# GOLDEN HARVEST AGRO INDUSTRIES LIMITED

## Auditor's Report & Consolidated Financial Statements
## as at and for the year ended 30 June 2017


**S. F. AHMED & CO.**
Chartered Accountants ...since 1958
*Member Firm of HLB International*

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# Independent Auditor's Report
# to
# The Shareholders of Golden Harvest Agro Industries Limited

We have audited the accompanying consolidated financial statements of Golden Harvest Agro Industries Limited ("the company") which comprise statement of financial position as at 30 June 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and also consolidated financial statements of the company and its subsidiary which comprise consolidated statement of financial position as at 30 June 2017 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements of the group and the separate financial statements of the company give a true and fair view of the consolidated financial position of the group and the separate financial position of the company as at 30 June 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company and its subsidiary so far as it appeared from our examination of these books;

c) the consolidated statement of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purposes of the company's business.

S. F. AHMED & CO.

Dated: Dhaka;
02 November 2017

S. F. Ahmed & Co.
Chartered Accountants

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# Golden Harvest Agro Industries Limited
## Consolidated Statement of Financial Position
### as at 30 June 2017

| | Notes | Amount in BDT | | |
|---|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 Restated | 1-Jul-2015 Restated |
| **ASSETS** | | | | |
| **Non-current assets** | | **3,969,501,245** | **3,573,568,441** | **2,750,054,728** |
| Property, plant and equipment | 5 | 3,111,515,064 | 2,646,078,977 | 2,043,007,481 |
| Leased assets | 6 | 73,782,335 | 57,567,310 | 25,179,884 |
| Intangible assets | 7 | 92,291,793 | 57,896,652 | 12,379,666 |
| Biological assets | 8 | 78,293,068 | 74,887,804 | - |
| Capital work in progress | 9 | 613,618,985 | 737,137,698 | 669,487,697 |
| Investment in associates | 11 | - | - | - |
| **Current assets** | | **2,011,727,496** | **1,470,822,173** | **1,256,509,485** |
| Inventories | 12 | 449,612,024 | 320,478,072 | 251,548,833 |
| Advances, deposits and prepayments | 13 | 338,074,273 | 493,053,645 | 676,538,313 |
| Trade & other receivables | 14 | 1,149,976,495 | 622,758,844 | 230,130,164 |
| Cash and cash equivalents | 15 | 74,064,704 | 34,531,612 | 98,292,175 |
| **TOTAL ASSETS** | | **5,981,228,741** | **5,044,390,614** | **4,006,564,213** |
| **EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | | **2,199,514,886** | **2,010,591,186** | **1,844,896,365** |
| Share capital | 16 | 990,990,000 | 900,900,000 | 819,000,000 |
| Share premium | 17 | 236,776,054 | 326,866,054 | 408,766,054 |
| Revaluation surplus | 18 | 278,351,144 | 283,331,524 | 303,525,145 |
| Retained earnings | 19 | 693,397,688 | 499,493,608 | 313,605,166 |
| Non controlling interest | 20 | 7,506,750 | 9,213,602 | 12,440,400 |
| **Total equity** | | **2,207,021,636** | **2,019,804,788** | **1,857,336,765** |
| **Non-current liabilities** | | **1,749,028,149** | **1,319,576,320** | **1,178,660,501** |
| Long term loans | 21 | 1,507,224,829 | 1,122,438,336 | 1,019,563,390 |
| Deferred tax liability | 22 | 199,314,341 | 162,532,888 | 153,546,358 |
| Lease obligations | 23 | 42,488,979 | 34,605,096 | 5,550,753 |
| **Current liabilities** | | **2,025,178,956** | **1,705,009,506** | **970,566,946** |
| Accounts and other payables | 24 | 89,239,865 | 185,168,043 | 96,319,442 |
| Accruals and provisions | 25 | 223,406,265 | 220,980,557 | 217,506,265 |
| Short term loans | 26 | 1,435,548,926 | 1,064,755,756 | 514,461,293 |
| Current portion of long term loans | 21 | 263,120,757 | 224,861,349 | 139,948,048 |
| Current portion of lease obligations | 23 | 13,863,143 | 9,243,801 | 2,331,898 |
| **TOTAL EQUITY AND LIABILITIES** | | **5,981,228,741** | **5,044,390,614** | **4,006,564,213** |
| **Number of share used to calculate NAV** | | **99,099,000** | **99,099,000** | **99,099,000** |
| **Net asset value per share** | | **22.20** | **20.29** | **18.62** |

*The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.*

**Director** **Director** **Managing Director**

*Signed in terms of our separate report of even date annexed.*

**Dated, Dhaka;**
02 November 2017

**S. F. Ahmed & Co.**
Chartered Accountants

# Golden Harvest Agro Industries Limited

## Statement of Financial Position
## as at 30 June 2017

| | Notes | Amount in BDT | | |
|---|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 Restated | 1-Jul-2015 Restated |
| **ASSETS** | | | | |
| **Non-current assets** | | **2,371,207,089** | **2,082,448,742** | **1,999,228,049** |
| Property, plant and equipment | 5A | 1,051,266,756 | 920,157,199 | 900,601,983 |
| Leased assets | 6A | 17,522,400 | 15,432,766 | 18,337,212 |
| Intangible assets | 7A | 55,151,862 | 21,825,591 | 11,798,291 |
| Capital work in progress | 9A | 488,911,940 | 437,848,248 | 438,369,647 |
| Investment in subsidiary companies | 10 | 758,354,131 | 687,184,938 | 630,120,916 |
| Investment in associates | 11 | - | - | - |
| **Current assets** | | **1,569,746,089** | **982,489,878** | **858,248,717** |
| Inventories | 12A | 183,542,586 | 121,667,949 | 92,858,670 |
| Advances, deposits and prepayments | 13A | 281,205,101 | 416,619,420 | 398,468,421 |
| Trade & other receivables | 14A | 1,091,570,052 | 431,920,059 | 334,224,876 |
| Cash and cash equivalents | 15A | 13,428,350 | 12,282,450 | 32,696,750 |
| **TOTAL ASSETS** | | **3,940,953,178** | **3,064,938,620** | **2,857,476,766** |
| **EQUITY AND LIABILITIES** | | | | |
| **Shareholders' equity** | | **2,199,514,886** | **2,010,591,186** | **1,844,896,366** |
| Share capital | 16 | 990,990,000 | 900,900,000 | 819,000,000 |
| Share premium | 17 | 236,776,054 | 326,866,054 | 408,766,054 |
| Revaluation surplus | 18A | 278,351,144 | 283,331,524 | 303,525,145 |
| Retained earnings | 19A | 693,397,688 | 499,493,608 | 313,605,167 |
| **Total equity** | | **2,199,514,886** | **2,010,591,186** | **1,844,896,366** |
| **Non-current liabilities** | | **737,048,254** | **348,779,691** | **532,969,501** |
| Long term loans | 21A | 641,143,284 | 260,348,239 | 419,385,976 |
| Deferred tax liability | 22A | 94,041,276 | 87,719,431 | 112,369,029 |
| Lease obligations | 23A | 1,863,694 | 712,021 | 1,214,496 |
| **Current liabilities** | | **1,004,390,038** | **705,567,743** | **479,610,899** |
| Account and other payables | 24A | 30,862,744 | 44,401,182 | 23,722,811 |
| Accruals and provisions | 25A | 113,088,472 | 110,434,620 | 119,348,576 |
| Short term loans | 26A | 757,988,106 | 450,761,662 | 295,563,032 |
| Current portion of long term loans | 21A | 101,217,680 | 99,453,243 | 40,125,462 |
| Current portion of lease obligations | 23A | 1,233,036 | 517,036 | 851,018 |
| **TOTAL EQUITY AND LIABILITIES** | | **3,940,953,178** | **3,064,938,620** | **2,857,476,766** |
| **Number of share used to calculate NAV** | | **99,099,000** | **99,099,000** | **99,099,000** |
| **Net asset value per share** | | **22.20** | **20.29** | **18.62** |

*The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.*

**Director** **Director** **Managing Director**

*Signed in terms of our separate report of even date annexed.*

**Dated, Dhaka;**
02 November 2017

**S. F. Ahmed & Co.**
Chartered Accountants

# Golden Harvest Agro Industries Limited

## Consolidated Statement of Profit or Loss and other Comprehensive Income

## For the year ended 30 June 2017

| | Notes | Amount in BDT | |
|---|---|---|---|
| | | 2016-2017 | 2015-2016 |
| Revenue | 27 | 1,526,709,565 | 1,427,568,390 |
| Cost of goods sold | 28 | (829,107,901) | (773,012,955) |
| **Gross profit** | | **697,601,664** | **654,555,435** |
| **Operating expenses** | | **(227,022,316)** | **(235,091,715)** |
| Administrative expenses | 29 | (60,920,980) | (62,412,536) |
| Selling and distribution expenses | 30 | (166,101,336) | (172,679,179) |
| Fair value adjustments of biological assets | 8 | 12,851,341 | 1,903,959 |
| Other operating income | 31 | 28,256,745 | 60,656,502 |
| **Profit from operations** | | **511,687,434** | **482,024,181** |
| Finance income | 32 | 1,234,893 | 2,859,127 |
| Finance expenses | 33 | (262,416,647) | (247,796,255) |
| **Net profit from operation** | | **250,505,680** | **237,087,053** |
| Provision for workers' profit participation fund | | (12,273,709) | (11,972,717) |
| **Income before share of non-consolidated companies and income tax** | | **238,231,971** | **225,114,336** |
| Share of profit / (loss) from associates | | - | (300,000) |
| **Net profit before tax** | | **238,231,971** | **224,814,336** |
| Income tax expenses | 34 | (52,892,951) | (49,273,139) |
| **Net profit after tax** | | **185,339,020** | **175,541,197** |
| Non controlling interest | 20 | 1,706,816 | 3,226,798 |
| **Net profit after tax attributable to ordinary shareholders** | | **187,045,836** | **178,767,995** |
| Other comprehensive income | | - | - |
| **Total comprehensive income** | | **187,045,836** | **178,767,995** |
| **Number of share used to calculate EPS** | | **99,099,000** | **99,099,000** |
| **Earnings per share(EPS)-Restated** | | **1.89** | **1.80** |

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**Director** **Director** **Managing Director**

