordinary shares of Taka 10 each		200,000,000	200,000,000
Issued, subscribed and paid up			
2,850,723 ordinary shares of Taka 10 each issued for cash		28,507,230	28,507,230
10,829,277 ordinary shares of Taka 10 each issued for consideration other than cash		108,292,770	108,292,770
		136,800,000	136,800,000



Notes to the financial statements (continued)

20. Reserves and surplus

<i>In taka</i>	30 June 2023	31 December 2022
Reserve on revaluation of land	60,631,183	60,631,183
Non-distributable special reserve*	998,620	998,620
General reserve	48,863,000	48,863,000
	110,492,803	110,492,803

*This represents 90% of the cumulative post-tax profit in respect of certain categories of income up to 1992 as defined and directed by Bangladesh Bank. Since 1993, the requirement for continuing to create such special reserve is applicable only to the profit on sale of immovable assets such as land, buildings etc.

21. Retained earnings

Opening balance	3,202,253,125	3,204,583,592
Profit for the period/year	438,750,489	410,111,333
Other comprehensive income/(loss)	-	(22,561,800)
Interim dividend paid during the period	-	(355,680,000)
Final dividend paid during the period	-	(34,200,000)
Closing balance	3,641,003,614	3,202,253,125

22. Employee benefits

Defined benefit liability	281,132,476	281,132,476
Total defined benefit liability	281,132,476	281,132,476
Defined benefit asset	281,132,476	281,132,476
Total defined benefit asset	281,132,476	281,132,476
Net defined benefit liability/(asset)	-	-



Notes to the financial statements (continued)

23. Deferred tax assets

<i>In taka</i>	Note	30 June 2023	31 December 2022
Opening balance		264,653,000	457,332,000
Recognition in profit or loss account	23(A)	(2,210,000)	(192,679,000)
Closing balance other than OCI		262,443,000	264,653,000
Recognition in OCI		6,550,200	6,550,200
Closing balance including OCI		268,993,200	271,203,200

A. Movement in deferred tax balances

Deferred tax assets have been recognised and measured in accordance with the provision of IAS 12: "Income taxes".

<i>In taka</i>	Net balance at 1 January	Recognised in profit or loss	Net	Balance at 30 June Deferred tax assets	Deferred tax liabilities
2023					
Property, plant and equipment	232,000	876,000	1,108,000	1,108,000	-
Right-of-use assets	(378,847,000)	(11,277,000)	(390,124,000)	-	390,124,000
Lease liabilities	353,479,000	8,115,000	361,594,000	361,594,000	-
Provision against personal accounts	6,142,000	-	6,142,000	6,142,000	-
Provision for impairment loss on trade receivables	139,437,000	76,000	139,513,000	139,513,000	-
Unused tax losses	144,210,000	-	144,210,000	144,210,000	-
	264,653,000	(2,210,000)	262,443,000	652,567,000	390,124,000
Deferred tax expense recognised in profit or loss account					2,210,000
Deferred tax income recognised in OCI					(6,550,200)
					(4,340,200)
2022					
Property, plant and equipment	(2,647,000)	2,879,000	232,000	232,000	-
Right-of-use assets	(328,203,000)	(50,644,000)	(378,847,000)	-	378,847,000
Lease liabilities	332,085,000	21,394,000	353,479,000	353,479,000	-
Provision against personal accounts	6,039,000	103,000	6,142,000	6,142,000	-
Provision for impairment loss on trade receivables	139,705,000	(268,000)	139,437,000	139,437,000	-
Unused tax losses	310,353,000	(166,143,000)	144,210,000	144,210,000	-
	457,332,000	(192,679,000)	264,653,000	643,500,000	378,847,000
Deferred tax expense recognised in profit or loss account					192,679,000
Deferred tax income recognised in OCI					(6,550,200)
					186,128,800



Notes to the financial statements (continued)

23. Deferred tax assets/(liabilities) (continued)

B. Computation of deferred tax assets:

Deferred tax assets are arrived at as follows:

<i>In taka</i>	Carrying amount as at 30 June	Tax base amount as at 30 June	Taxable/ (deductible) temporary difference
	(i)	(ii)	(iii = i - ii)
2023			
Property, plant and equipment	824,594,133	829,520,165	(4,926,000)
Right-of-use assets	1,733,886,242	-	1,733,886,000
Lease liabilities	(1,607,082,852)	-	(1,607,083,000)
Provision against personal accounts	(27,299,374)	-	(27,299,000)
Provision for impairment loss on trade receivables	(620,056,287)	-	(620,056,000)
Unused tax losses	-	640,935,162	(640,935,000)
Applicable tax rate			22.5%
			(262,443,000)
Deferred tax income recognised in other comprehensive income			(6,550,200)
Deferred tax assets			(268,993,200)

<i>In taka</i>	Carrying amount as at 31 December	Tax base amount as at 31 December	Taxable/ (deductible) temporary difference
	(i)	(ii)	(iii = i - ii)
2022			
Property, plant and equipment	799,759,166	800,788,339	(1,029,173)
Right-of-use assets	1,683,763,012	-	1,683,763,012
Lease liabilities	(1,571,017,727)	-	(1,571,017,727)
Provision against personal accounts	(27,299,374)	-	(27,299,374)
Provision for impairment loss on trade receivables	(619,721,935)	-	(619,721,935)
Unused tax losses	-	640,935,162	(640,935,162)
Applicable tax rate			22.5%
			(264,653,000)
Deferred tax income recognised in other comprehensive income			(6,550,200)
Deferred tax assets			(271,203,200)



Notes to the financial statements (continued)

24. Lease liabilities

A. Reconciliation of carrying amount

<i>In taka</i>	<i>Note</i>	30 June 2023	31 December 2022
Opening balance		1,571,017,727	1,475,935,473
Additions		276,619,830	530,833,518
Interest on lease liabilities as per IFRS 16	10(B)	73,706,714	146,500,100
Payment of lease liabilities (principal portion)		(240,554,705)	(435,751,264)
Payment of lease liabilities (Interest portion)		(73,706,714)	(146,500,100)
Closing balance		1,607,082,852	1,571,017,727

B. Balances in the statement of financial position

Non-current		1,207,336,726	1,127,565,079
Current		399,746,126	443,452,648
Closing balance		1,607,082,852	1,571,017,727

Maturity analysis

6 months or less		196,234,851	243,020,439
6 - 12 months		191,444,208	200,432,209
1 - 5 years		900,157,725	852,934,023
More than 5 years		319,246,068	274,631,056
		1,607,082,852	1,571,017,727

C. Amounts recognised in profit or loss

Interest on lease liabilities as per IFRS 16	10(B)	73,706,714	146,500,100
Loss/(gain) due to remeasurement of lease liabilities	8	574,813	(7,217,465)
Depreciation of right-of-use assets as per IFRS 16	14	277,881,214	573,554,447
		352,162,741	712,837,082
Expenses related to non-lease components as per IFRS 16		79,793,752	109,436,255
Total expenses recognised in profit or loss as per IFRS 16		431,956,493	822,273,337

D. Amounts recognised in the statement of cash flows

Payment of lease liabilities (principal portion)		240,554,705	435,751,264
Payment of lease liabilities (Interest portion)	10(B)	73,706,714	146,500,100
		314,261,419	582,251,364
Payment related to non-lease components as per IFRS 16		79,793,752	109,436,255
Total cash outflows for leases during the period/year		394,055,171	691,687,619



Notes to the financial statements (continued)

25. Trade and other payables

<i>In taka</i>	<i>Note</i>	30 June 2023	31 December 2022
Trade payables to external parties	25(A)	423,840,237	472,241,686
Trade payables to related parties		421,815,421	543,065,600
Creditors for other finance	25(B)	445,463,475	554,570,645
Accrued expenses	25(C)	365,738,215	565,033,768
		1,656,857,348	2,134,911,699