*Signed in terms of our separate report of even date annexed.*

**Dated, Dhaka;**
02 November 2017

**S. F. Ahmed & Co.**
Chartered Accountants

# Golden Harvest Agro Industries Limited

## Statement of Profit or Loss and other Comprehensive Income

### For the year ended 30 June 2017

| | Notes | Amount in BDT | |
|---|---|---|---|
| | | 2016-2017 | 2015-2016 |
| Revenue | 27A | 626,923,856 | 624,438,657 |
| Cost of goods sold | 28A | (321,120,596) | (320,284,720) |
| **Gross profit** | | **305,803,260** | **304,153,937** |
| Operating expenses | | (95,913,058) | (97,489,945) |
| Administrative expenses | 29A | (41,523,817) | (41,536,179) |
| Selling and distribution expenses | 30A | (54,389,241) | (55,953,766) |
| Other operating income | 31A | 22,852,281 | 14,674,032 |
| **Profit from operations** | | **232,742,483** | **221,338,024** |
| Finance income | 32A | 168,940 | 385,895 |
| Finance expenses | 33A | (94,481,337) | (90,840,300) |
| **Net profit from operations** | | **138,430,086** | **130,883,619** |
| Provision for workers' profit participation fund | | (6,589,272) | (6,230,060) |
| **Income before share of non-consolidated companies and income tax** | | **131,840,814** | **124,653,559** |
| Share of profit / (loss) from associates | | - | (300,000) |
| **Net profit before tax** | | **131,840,814** | **124,353,559** |
| Income tax expenses | 34A | (15,392,671) | (9,988,949) |
| **Net profit after tax** | | **116,448,143** | **114,364,610** |
| Profit after tax attributable to Ordinary Shareholders of the Company | | 116,448,143 | 114,364,610 |
| **Other comprehensive income** | | | |
| Share of profit from subsidiary | 35 | 70,597,693 | 64,403,385 |
| **Total comprehensive income** | | **187,045,836** | **178,767,995** |
| **Number of share used to calculate EPS** | | **99,099,000** | **99,099,000** |
| **Earnings per share(EPS)-Restated** | | **1.18** | **1.15** |

*The accompanying notes form an integral part of this financial statement and are to be read in conjunction therewith.*

**Director** **Director** **Managing Director**

*Signed in terms of our separate report of even date annexed.*

**Dated, Dhaka;**
02 November 2017

**S. F. Ahmed & Co.**
Chartered Accountants

# Golden Harvest Agro Industries Limited

## Consolidated Statement of Changes in Equity

### For the year ended 30 June 2017

Amount in BDT

| Particulars | Share capital | Share premium | Revaluation surplus | Retained earnings | NCI | Total |
|---|---|---|---|---|---|---|
| Balance as at 01.07.2015 | 819,000,000 | 408,766,054 | 303,525,145 | 334,401,831 | 12,440,400 | 1,878,133,430 |
| Deferred tax adjustment on WDV of fixed assets | - | - | - | (20,796,664) | - | (20,796,664) |
| **Restated opening balance** | **819,000,000** | **408,766,054** | **303,525,145** | **313,605,167** | **12,440,400** | **1,857,336,766** |
| Deferred tax adjustment on WDV of revalued assets | - | - | (15,025,155) | - | - | (15,025,155) |
| Deferred tax adjustment on revaluation surplus | - | - | - | 1,951,980 | - | 1,951,980 |
| Depreciation adjustment on revaluation surplus | - | - | (5,168,466) | 5,168,466 | - | - |
| Issuance of Stock dividend | 81,900,000 | (81,900,000) | - | - | - | - |
| Net profit after tax | - | - | - | 178,767,995 | - | 178,767,995 |
| Share of subsidiary company | - | - | - | - | (3,226,798) | (3,226,798) |
| **Balance as at 30.06.2016** | **900,900,000** | **326,866,054** | **283,331,524** | **499,493,608** | **9,213,602** | **2,019,804,788** |
| Balance as at 01.07.2016 | 900,900,000 | 326,866,054 | 283,331,524 | 499,493,608 | 9,213,602 | 2,019,804,788 |
| Deferred tax adjustment on revaluation surplus | - | - | - | 1,877,864 | - | 1,877,864 |
| Depreciation adjustment on revaluation surplus | - | - | (4,980,380) | 4,980,380 | - | - |
| Issuance of Stock dividend | 90,090,000 | (90,090,000) | - | - | - | - |
| Net profit after tax | - | - | - | 187,045,837 | - | 187,045,837 |
| Share of profit from subsidiary | - | - | - | - | (1,706,816) | (1,706,816) |
| Share of deferred tax adjustment on revaluation Surplus | | | | | (36) | (36) |
| **Balance as at 30.06.2017** | **990,990,000** | **236,776,054** | **278,351,144** | **693,397,689** | **7,506,750** | **2,207,021,637** |

Director

Director

Managing Director

F. AHMED & CO.



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# Golden Harvest Agro Industries Limited

## Statement of Changes in Equity

## For the year ended 30 June 2017

**Amount in BDT**

| Particulars | Share capital | Share premium | Revaluation surplus | Retained earnings | NCI | Total |
|---|---|---|---|---|---|---|
| Balance as at 01.07.2015 | 819,000,000 | 408,766,054 | 303,525,145 | 334,401,831 | - | 1,865,693,030.00 |
| Deferred tax adjustment on WDV of fixed assets | - | - | - | (20,796,664) | - | (20,796,664.00) |
| **Restated opening balance** | **819,000,000** | **408,766,054** | **303,525,145** | **313,605,167** | **-** | **1,844,896,366** |
| Deferred tax adjustment on WDV of revalued assets | - | - | (15,025,155) | - | - | (15,025,155.00) |
| Deferred tax adjustment on revaluation surplus | - | - | - | 1,951,980 | - | 1,951,980.00 |
| Depreciation adjustment on revaluation surplus | - | - | (5,168,466) | 5,168,466 | - | - |
| Issuance of Stock dividend | 81,900,000 | (81,900,000) | - | - | - | - |
| Net profit after tax | - | - | - | 114,364,610.0 | - | 114,364,610.00 |
| Share of subsidiary company | - | - | - | 64,403,385 | - | 64,403,385.00 |
| **Balance as at 30.06.2016** | **900,900,000** | **326,866,054** | **283,331,524** | **499,493,608** | **-** | **2,010,591,186** |
| Balance as at 01.07.2016 | 900,900,000 | 326,866,054 | 283,331,524 | 499,493,608 | - | 2,010,591,186 |
| Deferred tax adjustment on revaluation surplus | - | - | - | 1,877,864 | - | 1,877,864 |
| Depreciation adjustment on revaluation surplus | - | - | (4,980,380) | 4,980,380 | - | - |
| Issuance of Stock dividend | 90,090,000 | (90,090,000) | - | - | - | - |
| Net profit after tax | - | - | - | 116,448,143 | - | 116,448,143 |
| Share of profit from subsidiary | - | - | - | 70,597,693 | - | 70,597,693 |
| **Balance as at 30.06.2017** | **990,990,000** | **236,776,054** | **278,351,144** | **693,397,688** | **-** | **2,199,514,886** |

**Director** **Director** **Managing Director**

# Golden Harvest Agro Industries Limited
## Consolidated Statement of Cash Flows
## For the year ended 30 June 2017

| | Amount in BDT | |
|---|---|---|
| | 2016-2017 | 2015-2016 |
| **Cash flows from operating activities** | | |
| Collections from customers and others | 1,499,388,105 | 1,312,171,429 |
| Payments for operating costs & other expenses | (1,119,530,915) | (852,736,605) |
| Tax paid | (35,537,068) | (15,426,247) |
| **Net cash generated from operating activities** | **344,320,122** | **444,008,577** |
| **Cash flows from investing activities** | | |
| Acquisitions of property, plant and equipment | (266,134,204) | (626,950,843) |
| Acquisitions of intangible assets | (38,570,632) | (45,554,824) |
| Acquisitions / proceed from Biological assets | 9,446,076 | (72,983,845) |
| Capital work in progress | (99,062,757) | (172,459,117) |
| Proceed from disposal of PPE | 43,505,918 | - |
| Investment in associates | - | (300,000) |
| Advance finance to contract farmers & others | (598,759,145) | 117,231,096 |
| **Net cash used in investing activities** | **(949,574,745)** | **(801,017,533)** |
| **Cash flows from financing activities** | | |
| Payment against finance lease | (11,739,471) | (1,970,434) |
| Borrowings from banks/financial institutions/Sister concern | 918,013,261 | 543,015,082 |
| Finance cost paid | (261,486,075) | (247,796,255) |
| **Net cash provided by financing activities** | **644,787,715** | **293,248,393** |
| Net changes in cash and cash equivalents | 39,533,092 | (63,760,563) |
| Cash and cash equivalents at the beginning of the year | 34,531,612 | 98,292,175 |
| **Cash and cash equivalents at the end of the year** | **74,064,704** | **34,531,612** |
| **Number of share used to calculate NOCFPS** | **99,099,000** | **99,099,000** |
| **Net operating cash flow per share** | **3.47** | **4.48** |

**Director** **Director** **Managing Director**

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# Golden Harvest Agro Industries Limited

## Statement of Cash Flows

## For the year ended 30 June 2017

| | Amount in BDT | |
|---|---|---|
| | 2016-2017 | 2015-2016 |
| **Cash flows from operating activities** | | |
| Collections from customers and others | 602,520,458 | 641,321,928 |
| Payments for operating costs & other expenses | (437,304,094) | (481,389,873) |
| Tax paid | (11,455,904) | (9,157,955) |
| **Net cash generated from operating activities** | **153,760,460** | **150,774,100** |
| **Cash flows from investing activities** | | |
| Acquisitions of property, plant and equipment | (40,990,176) | (53,480,710) |
| Proceed from disposal of PPE | 525,000 | - |
| Acquisitions of intangible assets | (34,850,355) | (10,027,300) |
| Acquisitions of leased assets | (24,117) | - |
| Capital work in progress | (54,333,342) | (8,412,390) |
| Investment in associates | - | (300,000) |
| Advance finance to contract farmers & others | (602,775,394) | 18,090,148 |
| **Net cash used in investing activities** | **(732,448,384)** | **(54,130,252)** |
| **Cash flows from financing activities** | | |
| Payment against finance lease | (1,932,327) | (836,457) |
| Borrowings from banks/financial institutions/Sister concern | 676,247,488 | (25,381,391) |
| Finance cost paid | (94,481,337) | (90,840,300) |
| **Net cash provided by financing activities** | **579,833,824** | **(117,058,148)** |
| Net changes in cash and cash equivalents | 1,145,900 | (20,414,300) |
| Cash and cash equivalents at the beginning of the year | 12,282,450 | 32,696,750 |
| **Cash and cash equivalents at the end of the year** | **13,428,350** | **12,282,450** |
| **Number of share used to calculate NOCFPS** | **99,099,000** | **99,099,000** |
| **Operating cash flow per share** | **1.55** | **1.52** |

**Director** **Director** **Managing Director**

**Golden Harvest Agro Industries Limited**
**Notes to the Financial Statements**
**For the year ended 30 June 2017**

## 1. Reporting entity

### Group profile

Golden Harvest Agro Industries Limited (GHAIL) was incorporated on 10 August 2004 as a Private Limited Group; vide Reg. No.-C-53850(515)/2004 under the Companies Act, 1994 and converted to Public Limited Group on 30 June 2010. The Group has been listed to both the Dhaka Stock Exchange Ltd. And Chittagong Stock Exchange Ltd. On 04 March 2013. The principal place of business and the head office of the Group are at Shanta Western Tower, Level # 5, Space Code # 502, 186, Gulshan, Tejgaon Link Road, Tejgaon Industrial Area,Dhaka-1208. The registered office and factory is located at Bokran, Monipur, Bobanipur, Gazipur Sadar, Gazipur.

### Nature of business activities

The Company owns and operates the business of growing, procuring, purchasing, processing, packaging, warehousing, transporting, exporting, importing, distributing and selling agriculture based food, food products. As per the object clause of the Memorandum the Company could also establish any industrial processing unit based on agro based raw materials products within the country and export the same or meet local demand.

## 1.1 Subsidiaries

Subsidiaries are entities controlled by the GHAIL. An investor controls an investee when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Golden Harvest Ice Cream Limited and Golden Harvest Dairy Limited are the subsidiaries of the Group.

### Golden Harvest Ice Cream Limited (Previous name was Golden Harvest Sea Food and Fish Processing Limited)

Golden Harvest Ice Cream Limited formerly known as Golden Harvest Sea Food and Fish Processing Limited was incorporated on January 05, 2005, vide Reg. No.-C-55601(2285)/05 under the Companies Act, 1994. The objectives of the Group are to carry out the business, promote & establish factories and chain shop or shops; manufacture and manage food and food items, Dairy, Ice Cream, baby food, soft drink, mineral water, salt and iodized salt and allied products in Bangladesh and setting ventures and business is in connection therewith. Golden Harvest Agro Industries Limited acquired 99.9998% of shares of Golden Harvest Sea Food and Fish Processing Limited by exchanging its own shares and acquired its 4,99,999 Ordinary Shares.Golden Harvest Sea Food and Fish Processing Limited' (GHSFFPL), has been converted into Golden Harvest Ice Cream Limited (GHICL) on 16th May 2013 through the office of Registrar of Joint Stock Companies and Firms.

### Golden Harvest Dairy Limited

Golden Harvest Dairy Limited has incorporated on 18 February 2015, vide Reg. No.-C-121268/15 under the Companies Act, 1994 as a Private Limited Group. Golden Harvest Agro Industries Limited acquired 75.00% of shares of Golden Harvest Dairy Limited. The objectives of the company will process Liquid Milk and milk based product like butter, cream, cheese, yogurt, etc. The project will not be for milk collection only it will support in meat processing and calf selling.

## 1.2 Associate

An associate is an entity in which GHAIL has significant influence whereby the parties that have control of the arrangement have rights to the net assets of the arrangement. GHAIL uses the equity method to account for its investment in associates and consolidated in its financial Statement in accordance with BAS-28 "Investment in Associates and Joint Ventures".

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**Golden Harvest QSR Limited**

Golden Harvest QSR Limited has incorporated 04 February 2015; vide Reg. No.-C-128718/2016 under the Companies Act, 1994 as a Private Limited Company. Golden Harvest Agro Industries Limited acquired 30.00% of shares of Golden Harvest QSR Limited. Investment is initially recognized at cost and subsequently measured at equity method. Golden Harvest QSR Limited Lunches its business with the brand name 2GO. It is a quick service compact fast food joint. It will provide delicious hot food at an affordable price in very short service time. People can pick the order on the go for their home or have a quick bite inside the shop. The offerings will give a good value for the consumer's money.

### 1.3 Date of authorization for issue

The financial statements of GHAIL for the year ended 30 June 2017 were authorized for issue in accordance with a resolution of the Board of Directors on 02 November 2017.

### 1.4 Reporting period

The reporting period of the Group covers one year from 1st July 2016 to 30th June 2017.

## 2. Basis of preparation of financial statements

### 2.1 Reporting framework and compliance thereof

The consolidated financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules, 1987 and other relevant local laws as applicable and in accordance with the applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standard (BFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

### 2.2 Basis of measurement of elements of financial statements

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by GHAIL is historical cost except for few of the property, plant and equipment, marketable securities and inventories which are stated in accordance with the policies mentioned in the respective notes. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

### 2.3 Basis of Consolidation

Group financial statements are prepared on the basis that the parent and subsidiaries are a single entity as per BFRS-10 "Consolidated Financial Statements". This reflects the economic substances of the group arrangement. The group financial statements include the financial statements of GHAIL and subsidiaries that it controls. GHAIL prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Consolidation of an investee begins from the date the investor obtains control of the investee and cease when the investor loses control of the investee. Intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group are eliminated in full. Profits or losses resulting from intra-group transactions that are recognised in assets are eliminated in full. The company presents non-controlling interests in the consolidated statement of financial position within equity, separately from the equity of the owners of GHAIL.

**Loss of control of subsidiaries**

Where GHAIL loses control over its subsidiaries, GHAIL:

- de-recognises the assets and liabilities of the former subsidiary from the consolidated statement of financial position.
- recognises any investment retained in the former subsidiary and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant BFRSs.
- recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

**Equity method**

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognizedin the investor's profit or loss.If the carrying amount of the investment in the associate has been reduced to zero, no further losses are recognized by the group. The parent is only required to make a provision for any additional losses incurred by the associate to the extent that the parent has a legal or constructive obligation to make good these amounts. Adjustments to the carrying amount may also be necessary for a change in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognised in the investor's other comprehensive income.

**Investment in subsidiaries and associate in GHAIL separate financial statements**

In preparing separate financial statements, GHAIL using the equity method for investment in subsidiaries and associates:

## 2.4 Going concern

At each year end management of the Group makes assessment of going concern as required by BAS-1. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the directors continue to adopt going concern assumption while preparing the financial statements.

## 2.5 Accrual basis of accounting

GHAIL prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, GHAIL recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

## 2.6 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/BDT, which is the Group's functional currency. The Group earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT and the competitive forces and regulations of Bangladesh determine the sale prices of its goods and services. Further, the entire funds from financing activities are generated in BDT.

## 2.7 Materiality and aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

## 2.8 Offsetting

GHAIL does not offset assets and liabilities or income and expenses, unless required or permitted by a BFRS.

## 2.9 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements. Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8:" Accounting Policies, Changes in Accounting Estimates and Errors"

## 2.10 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Bangladesh Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors''

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, amortization, impairment, net realizable value of inventories , accruals, taxation and provision.

## 2.11 Structure, content and presentation of financial statements

The consolidated financial statements of the Group for the year ended 30 June 2017 comprise the Golden Harvest Agro Industries Limited and its Subsidiaries and associate namely Golden Harvest Ice Cream Limited, Golden Harvest Dairy Limited and Golden Harvest QSR Limited respectively. Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprise:

i) Consolidated Statement of financial position as at 30 June 2017;
ii) Consolidated Statement of profit or loss and other comprehensive Income for the year ended 30 June 2017;
iii) Consolidated Statement of changes in equity for the year ended 30 June 2017;
iv) Consolidated Statement of cash flows for the year ended 30 June 2017; and
v) Notes comprising a summary of significant accounting policies and other explanatory information to the accounts for the year ended 30 June 2017.

## 3. Summary of significant accounting policies

GHAIL selects and applies its accounting policies consistently for similar transactions, other events and conditions, unless a BFRS specifically requires or permits categorization of items for which different policies may be appropriate .The accounting policies set out below have been applied consistently in all material respects to all period presented in these financial statements:

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Changes in accounting policies

GHAIL changes its accounting policy only if the change is required by a BFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the company's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

Changes in accounting estimates

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss account.

Correction of error in prior period financial statements

GHAIL corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

**3.1 Property, plant and equipment**

**Initial recognition and measurement**

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entry, and the cost of the item can be measured reliably.

Property, plant and equipment are initially recognized at cost and subsequently land & land development, buildings & other constructions and plant & machineries are stated at fair value. The property, plant and equipment are presented at cost/fair value, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/Implementation of the PPE, if the recognition criteria are met.

**Subsequent costs**
The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as 'repair andmaintenance 'when it is incurred.

**Subsequent measurement**
Property, Plant and equipment are disclosed at cost less accumulated depreciation consistently over years. On 30 June 2009, 30 June 2011 and 30 June 2013. Land and Land Developments, Building and other constructions and Plant and Machinery have been revalued to reflect fair value (prevailing market price) thereof following "Current Cost Method".

**Depreciation on property, plant and equipment**
Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by

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management. Depreciation is charged on all Property, Plant and Equipment except land and land developments on reducing balance method at the following rates:

| Particular of Assets | Rate of Depreciation |
|---|---|
| Buildings and other constructions | 2.5% |
| Plant & Machinery | 5% |
| Office Equipment | 10% |
| Furniture and Fixtures | 10% |
| Vehicle | 10% |
| Freezer | 10% |

**Revaluation of property, plant and equipment of Golden Harvest Agro Industries Limited**
The Group made revaluation of the Group's Land and Land developments, Buildings and Plant and Machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 to reflect fair value thereof in terms of Depreciated current cost thereof. The revaluation has conducted by Ata Khan & Co, Chartered Accountants.

**Revaluation of property, plant and equipment of Golden Harvest Ice Cream Limited**
The Group made revaluation of the Group's Land and Land developments and Plant and Machinery as of 30 June 2009, 30 June 2011 and 30 June 2013 to reflect fair value thereof in terms of Depreciated current cost thereof.

The increase in the carrying amount of revalued assets is recognized in other comprehensive income under the head Revaluation Surplus. Other Fixed Assets were kept outside the scope of revaluation works. These are expected to be realizable at written down value (WDV) thereof mentioned in the statement of financial position of the Group.

**3.2 Capital work-in-progress:**

Capital work in progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2017 and these were stated at cost. In case of import components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Group, i.e. at the time of shipment is confirmed by the supplier.

**3.3 Intangible Assets**

**Recognition**

The recognition of an item as an intangible asset requires GHAIL to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if it is probable that expected future economic benefits that are attributable to the asset will flow to GHAIL and the cost of the item can be measured reliably.