A. Trade payables to external parties

Creditors for goods		165,868,779	123,275,491
Creditors for expenses	25(A)(i)	257,971,458	348,966,195
		423,840,237	472,241,686

i. Creditors for expenses

Payable to local suppliers		55,468,282	92,416,571
Payable to Global Footwear Services		202,503,176	256,549,624
		257,971,458	348,966,195

B. Creditors for other finance

Workers' profit participation fund	11	33,445,289	43,146,860
Personal accounts of employees and agents		106,601,988	104,839,245
Security and other deposits		20,292,792	21,242,792
Tax deducted at source		142,738,920	187,597,911
Salary and wages payable		105,809,748	92,940,520
Provident fund		104,338	10,808,291
Others		36,470,400	93,995,026
		445,463,475	554,570,645

C. Accrued expenses

Dividend		-	224,078,400
Royalty		72,534,109	50,569,130
Utility		32,106,647	19,069,434
Legal and audit fee		2,827,235	2,791,915
Salary and other benefits		70,673,138	102,901,557
Joint venture commission		12,437,531	18,682,084
Rent		124,610,768	95,160,900
Other accrued liabilities		50,548,787	51,780,348
		365,738,215	565,033,768



Notes to the financial statements (continued)**26. Unclaimed dividend**

<i>In taka</i>	<i>Note</i>	30 June 2023	31 December 2022
Opening balance		10,303,914	10,973,803
Addition during the period/year		-	165,801,600
Paid during the period/year		(1,535,717)	(166,471,489)
Closing balance excluding interest		8,768,197	10,303,914
Interest accrued		1,077,771	1,078,745
Closing balance		9,845,968	11,382,659

i. Aging analysis of unclaimed dividend (excluding interest)

For the year 2019	2,113,766	2,168,265
For the year 2020	496,679	509,576
For the year 2021	1,764,324	1,836,880
For the year 2022	4,393,428	5,789,193
Closing balance	8,768,197	10,303,914

27. Contract liabilities

Bata club loyalty points	27(A)	22,354,419	55,022,042
		22,354,419	55,022,042

A. Movement of contract liabilities

Opening balance	55,022,042	29,161,950
Points awarded during the period	103,762,277	183,623,458
Points redeemed during the period	(14,445,500)	(48,928,120)
Points expired during the period	(121,984,400)	(108,835,246)
Closing balance	22,354,419	55,022,042



Notes to the financial statements (continued)

28. Current tax liabilities

<i>In taka</i>	<i>Note</i>	30 June 2023	31 December 2022
Provision for tax	28(A)	451,408,904	398,494,446
Advance income tax	28(B)	(103,117,633)	(148,592,482)
		348,291,271	249,901,964

A. Provision for tax

Opening balance		398,494,446	322,818,799
Provision for the current period/year	12(A)	194,500,000	217,000,000
Adjustment of provision for tax on completion of assessment		(141,585,542)	(141,324,353)
Closing balance		451,408,904	398,494,446

B. Advance income tax

Opening balance		148,592,482	131,177,212
Tax paid during the period/year:			
- Income year ended 31 December 2023		41,323,608	-
- Income year ended 31 December 2022		54,787,085	86,798,457
- Income year ended 31 December 2021		-	69,444,536
- Income year ended 31 December 2017 and 2018		-	2,496,630
Adjustment of advance tax on completion of assessment		(141,585,542)	(141,324,353)
Closing balance		103,117,633	148,592,482

29. Related parties

A. Parent and ultimate controlling party

Bafin (Nederland) B.V has 70% shareholding of the Company which is fully owned by Compass Limited. As a result, the ultimate controlling party of the Company is Compass Limited.

B. Transactions with key management personnel

Short term employee benefits	90,413,011	76,362,998
Post employment benefits	6,865,228	5,771,051
	97,278,239	82,134,049

Key management personnel include chief executives having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above emoluments are included in administrative expenses.