**Measurement**

An intangible asset is measure at cost less any accumulated amortisations and any accumulated impairment losses. Expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognised in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

**Separately acquired intangibles**

The cost of a separately acquired intangible asset comprisesits purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

**Internally generated intangible assets**

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

**Research Phase**

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

**Development Phase**

An intangible asset arising from development (or from the development phase of an internal project) is recognised in accordance with BAS-38, "Intangible assets". The Group's intangible assets include computer software development (ERP), Design, construction and development of products, Augmented Reality. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

**Recognition of an expense**

In some cases, expenditure are incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. For example, expenditure on research is recognised as an expense when it is incurred, except when it is acquired as part of a business combination. Other examples of expenditure that is recognised as an expense when it is incurred include:

- expenditure on start-up activities i.e. start-up costs/ pre-operating cost.
- expenditure on training activities.
- expenditure on advertising and promotional activities.
- expenditure on relocating or reorganizing part or all of an entity.

**Past expenses**

Expenditure on an intangible item that was initially recognised as an expense is not recognizedas part of the cost of an intangible asset at a later date.

**Revaluation of intangibles**

The revaluation model requires an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent accumulated impairment losses. However, fair value shall be measured by reference to an active market. The revaluation model does not allow the revaluation of intangible assets that have not previously been recognised as assets; or the initial recognition of intangible assets at amounts other than cost.

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**Amortization**

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation begin when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An intangible asset with an indefinite useful life is not amortised.Amortisation of the intangible asset with a finite useful life is calculated using the reducing balance method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

| Particulars | Rate |
|---|---|
| Software (at development stage) | 0% |
| Design, construction and development of products | 10% |
| Augmented Reality | 10% |

**Derecognition of intangible assets**

The carrying amount of an item of intangible assets is de-recognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from thede-recognition of an item of intangible assets is included as other income in profit or loss when the item is de-recognition. When the revalued assets are disposed off, the respective revaluation surplus is transferred to retained earnings.

## 3.4 Biological Asset

**Recognition and measurement**

Biological asset is a living plant or animal. Biological asset are measured at fair value less costs to sell, both on initial recognition and each reporting date. Cost to sell includes sale commission and regulatory levies but exclude transport to market. Transport costs are in fact deducted from market value in order to reach fair value. The gain on initial recognition and from a change in this value is recognized in profit or loss. The interest on the loan taken out to finance the acquisition is not a cost to sell. The milk is agriculture product and is recognized initially under BAS-41 at fair value less cost to sell. (at this point it is taken into inventories and dealt with under BAS-2). The gain on initial recognition should be recognizedin profit or loss.

## 3.5 Impairment of Assets

**Recognising and measuring impairment loss**

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss on a non-revalued asset is recognised in profit or loss. However, an impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Such an impairment loss on a revalued asset reduces the revaluation surplus for that asset.

GHAIL assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, GHAIL estimate the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, GHAIL tests:

- an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually



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## 3.6 Accounting for lease

**Finance lease**
Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

**Initial recognition**
At the commencement of the lease term, GHAIL recognises finance leases as assets and liabilities in their statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Any initial direct costs of the lessee are added to the amount recognised as an asset.

**Subsequent measurement**
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

A finance lease gives rise to depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets is consistent with that for depreciable assets that are owned, and the depreciation recognised is calculated in accordance with BAS 16 Property, Plant and Equipment and BAS 38 Intangible Assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

**Operating leases**
Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Applying the requirement of Bangladesh Financial Reporting Interpretation (BFRI) 4: Determining whether an Arrangement contains a Lease, the Power Purchase Agreement (PPA) between the Company /Group units and BPDB/BREB can be said to contain a lease arrangement. This could be interpreted as resulting in the transfer of substantially all of the risks and rewards incidental to the ownership to the underlying assets (power plant) to the off taker (BPDB/BREB) who would effectively be the lessee. However, management concluded that the PPA does not transfer substantially all risks incidental to ownership as per the requirement of para 17 of BAS 17. As such, all these lease arrangements are considered as an operating lease.

## 3.7 Capitalization of borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are recognised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur in accordance with BAS 23: "Borrowing cost". Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Recognition**
GHAIL capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. GHAIL recognises other borrowing costs as an expense in the period in which it incurs them.

**Borrowing costs eligible for capitalisation**
The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. To the extent that GHAIL borrows funds specifically for the



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purpose of obtaining a qualifying asset, GHAIL determines the amount of borrowing costs eligible for capitalisations as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings

## 3.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**
Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for sale financial assets.

Financial assets at fair value through profit or loss
A financial asset is classified as fair value through profit or loss if it is classified as held-for-trading or upon initial recognition it is designated by the entity as at fair value through profit or loss.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that entity has the positive intent and ability to hold to maturity.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in the active market other than held to maturity investments, available for sale financial assets and loans and receivables.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets.

**Financial liabilities**
Financial liabilities are classified into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss
A financial liability is classified as fair value through profit or loss if it is classified as held-for-trading or upon initial recognition it is designated by the entity as at fair value through profit or loss.

Other financial liabilities
Other financial liabilities include bank overdrafts, short-term and long-term loans.

**Recognition of financial asset and liability**
A financial asset or a financial liability is recognised by GHAIL in its statement of financial position when GHAIL becomes a party to the contractual provisions of the financial asset or financial liability.

**Derecognition of financial asset and liability**
A financial asset or financial liability is derecognised; that is, removed, from GHAIL's statement of financial position, when GHAIL ceases to be a party to the financial instruments contractual provisions.

**Initial measurement of financial assets**
Financial instruments is measured at the fair value of the consideration given or received (ie cost) plus (in most cases) transaction costs that are directly attributable to the acquisition or issue of the financial instrument. The exception to this rule is where a financial instrument is at fair value through profit or loss. In this case transaction costs are immediately recognizedin profit or loss.



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**Transaction costs**
Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. Transaction costs should be added to the initial fair value except for financial assets and financial liabilities classified as at fair value through profit or loss where they should be recognised in profit or loss. For financial liabilities, directly related costs of issuing debt is deducted from the amount of debt initially recognised.

**Subsequent measurement of financial assets**
After initial recognition loans and receivables and held-to-maturity (HTM) investments should be re-measured at amortised cost using the effective interest method. Certain investments in equity instruments should be measured at cost. These are equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. All other financial assets should be re-measured to fair value, without any deduction for transaction costs that may be incurred on sale or other disposal. Gains and losses on re-measurement should berecognised as follows:

- Changes in the carrying amount of financial assets at fair value through profit or loss should be recognizedin profit or loss.
- Changes in the carrying amount of loans and receivables and HTM investments should be recognised in profit or loss. Changes arise when these financial assets are derecognized or impaired and through the amortization process.
- In respect of available for sale financial assets:

- Impairment losses and foreign exchange differences should be recognised in profit or loss.
- Interest on an interest-bearing asset should be calculated using the effective interest method and recognizedin profit or loss.
- All other gains and losses should be recognised in other comprehensive income and held in a separate component in equity. On de-recognition, either through sale or impairment, gains and losses previously recognised in other comprehensive income should be reclassified to profit or loss, becoming part of the gain or loss on de-recognition.

**Subsequent measurement of financial liabilities**
Financial liabilities at fair value through profit or loss should be re-measured at fair value, excluding disposal costs, and any change in fair value should be recognised in profit or loss. All other financial liabilities should be re-measured at amortised cost using the effective interest method. Where a liability is carried at amortised cost, a gain or loss is recognised in profit or loss when the financial liability is de-recognised or through the amortization process.

**Impairment**
At each year end, an entity should assess whether there is any objective evidence that a financial asset or group of assets is impaired. Where there is objective evidence of impairment, the entity should determine the amount of any impairment loss.

Financial assets at fair value through profit or loss
No special impairment tests need to be carried out for such assets, because they are measured at fair value and all changes in fair value are recognised in profit or loss.

Financial assets carried at amortized cost
The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses which have not been incurred) discounted at the financial instrument's original effective interest rate. Note that it is the original rate of interest which is used. Using market rates current at the time of the impairment would result in a fair value approach being adopted for the measurement of financial assets carried at amortised cost. The amount of the loss should be recognised in profit or loss.

Financial assets carried at cost

The impairment loss on unquoted equity instruments carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial instrument. Such impairment losses should not be reversed.

Available-for-sale financial assets

Because available-for-sale financial assets are carried at fair value with gains and losses recognised in other comprehensive income, short-term falls in fair value will result in debits to other comprehensive income and potentially a debit balance held in equity in respect of an individual asset. If the asset is subsequently determined to be impaired, the loss previously recognised in other comprehensive income should be reclassified to profit or loss, even though the asset has not been recognised. The impairment loss to be reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss. Impairment losses relating to such equity instruments should not be reversed. Impairment losses relating to such debt instruments should be reversed through profit or loss if, in a later period, the fair value of the instrument increases and the increase can be objectively related to an event occurring after the loss was recognised.

## 3.9 Inventories

**Measurement**

Inventories are measured at the lower of cost and net realizable value.

**Cost of inventories**

The cost of inventories are comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned by using the first-in, first-out (FIFO) cost formula. GHAIL shall use the same cost formula for all inventories having a similar nature and use to the entity.

**Recognition as an expense**

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recogised. The amount of any write-down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## 3.10 Trade and other receivables

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad and doubtful debts

## 3.11 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and with banks on current deposit accounts and short term investments (FDR for the period of 1 to 3 months) which are held and available for use by the Group without any restriction. There is insignificant risk of change in value of the same.

## 3.12 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value, less cost to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.



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## 3.13 Provisions, accruals and contingencies

**Provisions**

A provision is recognised when GHAIL has a present obligation (legal or constructive) as a result of a past event; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision is recognized.

**Accruals**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amount due to employees.

**Contingent liabilities**

GHAIL does not recognised a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

**Contingent asset**

GHAIL does not recognised a contingent asset. Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to GHAIL.

**Measurement**

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**Changes and uses of provisions**

Provisions is reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. A provision is used only for expenditures for which the provision was originally recognised. Only expenditures that relate to the original provision are set against it. Setting expenditures against a provision that was originally recognised for another purpose would conceal the impact of two different events.

## 3.14 Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified: Adjusting Events: - those that provide evidence of conditions that existed at the end of the reporting period. Non adjusting Events: - those that are indicative of conditions that arose after the reporting period. All material events after the statement of financial position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the note no. 37.10 of Financial Statements.

## 3.15 Earnings pershare (EPS)

**Basic EPS**

GHAIL calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share has been calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

GHAIL presents basic earnings per share in the statement of profit or loss and other comprehensive income. The company presents basic earnings per share with equal prominence for all periods



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presented. GHAIL presents basic earnings per share, even if the amounts are negative (i.e. a loss per share). The Group's Diluted earnings per share is same as Basic earnings per share.

### 3.16 Dividend distribution on ordinary share

Dividend distribution to the Group's shareholders is recognized as a liability in the group's financial statements in the period in which the dividends are approved by the Group's shareholders

### 3.17 Income statement

For the purpose of presentation of income statement, the function of expenses method is adopted, as it represents fairly the elements of the Group's performance.

### 3.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before revenue is recognized:

**Income from sales**
Revenue from the local sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

**Interest and other income**
Interest and other income are recognised on accrual basis.

### 3.19 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

### 3.20 Employee benefits

The company maintains provident fund for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds. The company has accounted for and disclosed employee benefits in compliance with the provision of BAS 19: "Employee Benefits". The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

### 3.21 Workers' profit participation fund (WPPF)

The Group provides applicable rate of its profit before Tax after charging contribution to WPPF in accordance with the Bangladesh Labour Act, 2006.

### 3.22 Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognized in the income statement, except in the case it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

**Current tax**
The current income tax charge is calculated based on tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with

respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

**Principle of recognition**
Deferred tax is recognised as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as other comprehensive income (such as a revaluation) is recognised as tax relating to other comprehensive income within the statement of profit or loss and other comprehensive income. Deferred tax relating to items dealt with directly in equity (such as the correction of an error or retrospective application of a change in accounting policy) is recognised directly in equity.

**Taxable temporary difference**
A deferred tax liability is recognised for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

**Revaluations to fair value – property, plant and equipment**
The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

**Non-depreciated revalued assets**
Deferred tax is recognized even where non-current assets are not depreciated e.g. land. This is because the carrying value will ultimately be recovered on disposal. Deferred tax assets and liabilities and assets are measured considering the tax consequence of recovering the carrying amount of the non-depreciable assets i.e. the tax rate applicable to the taxable amount derived from the sale of an asset

**Deductible temporary difference**
A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

## 3.23 Statement of cash flows

The Statement of cash flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The cash generating from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

## 3.24 Related party disclosures

Relationships between a parent and its subsidiaries is disclosed irrespective of whether there have been transactions between them. GHAIL discloses key management personnel compensation. The company discloses the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. The Group carried out a number of transactions with related parties. The information as required by BAS 24: "Related party Disclosure" has been disclosed in a separate notes to the accounts (Note-37.3).

## 3.25 Operating segment

An operating segment is a component of GHAIL that engages in business activities from which it earns revenues and incur expenses and whose operating results are regularly reviewed by the GHAIL's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**Reportable segments**
GHAIL reports separately information about each operating segment that has been identified as an operating segment and exceeds the quantitative thresholds.
Segmental information is provided for the different business segments of the Group. Business segmentation has been determined based on the nature of goods provided by the Group after considering the risk and rewards of each type of product.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact.

The activities of the segments are described on notes 36 in the Notes to the Financial Statements. The group transfers products from one industry segment for use in another. Inter-segment transfers are based on fair market prices.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilization, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

## 3.26 Reporting foreign currency transactions

**Initial recognition**
A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

**Subsequent measurement**
A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities is translated into GHAIL's functional currency at each reporting date.

Monetary items

Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognised in profit or loss in the period in which they arise.

Non-monetary items

Non-monetary items carried at historic cost are translated using the exchange rate at the date of the transaction when the asset arose (historical rate). They are not subsequently retranslated in the individual financial statements of GHAIL. Non-monetary items carried at fair value are translated using the exchange rate at the date when the fair value was determined. The foreign currency fair value of a non-monetary asset is determined. When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Financial assets

Financial assets can be monetary or non-monetary and may be carried at fair value or amortized cost. At each year end, the foreign currency amount of financial instruments carried at amortized cost is translated into the functional currency using either the closing rate (if it is a monetary item) or the historical rate (if it is a non-monetary item). Financial instruments carried at fair value are translated to the functional currency using the closing spot rate.

The entire change in the carrying amount of a non-monetary available-for-sale financial asset, including the effect of changes in foreign currency rates, is reported as other comprehensive income at the reporting date. A change in the carrying amount of monetary available-for-sale financial assets on subsequent measurements is analyzed between the foreign exchange component and the fair value movement. The foreign exchange component is recognised in profit or loss and the fair value movement is recognised as other comprehensive income. The entire change in the carrying amount of financial instruments measured at fair value through profit or loss, including the effect of changes in foreign currency rates, is recognised in profit or loss.

## 4. Risk exposure

### 4.1 Financial risk management

GHAIL's activities are exposed to a variety of financial risks. The Company's financial risk management centered upon using various tools and to manage exposure to risk, particularly credit risk, liquidity risk, market risk, currency risk and interest rate risk. Similar to general risk management, financial risk management requires identifying its sources, measuring it, and plans to address them. Taking risk is in the core of the financial business, and operational risk is an inevitable consequence of being in business. GHAIL's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on GHAIL's financial performance.

GHAIL's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adhere to limits by means of prudent risk management policies and application of reliable and up-to-date information systems. GHAIL regularly reviews its risk management policies and systems to reflect changes in products, markets, and emerging best practices.

### 4.2 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of GHAIL carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers' existing in GHAIL's asset portfolio. The credit risk management and control are controlled through the credit policies of GHAIL's which are updated regularly. The company is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

## 4.3 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash balances or liquid and marketable assets to meet its liabilities when fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

## 4.4 Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Frozen foods industry in Bangladesh is an emerging sector with vast local demand for its different product lines. Locally produced frozen products now play a significant role in this sector, which has been dominated by imports in the past. However, the infrastructure required for this industry is inadequate in Bangladesh, as can be noted below:

- No organized collection centers for agricultural produce exist in Bangladesh; as a result, there is a high fluctuation in prices both for the growers and for processors.
- Absence of Cold Storage or Cold Chains although the whole process of collection, processing and distribution depends on cold temperature maintenance due to the nature of the finished product.

Golden Harvest Agro Industries Ltd. Has established its brand name in Frozen Food market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of Golden Harvest's future expansion plans. To eliminate fluctuation in prices both for the growers and for the processors, Golden Harvest will organize collection centers to eliminate intermediary cost for both the parties. Deploying 15,000 refrigerators with 24 cold storages at -30 degree Celsius nationwide, Golden Harvest will have infrastructure backbone of Cold Chain which will ensure proper supply of Frozen Foods all over the country through its 50 temperature controlled transport.

## 4.5 Market risk

GHAIL's exposure to market risk, or, the potential for losses arising from the movement of market prices, is limited. Most of its revenues are coming in form of dividend income from various investment projects, whose revenues are completely contractual with no price or quantity risk. Market risks which can also arise from open positions in interest rate and currency also have minimal bearing on GHAIL because interest rate risks are hedged at project level and project revenues are fully indexed without limitation with respect to changes in currency and inflation.

### (i) Currency risk

The company is exposed to currency risk on revenues and certain purchase such as machineries, parts and equipment. However the fuel price is a pass through and project companies revenues are fully currency hedged by way of having revenues fully indexed without limitation with respect to change in currency parity.

### (ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. GHAIL again has limited exposure to interest rate since it borrows primarily in fixed interest rate, and further, interest rate are fully hedged at project levels too.

## 5. Property, plant and equipment

**Consolidated**

**Amount in BDT**

| Particulars | Cost/Valuation | | | | Rate | Depreciation | | | | Written Down Value as of 30.06.17 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.07.2016 | Addition for the year | Disposal for the year | Balance as on 30.06.17 | | Balance as on 01.07.2016 | Charged for the year | Disposal for the year | Balance as on 30.06.17 | |
| **At historical cost:** | | | | | | | | | | |
| Land and land development | 451,890,783 | 321,386,423 | - | 773,277,206 | 0.0% | - | - | - | - | 773,277,206 |
| Buildings and other constructions | 273,026,983 | 223,585,718 | - | 496,612,701 | 2.5% | 28,171,729 | 6,816,971 | - | 34,988,700 | 461,624,001 |
| Plant and machinery | 476,698,232 | 89,419,579 | - | 566,117,811 | 5.0% | 74,732,863 | 22,882,653 | - | 97,615,516 | 468,502,295 |
| Office Equipment | 26,672,418 | 5,102,927 | - | 31,775,345 | 10% | 7,715,416 | 885,385 | - | 8,600,801 | 23,174,544 |
| Furniture and Fixtures | 47,801,651 | 719,133 | - | 48,520,784 | 10% | 15,676,796 | 3,266,311 | - | 18,943,107 | 29,577,677 |
| Vehicle | 197,611,423 | 1,455,800 | 648,500 | 198,418,723 | 10% | 24,001,838 | 17,567,966 | 54,367 | 41,515,437 | 156,903,286 |
| Freezer | 1,041,738,643 | 4,861,401 | 44,520,000 | 1,002,080,044 | 10% | 143,199,950 | 85,481,460 | 7,778,192 | 220,903,218 | 781,176,826 |
| **A. Sub total of 30.06.2017** | **2,515,440,133** | **646,530,981** | **45,168,500** | **3,116,802,614** | | **293,498,592** | **136,900,745** | **7,832,559** | **422,566,778** | **2,694,235,836** |
| **At revaluation:** | | | | | | | | | | |
| Land and land development | 213,821,556 | - | - | 213,821,556 | 0.0% | - | - | - | - | 213,821,556 |
| Buildings and other constructions | 165,683,091 | - | - | 165,683,091 | 2.5% | 19,379,653 | 3,657,586 | - | 23,037,239 | 142,645,852 |
| Plant and machinery | 85,028,928 | - | - | 85,028,928 | 5.0% | 21,016,486 | 3,200,622 | - | 24,217,108 | 60,811,820 |
| **B. Sub total of 30.06.2017** | **464,533,575** | **-** | **-** | **464,533,575** | | **40,396,139** | **6,858,208** | **-** | **47,254,347** | **417,279,228** |
| **Total (A+B) of 30.06.2017** | **2,979,973,708** | **646,530,981** | **45,168,500** | **3,581,336,189** | | **333,894,731** | **143,758,953** | **7,832,559** | **469,821,125** | **3,111,515,064** |
| **Total of 30.06.2016** | **2,248,213,749** | **731,759,959** | **-** | **2,979,973,708** | | **205,206,268** | **128,688,463** | **-** | **333,894,731** | **2,646,078,977** |

**5.1 Depreciation has been charged on different cost centers as under :**

| Particulars | Factory | Rate of Dep. (%) | General and Admin. | Rate of Dep. (%) | Selling and Distribution | Rate of Dep. (%) | Total |
|---|---|---|---|---|---|---|---|
| **At historical cost** | | | | | | | |
| Factory & office building | 5,551,883 | 99% | - | 0% | 1,265,088 | 1% | 6,816,971 |
| Plant & machinery | 22,882,653 | 100% | - | 0% | - | 0% | 22,882,653 |
| Furniture & fixture | 442,693 | 50% | 354,154 | 40% | 88,539 | 10% | 885,385 |
| Office equipment's | 1,143,209 | 35% | 1,633,156 | 50% | 489,947 | 15% | 3,266,311 |
| Vehicles | 8,334,843 | 10% | 1,981,366 | 30% | 7,251,757 | 60% | 17,567,966 |
| Freezer | 12,582,995 | | - | 0% | 72,898,465 | 100% | 85,481,460 |
| **Sub total** | **50,938,276** | | **3,968,676** | | **81,993,796** | | **136,900,745** |
| **At revaluation** | | | | | | | |
| Buildings and other constructions | 3,657,586 | 100% | - | 0% | - | 0% | 3,657,586 |
| Plant & machinery | 3,200,622 | 100% | - | 0% | - | 0% | 3,200,622 |
| **Sub total** | **6,858,208** | | **-** | | **-** | | **6,858,208** |
| | | | | | | | |
| **Grand total** | **57,796,484** | | **3,968,676** | | **81,993,796** | | **143,758,953** |

Note (i). Land & Building are mortgaged and Plant & Machinery and equipments are hypothecated with Mercantile Bank Ltd , Gulshan Branch against term loan and working capital (CC hypo) facilities according to their sanction terms.