C. Other related party transactions

In taka

Nature of relationships	Nature of transactions	Transaction during the period/year		Balance outstanding	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
Parent of the Company	Dividend	-	(248,976,000)	-	(224,078,400)
Associated Companies	Purchase of goods	(112,013,107)	(195,652,435)	-	-
	Service received	(2,611,590)	(4,616,811)	(3,762,191)	(3,960,828)
	Service provided	1,061,597	313,792	1,190,891	-
	IT fees	(20,744,875)	(28,898,985)	(20,911,419)	(21,787,194)
	TMLA fees	(234,258,884)	(377,808,881)	(397,141,811)	(577,450,067)



Notes to the financial statements (continued)

30. Net Asset Value (NAV) per share

<i>In taka</i>	30 June 2023	31 December 2022
Net asset value	3,888,296,417	3,449,545,928
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	284.23	252.16

31. Earnings per share

<i>In taka</i>	For the six-month period ended	
	30 June 2023	30 June 2022
Profit attributable to the ordinary shareholders	438,750,489	333,974,939
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	32.07	24.41

32. Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flow	227,637,191	394,867,438
Weighted average number of ordinary shares outstanding	13,680,000	13,680,000
	16.64	28.86

i. Reconciliation of net operating cash flows

Profit for the period	438,750,489	333,974,939
Adjustment for:		
Depreciation on property, plant and equipment	76,229,805	77,133,758
Depreciation on right-of-use assets	277,881,214	276,046,730
Net finance costs	12,150,058	101,112,325
Other income	(11,632,309)	10,687,882
Tax expenses	196,710,000	137,332,000
	551,338,768	602,312,695
Cash generated before changes in working capital	990,089,257	936,287,634
Changes in working capital:		
- Inventories	(291,611,486)	(526,739,446)
- Trade and other receivables	(23,378,112)	11,118,073
- Advances, deposits and prepayments	233,224,495	(89,348,798)
- Trade and other payables	(478,054,351)	249,160,437
- Unclaimed dividend	(1,536,691)	(623,442)
- Contract liabilities	(32,667,623)	2,931,596
Total changes in working capital	(594,023,768)	(353,501,580)
Interest paid	(72,317,605)	(122,690,331)
Income tax paid	(96,110,693)	(65,228,285)
Net cash generated from operating activities	227,637,191	394,867,438

33. Capital expenditure and financial commitment

Commitments of the Company is Taka 454,994,596 as on 30 June 2023 (2022: Taka 308,089,363) for purchase of raw materials and finished goods. Commitments for capital expenditures is Taka 13,667,274 as on 30 June 2023 (2022: Nil).



Notes to the financial statements (continued)

34. Events after the reporting date

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

35. Significant deviations

A. Other income

Other income decreased significantly compare to last year mainly because of low discount earned on early payments to suppliers.

B. Net finance costs

Net finance costs decreased significantly compare to last year mainly because of net foreign exchange gain earned this year which was foreign exchange loss last year.

C. Income tax expense

Income tax expense increased significantly compare to last year mainly because of better business with higher profitability.

D. Trade and other receivables

Trade and other receivables increased significantly compare to last year mainly because of due from customers on institutional sales.

E. Cash and cash equivalents

Cash and cash equivalents decreased significantly compare to last year mainly because of various BSO payments made during the period.

F. Trade and other payables

Trade and other payables decreased significantly compare to last year mainly due to various BSO payments made during the period.

G. Contract liability

Contract liability decreased significantly compare to last year mainly due to expiry of loyalty points on maturity.

H. Current tax liabilities

Current tax liabilities increased significantly compare to last year mainly due to better profitability of the business.

I. Earnings Per Share (EPS)

Earnings Per Share (EPS) increased significantly compare to last year mainly due to efficient management of costs and this resulted in better profitability during this period.



Notes to the financial statements (continued)

35. Significant deviations (Continued)

J. Net operating cash flow per share (NOCFPS)

Net operating cash flow per share decreased compare to last year because of various payments to suppliers and contractors for goods and services during the period. Cash payments to suppliers and contractors for goods and services was affected with significant increase in foreign exchange rate, resulted in higher costs of material and services during this period and lower operating cash flow for the business.

36. Significant accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the financial statements of Bata Shoe Company (Bangladesh) Limited as at and for the year ended 31 December 2022.