Note (ii). The Company (GHAIL) and its subsidiary company Golden Harvest Ice Cream Ltd. (GHICL) revalued the Lands, Buildings, and Plant & Machinery as of 30 June 2009, 2011 and 2013 by the Valuer, Ata Khan & Co, Chartered Accountants following "Current Cost Method", resulting the following surplus:

**5A. Property, plant and equipment**
**The Company**

| Particulars | Cost/Valuation | | | | Rate | Depreciation | | | | Written Down Value as of 30.06.17 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.07.2016 | Addition for the year | Disposal for the year | Balance as on 30.06.17 | | Balance as on 01.07.2016 | Charged for the year | Disposal for the year | Balance as on 30.06.17 | |
| **At historical cost:** | | | | | | | | | | |
| Land and land development | 107,311,828 | 129,025,108 | - | 236,336,936 | 0.0% | - | - | - | - | 236,336,936 |
| Buildings and other constructions | 227,548,058 | - | - | 227,548,058 | 2.5% | 27,680,371 | 4,996,692 | - | 32,677,063 | 194,870,995 |
| Plant and machinery | 79,286,508 | 43,239,576 | - | 122,526,084 | 5.0% | 24,249,677 | 4,553,491 | - | 28,803,168 | 93,722,916 |
| Office equipment | 7,941,245 | 822,800 | - | 8,764,045 | 10% | 2,101,138 | 616,029 | - | 2,717,167 | 6,046,878 |
| Furniture and fixtures | 38,738,293 | 266,583 | - | 39,004,876 | 10% | 12,959,518 | 2,595,914 | - | 15,555,432 | 23,449,444 |
| Vehicle | 15,089,972 | - | 648,500 | 14,441,472 | 10% | 4,126,861 | 1,096,311 | 54,367 | 5,168,805 | 9,272,667 |
| Freezer | 312,404,243 | - | - | 312,404,243 | 10% | 86,739,390 | 22,566,485 | - | 109,305,875 | 203,098,368 |
| **5A. Sub total of 30.06.2017** | **788,320,147** | **173,354,067** | **648,500** | **961,025,714** | | **157,856,955** | **36,424,922** | **54,367** | **194,227,510** | **766,798,204** |
| **At revaluation:** | | | | | | | | | | |
| Land and land development | 112,033,188 | - | - | 112,033,188 | 0.0% | - | - | - | - | 112,033,188 |
| Buildings and other constructions | 165,683,091 | - | - | 165,683,091 | 2.5% | 19,379,653 | 3,657,586 | - | 23,037,239 | 142,645,852 |
| Plant and machinery | 41,576,975 | - | - | 41,576,975 | 5.0% | 10,219,594 | 1,567,869 | - | 11,787,463 | 29,789,512 |
| **B. Sub total of 30.06.2017** | **319,293,254** | - | - | **319,293,254** | | **29,599,247** | **5,225,455** | - | **34,824,702** | **284,468,552** |
| **Total (A+B) of 30.06.2017** | **1,107,613,402** | **173,354,067** | **648,500** | **1,280,318,968** | | **187,456,202** | **41,650,377** | **54,367** | **229,052,212** | **1,051,266,756** |
| **Total of 30.06.2016** | **1,045,198,903** | **62,414,499** | - | **1,107,613,401** | | **144,596,920** | **42,859,282** | - | **187,456,202** | **920,157,199** |

**5A.1 Depreciation has been charged on different cost centers as under :**

| Particulars | Factory | Rate of Dep. (%) | General and Admin. | Rate of Dep. (%) | Selling & Distribution | Rate of Dep. (%) | Total |
|---|---|---|---|---|---|---|---|
| **At historical cost** | | | | | | | |
| Factory and office building | 4,996,692 | 100% | - | 0% | - | 0% | 4,996,692 |
| Plant and machinery | 4,553,491 | 100% | - | 0% | - | 0% | 4,553,491 |
| Office equipments | 308,015 | 50% | 246,412 | 40% | 61,603 | 10% | 616,029 |
| Furniture and fixture | 908,570 | 35% | 1,297,957 | 50% | 389,387 | 15% | 2,595,914 |
| Vehicles | 109,631 | 10% | 328,893 | 30% | 657,787 | 60% | 1,096,311 |
| Freezer | - | | - | 0% | 22,566,485 | 100% | 22,566,485 |
| **Sub total** | **10,876,399** | | **1,873,262** | | **23,675,262** | | **36,424,922** |
| **At revaluation** | | | | | | | |
| Buildings and other constructions | 3,657,586 | 100% | - | 0% | - | 0% | 3,657,586 |
| Plant and machinery | 1,567,869 | 100% | - | 0% | - | 0% | 1,567,869 |
| **Sub total** | **5,225,455** | | - | | - | | **5,225,455** |
| **Grand total** | **16,101,854** | | **1,873,262** | | **23,675,262** | | **41,650,377** |

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## 6. Leased assets (Finance lease)

**Consolidated**

**Amount in BDT**

| Particulars | Cost/Valuation | | | | Rate | Depreciation | | | | Written Down Value as of 30.06.17 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.07.2016 | Addition for the year | Disposal for the year | Balance as on 30.06.17 | | Balance as on 01.07.2016 | Charged for the year | Disposal for the year | Balance as on 30.06.17 | |
| Vehicle | 74,460,870.00 | 24,266,812 | 2,769,224 | 95,958,458 | 10% | 16,893,560 | 5,920,869 | 638,306 | 22,176,123 | 73,782,335 |
| **Total of 30.06.2017** | **74,460,870.00** | **24,266,812** | **2,769,224** | **95,958,458** | | **16,893,560** | **5,920,869** | **638,306** | **22,176,123** | **73,782,335** |
| **Total of 30.06.2016** | **36,524,190.00** | **37,936,680** | **-** | **74,460,870** | | **11,344,306** | **5,549,254** | **-** | **16,893,560** | **57,567,310** |

**6.1 Depreciation has been charged on different cost centers as under :**

| Particulars | Factory | Rate of Dep. (%) | General and Admin. | Rate of Dep. (%) | Selling & Distribution | Rate of Dep. (%) | Total |
|---|---|---|---|---|---|---|---|
| Vehicles | - | 0% | 1,602,812 | 20% | 3,480,780 | 80% | 5,920,869 |
| **Total** | **-** | | **1,602,812** | | **3,480,780** | | **5,920,869** |

## 6A. Leased assets (Finance lease)

**The Company**

| Particulars | Cost/Valuation | | | | Rate | Depreciation | | | | Written Down Value as of 30.06.17 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.07.2016 | Addition for the year | Disposal for the year | Balance as on 30.06.17 | | Balance as on 01.07.2016 | Charged for the year | Disposal for the year | Balance as on 30.06.17 | |
| Vehicle | 29,044,455 | 3,824,116 | - | 32,868,571 | 10% | 13,611,689 | 1,734,482 | - | 15,346,171 | 17,522,400 |
| **Total of 30.06.2017** | **29,044,455** | **3,824,116** | **-** | **32,868,571** | | **13,611,689** | **1,734,482** | **-** | **15,346,171** | **17,522,400** |
| **Total of 30.06.2016** | **29,044,455** | **-** | **-** | **29,044,455** | | **10,707,243** | **2,904,446** | **-** | **13,611,689** | **15,432,766** |

**6A.1 Depreciation has been charged on different cost centers as under :**

| Particulars | Factory | Rate of Dep. (%) | General and Admin. | Rate of Dep. (%) | Selling and Distribution | Rate of Dep. (%) | Total |
|---|---|---|---|---|---|---|---|
| Vehicles | - | - | 346,896 | 20% | 1,387,586 | 80% | 1,734,482 |
| **Total** | **-** | | **346,896** | | **1,387,586** | | **1,734,482** |

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## 7. Intangible Assets

**Consolidated**

Amount in BDT

| Particulars | Cost/Valuation | | | | Rate | Depreciation | | | | Written Down Value as of 30.06.17 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.07.2016 | Addition for the year | Disposal for the year | Balance as on 30.06.17 | | Balance as on 01.07.2016 | Charged for the year | Disposal for the year | Balance as on 30.06.17 | |
| Software (at development stage) | 33,242,720 | 4,368,677 | - | 37,611,397 | 0% | - | - | - | - | 37,611,397 |
| Design, construction and development of products | 24,313,395 | 34,201,955 | - | 58,515,350 | 10% | - | 4,141,437 | - | 4,141,437.00 | 54,373,913 |
| Augmented Reality | 378,375 | - | - | 378,375 | 10% | 37,838 | 34,054 | - | 71,892 | 306,483 |
| **Total of 30.06.2017** | **57,934,490** | **38,570,632** | - | **96,505,122** | | **37,838** | **4,175,491** | - | **4,213,329** | **92,291,793** |
| **Total of 30.06.2016** | **12,379,666** | **45,554,824** | - | **57,934,490** | | - | **37,838** | - | **37,838** | **57,896,652** |

**7.1 Amortization has been charged on different cost centers as under :**

| Particulars | Factory | Rate of Dep. (%) | General and Admin. | Rate of Dep. (%) | Selling & Distribution | Rate of Dep. (%) | Total |
|---|---|---|---|---|---|---|---|
| Software | - | 0% | - | 0% | - | 0% | - |
| Design, construction and development of products | - | 0% | - | 0% | 4,141,437 | 100% | 4,141,437 |
| Augmented Reality | - | 0% | - | 0% | 34,054 | 100% | 34,054 |
| **Total** | - | | - | | **4,175,491** | | **4,175,491** |

**7 A . Intangible Assets**
**The Company**

| Particulars | Cost/Valuation | | | | Rate | Depreciation | | | | Written Down Value as of 30.06.17 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.07.2016 | Addition for the year | Disposal for the year | Balance as on 30.06.17 | | Balance as on 01.07.2016 | Charged for the year | Disposal for the year | Balance as on 30.06.17 | |
| Software (at development stage) | 21,825,591 | 4,368,677 | - | 26,194,268 | 0% | - | - | - | - | 26,194,268 |
| Design, construction and development of produc | - | 30,481,678 | - | 30,481,678 | 10% | - | 1,524,084 | - | 1,524,084 | 28,957,594 |
| **Total of 30.06.2017** | **21,825,591** | **34,850,355** | - | **56,675,946** | | - | **1,524,084** | - | **1,524,084** | **55,151,862** |
| **Total of 30.06.2016** | **11,798,291** | **10,027,300** | - | **21,825,591** | | - | - | - | - | **21,825,591** |

**7A.1 Amortization has been charged on different cost centers as under :**

| Particulars | Factory | Rate of Dep. (%) | General and Admin. | Rate of Dep. (%) | Selling and Distribution | Rate of Dep. (%) | Total |
|---|---|---|---|---|---|---|---|
| Software | - | 0% | - | 0% | - | 0% | - |
| Design, construction and development of products | | | 1,524,084 | 100% | - | 0% | 1,524,084 |
| **Total** | - | | **1,524,084.00** | | - | | **1,524,084.00** |

| | Amount in BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |
| **8. Biological Assets:** | | |
| Dryer | 2,114,500 | - |
| Milkable Cows | 25,559,254 | 6,516,531 |
| Heifers | 49,454,434 | 63,425,197 |
| Calves | 1,164,880 | 4,946,076 |
| | **78,293,068** | **74,887,804** |

**8.01 Details are as follows:**

| | Calves | Heifers | Milkable Cows | Dryer | Total |
|---|---|---|---|---|---|
| Carrying amount | 4,946,076 | 63,425,197 | 6,516,531 | - | 74,887,804 |
| Add: Purchase Costs | - | - | - | - | - |
| Less: Transfer/ Sales | (4,946,076) | (21,125,404) | 16,625,404 | - | (9,446,076) |
| **Add / (Less): Fair value adjustment** | 1,164,880 | 7,154,641 | 2,417,319 | 2,114,500 | 12,851,341 |
| | **1,164,880** | **49,454,434** | **25,559,254** | **2,114,500** | **78,293,068** |

**8.01.01 Fair value adjustments**

| | Calves | Heifers | Milkable Cows | Dryer | Total |
|---|---|---|---|---|---|
| Changes in Fair Value | 1,164,880 | 7,767,200 | 4,064,640 | 3,806,100 | 16,802,820 |
| Less: Cost to sell | - | (612,559) | (1,647,321) | (1,691,600) | (3,951,479) |
| | **1,164,880** | **7,154,641** | **2,417,319** | **2,114,500** | **12,851,341** |

| | | | |
|---|---|---|---|
| **9. Capital work in progress** | | | |
| Opening balance | | 737,137,698 | 669,487,697 |
| Addition during the year | | 125,707,734 | 172,459,117 |
| Transferred to property, plant and equipment | | (249,226,447) | (104,809,116) |
| | | **613,618,985** | **737,137,698** |
| **9A. Capital work in progress** | | | |
| Opening Balance | | 437,848,248 | 438,369,647 |
| Addition during the year | | 54,333,342 | 8,412,390 |
| Transferred to property, plant and equipment | | (3,269,650) | (8,933,789) |
| | | **488,911,940** | **437,848,248** |
| **10. Investment in subsidiary companies** | | | |
| Golden Harvest Ice Cream ltd. | (Note - 10.01) | 735,838,295 | 659,548,203 |
| Golden Harvest Dairy Ltd. | (Note - 10.02) | 22,515,836 | 27,636,735 |
| | | **758,354,131** | **687,184,938** |
| **10.01 Golden Harvest Ice Cream ltd.** | | | |
| Opening balance | | 659,548,203 | 592,803,342 |
| Share of net profit after tax of subsidiary | | 75,718,592 | 74,084,224 |
| Deferred tax adjustment on dep. of revalued amount of PPE | | 571,500 | 601,540 |
| Adjustment for deferred tax | | - | (7,940,903) |
| | | **735,838,295** | **659,548,203** |
| **10.02 Golden Harvest Dairy Ltd.** | | | |
| Opening balance | | 27,636,735 | 37,317,574 |
| Share of net loss after tax of subsidiary | | (5,120,899) | (9,680,839) |
| | | **22,515,836** | **27,636,735** |
| **11. Investment in associates** | | | |
| **Golden Harvest QSR Ltd.** | | | |
| Subscribed in ordinary share | | - | 300,000 |
| Less: Attributable Share of Loss of Associate | | - | (300,000) |
| | | - | - |

Share of loss of Associates during the year is Tk. 7,152,842 (Tk. 23,842,805 x 30%)

| | Amount in BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |
| **12. Inventories** | | |
| Finished goods | 213,056,156 | 153,557,331 |
| Raw materials | 148,325,024 | 96,466,568 |
| Packing materials | 79,369,483 | 62,123,104 |
| Work in process | 481,397 | 108,536 |
| Stores in transit | 8,333,680 | 8,157,644 |
| Medicine | 46,284 | 64,889 |
| | **449,612,024** | **320,478,072** |
| **12A. Inventories** | | |
| Finished goods | 87,028,628 | 57,533,514 |
| Raw materials | 56,773,850 | 35,071,855 |
| Packing materials | 38,393,519 | 26,710,789 |
| Stores in transit | 1,346,589 | 2,351,791 |
| | **183,542,586** | **121,667,949** |
| **13. Advances, deposits and prepayments** | | |
| Advance to contract farmer, suppliers & service providers | 271,137,088 | 288,063,367 |
| Advance against land purchased | - | 157,770,290 |
| Advance taxes | 52,277,063 | 25,297,950 |
| Advance VAT | 4,448,128 | 6,552,729 |
| Advance office rent | 6,789,000 | 8,709,000 |
| Other deposit | 1,742,706 | 5,267,704 |
| Lease deposits | 1,680,288 | 1,392,605 |
| | **338,074,273** | **493,053,645** |

This is unsecured and considered good.

(a) The maximum amount due from the suppliers & service providers.

(b) No amount was due by the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

| | | | |
|---|---|---|---|
| **13A. Advances, deposits and prepayments** | | | |
| Advance to contract farmer, suppliers & service providers | | 265,480,354 | 274,930,334 |
| Advance against Land | | - | 129,025,108 |
| Advance taxes | | 13,184,156 | 6,286,207 |
| Advance VAT | | 1,580,328 | 2,140,942 |
| Other Deposit | | 619,320 | 3,969,466 |
| Lease deposits | | 340,943 | 267,363 |
| | | **281,205,101** | **416,619,420** |
| **14. Trade and other receivables** | | | |
| Trade receivables | (Note - 14.01) | 461,458,330 | 406,044,921 |
| Other receivables | (Note - 14.02) | 688,518,165 | 216,713,923 |
| | | **1,149,976,495** | **622,758,844** |

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| | Amount in BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |

**14.01 Trade receivables**

| | | |
|---|---|---|
| Sales receivables | 461,458,330 | 406,044,921 |
| | **461,458,330** | **406,044,921** |

This is unsecured, considered good except for the portion of doubtful debtors and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

| SL | Particulars | Consolidate amount in BDT 2017 | Consolidate amount in BDT 2016 |
|---|---|---|---|
| I | Accounts receivable considered good in respect of which the company is fully secured | - | - |
| II | Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security | 461,458,330 | 406,044,921 |
| III | Accounts receivable considered doubtful or bad | - | - |
| IV | Accounts receivable due by any director or other officer of the company | - | - |
| V | Accounts receivable due by Common management | - | - |
| VI | The maximum amount of receivable due by any director or other officer of the company | - | - |
| | **TOTAL** | **461,458,330** | **406,044,921** |

**14.02 Other receivables**

| | | | |
|---|---|---|---|
| Export incentive receivable | | - | 2,681,414 |
| Interest receivable | | 289,329 | 316,419 |
| Inter company transaction | (Note - 14.03) | 688,228,836 | 213,716,090 |
| | | **688,518,165** | **216,713,923** |

This is unsecured, considered good and is falling due within one year.

**14.03 Inter company transaction**

| | | |
|---|---|---|
| Samdani Art Foundation | 5,763,639 | 4,700,117 |
| Golden Harvest Foods Ltd. | 503,521,908 | 209,015,973 |
| Golden Harvest InfoTech Ltd. | 87,203,001 | - |
| Golden Harvest Developers Ltd. | 38,754,111 | - |
| Golden Harvest QSR Ltd. | 52,986,177 | - |
| | **688,228,836** | **213,716,090** |

**14A. Trade and other receivables**

| | | | |
|---|---|---|---|
| Trade receivable | (Note - 14A.01) | 198,362,842 | 148,281,916 |
| Other receivable | (Note - 14A.02) | 893,207,210 | 283,638,143 |
| | | **1,091,570,052** | **431,920,059** |

**14A.01 Trade receivables**

| | | |
|---|---|---|
| Sales receivables | 198,362,842 | 148,281,916 |
| | **198,362,842** | **148,281,916** |

**14A.02 Other receivables**

| | | | |
|---|---|---|---|
| Export incentive receivable | | - | 2,681,414 |
| Interest receivable | | 77,432 | 52,325 |
| Inter company transaction | (Note - 14A.03) | 893,129,778 | 280,904,404 |
| | | **893,207,210** | **283,638,143** |

AMAR STOCK

| | Amount in BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |
| **14A.03 Inter company transaction** | | |
| Golden Harvest Dairy Ltd. | 49,502,211 | 26,805,975 |
| Golden Harvest Ice Cream Ltd. | 345,480,106 | 215,892,669 |
| Golden Harvest InfoTech Ltd. | 87,203,001 | - |
| Golden Harvest Developers Ltd. | 38,754,111 | - |
| Samdani Art Foundation | 5,763,639 | 4,700,117 |
| Golden Harvest Foods Ltd. | 313,440,533 | 33,505,643 |
| Golden Harvest QSR Ltd. | 52,986,177 | - |
| | **893,129,778** | **280,904,404** |
| This is unsecured and considered good. | | |
| **15. Cash and cash equivalents** | | |
| **Cash in hand:** | **2,135,069** | **1,032,486** |
| Cash in hand at head office | 84,534 | 40,284 |
| Cash in hand at factory office | 2,050,535 | 992,202 |
| Cash at bank | 50,635,173 | 21,001,101 |
| Fixed Deposits with Banks (Maturity within 1 to 3 months) | 21,294,462 | 12,498,025 |
| | **74,064,704** | **34,531,612** |
| Fixed Deposits are lien against LC margin | | |
| **15A. Cash and cash equivalents** | | |
| **Cash in hand:** | **213,648** | **539,405** |
| Cash in hand at head office | 36,842 | 25,600 |
| Cash in hand at factory office | 176,806 | 513,805 |
| Cash at bank | 12,246,461 | 10,835,020 |
| Fixed Deposits with Banks (Maturity within 1 to 3 months) | 968,241 | 908,025 |
| | **13,428,350** | **12,282,450** |
| Details of cash at bank is given at annex-A | | |
| **16. Share capital** | | |
| **Authorized share capital** | **1,000,000,000** | **1,000,000,000** |
| **100,000,000 ordinary shares of BDT 10 each** | | |
| **Issued, subscribed and paid up capital** | | |
| 58,750,000 ordinary share @ Tk. 10 each fully paid-up against cash | 587,500,000 | 587,500,000 |
| 353,490,000 bonus share @ Tk. 10 each | 353,490,000 | 263,400,000 |
| 5,000,000 ordinary share @ Tk. 10 each fully paid-up against acquisition of shares of Golden Harvest Ice Cream Limited | 50,000,000 | 50,000,000 |
| | **990,990,000** | **900,900,000** |

The above balance has been received from the following :

| Name | Designation | % of Shares | | No. of Shares | |
|---|---|---|---|---|---|
| | | 30-06-2017 | 30-06-2016 | 30-06-2016 | 30-06-2017 |
| **Directors** | | | | | |
| Enamuzzaman Chowdhury | Chairman | 2.00 | 2.00 | 1,981,980 | 1,801,800 |
| Mr. Matthew Graham Stock | Director | 2.00 | 2.00 | 1,981,980 | 1,801,800 |
| Mr. Ahmed Rajeeb Samdani | Managing Directo | 21.94 | 21.94 | 21,738,965 | 19,762,696 |
| Mr. Ahmed Mehdi Samdani | Sponsor | 0.38 | 0.38 | 371,800 | 338,000 |
| Ms. Nadia Khalil Choudhury | Director | 2.00 | 2.00 | 1,981,980 | 1,801,800 |
| Mr. Azizul Huque | Director | 2.26 | 2.26 | 2,239,331 | 2,035,756 |
| Mr. Moqsud Ahmed Khan | Director | 2.46 | 2.46 | 2,439,360 | 2,217,600 |
| Mr.Mohius Samad Choudhury | Director | 2.00 | 2.00 | 1,981,980 | 1,801,800 |
| | | **35.03** | **35.03** | **34,717,376** | **31,561,252** |
| **Others** | | | | | |
| Foreign investors | | 0.57 | 0.89 | 561,000 | 800,444 |
| Institutions | | 43.45 | 31.75 | 43,056,067 | 28,603,575 |
| General shareholders | | 20.95 | 32.33 | 20,764,557 | 29,124,729 |
| | | **64.97** | **64.97** | **64,381,624** | **58,528,748** |
| | | **100** | **100** | **99,099,000** | **90,090,000** |

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| Amount in BDT | |
|---|---|
| 30-Jun-17 | 30-Jun-16 |

**Range with shareholding position:**

| Range of holdings In number of shares | No. of shareholders | | % of shareholders | | Number of shares | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| 1 to 499 | 8,823 | 12,621 | 0.808 | 0.792 | 2,048,708 | 3,164,259 |
| 500 to 5,000 | 1,368 | 2,357 | 0.125 | 0.148 | 2,521,139 | 4,378,450 |
| 5,001 to 10,000 | 261 | 419 | 0.024 | 0.026 | 1,950,343 | 3,122,316 |
| 10,001 to 20,000 | 179 | 224 | 0.016 | 0.014 | 2,683,479 | 3,225,675 |
| 20,001 to 30,000 | 65 | 87 | 0.006 | 0.005 | 1,650,829 | 2,196,727 |
| 30,001 to 40,000 | 37 | 44 | 0.003 | 0.003 | 1,323,689 | 1,545,605 |
| 40,001 to 50,000 | 42 | 32 | 0.004 | 0.002 | 1,952,579 | 1,498,072 |
| 50,001 to 100,000 | 61 | 68 | 0.006 | 0.004 | 4,469,281 | 5,175,519 |
| 100,001 to 1,000,000 | 62 | 60 | 0.006 | 0.004 | 16,823,088 | 13,695,286 |
| Over 1,000,000 | 15 | 14 | 0.001 | 0.001 | 63,675,865 | 52,088,091 |
| **Total** | **10,913** | **15,926** | **1.00** | **1.00** | **99,099,000** | **90,090,000** |

**Shareholding position of Golden Harvest Ice Cream Ltd:**

| Name | Designation | % of Shares | | Value of shares @ BDT 10 | Value of shares @ BDT 10 |
|---|---|---|---|---|---|
| | | 2017 | 2016 | 2017 | 2016 |
| Mr. Ahmed Rajeeb Samdani | Managing Director | 0.0002% | 0.0002% | 600 | 600 |
| Golden Harvest Agro Industries Ltd. | Parent company | 99.9998% | 99.9998% | 299,999,400 | 299,999,400 |
| | | **100%** | **100%** | **300,000,000** | **300,000,000** |

**Shareholding position of Golden Harvest Dairy Ltd:**

| Name | Designation | % of Shares | | Value of shares @ BDT 10 | Value of shares @ BDT 10 |
|---|---|---|---|---|---|
| | | 2017 | 2016 | 2017 | 2016 |
| Mr. Ahmed Rajeeb Samdani | Managing Director | 25.00% | 25.00% | 12,500,000 | 12,500,000 |
| Golden Harvest Agro Industries Ltd. | Parent company | 75.00% | 75.00% | 37,500,000 | 37,500,000 |
| | | **100%** | **100%** | **50,000,000** | **50,000,000** |

**17. Share premium**

| | | |
|---|---|---|
| Share premium received | 450,000,000 | 450,000,000 |
| Bonus Share | (171,990,000) | (81,900,000) |
| **IPO expenses:** | (41,233,946) | (41,233,946) |
| Income tax (3% on premium) | (13,500,000) | (13,500,000) |
| IPO cost | (25,927,742) | (25,927,742) |
| Exchange gain / (loss) | (1,806,204) | (1,806,204) |
| | **236,776,054** | **326,866,054** |

10% stock dividend has been issued from share premium for the financial year ended 30 June 2016 under section 57(2a) of companies Act-1994.

**18. Revaluation surplus**

| | | |
|---|---|---|
| Opening balance | 283,331,524 | 303,525,145 |
| Adjustment for deferred tax | - | (15,025,155) |
| Depreciation of the company | (4,980,380) | (5,168,466) |
| Depreciation of Golden Harvest Ice Cream Ltd. | (3,919,091) | (4,051,319) |
| Depreciation of Golden Harvest Dairy Ltd. | (1,061,289) | (1,117,147) |
| | **278,351,144** | **283,331,524** |

The Company revalued its lands, buildings, and plant & machinery as of 30 June 2013 by its Valuer, Ata Khan & Co, Chartered Accountants following "Current cost method", resulting in a revaluation surplus at BDT 128,671,642 for Golden Harvest Agro Industries Ltd. and BDT 51,419,359 for Golden Harvest Ice Cream Ltd. which include non controlling interest part BDT 103.

| | Amount in BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |
| **18A. Revaluation surplus** | | |
| Opening balance | 283,331,524 | 303,525,145 |
| Adjustment for deferred tax | - | (15,025,155) |
| Depreciation on revaluation surplus transferred to retained earnings | (4,980,380) | (5,168,466) |
| Depreciation of the company | (3,919,091) | (4,051,319) |
| Depreciation of Golden Harvest Ice Cream Ltd. | (1,061,289) | (1,117,147) |
| | **278,351,144** | **283,331,524** |
| **19. Retained earnings** | | |
| Opening balance | 499,493,608 | 334,401,830 |
| Adjustment during the year on Building | - | (20,796,664) |
| **Restated Opening Balance** | **499,493,608** | **313,605,166** |
| Deferred tax adjustment on Dep. of revalued amount of PPE | 1,877,864 | 1,951,980 |
| Depreciation on revaluation surplus transferred | 4,980,380 | 5,168,466 |
| Net profit after tax | 185,339,020 | 175,541,197 |
| Share of non-controlling interest | 1,706,816 | 3,226,799 |
| | **693,397,688** | **499,493,608** |
| **19A. Retained earnings** | | |
| Opening balance | 499,493,608 | 334,401,831 |
| Adjustment during the year on Building | - | (20,796,664) |
| **Restated Opening Balance** | **499,493,608** | **313,605,167** |
| Deferred tax adjustment on dep. of revalued amount of PPE | 1,877,864 | 1,951,980 |
| Depreciation on revaluation surplus transferred | 4,980,380 | 5,168,466 |
| Share of subsidiary company | 70,597,693 | 64,403,385 |
| Net profit after tax | 116,448,143 | 114,364,610 |
| | **693,397,688** | **499,493,608** |
| **20. Non controlling interest** | | |
| Opening balance | 9,213,602 | 12,440,400 |
| Share of Net profit after tax for the year (GHICL) | 151 | 148 |
| Share of Net profit after tax for the year (GHDL) | (1,706,967) | (3,226,946) |
| Share of deferred tax adjustment on revaluation Surplus | (36) | - |
| | **7,506,750** | **9,213,602** |
| **21. Long term loans** | | |
| **Golden Harvest Agro Industries Limited** | **742,360,964** | **359,801,482** |
| Corporate Bond | 222,616,666 | - |
| Mercantile Bank Ltd., HP-2 | 26,446,922 | 51,852,713 |
| Mercantile Bank Ltd., HBL | 27,021,536 | 42,213,960 |
| IPDC Finance Ltd | 255,625,000 | - |
| Mercantile Bank Ltd., Term Loan-Agri | 210,650,840 | 265,734,809 |
| **Golden Harvest Ice Cream Limited** | **858,468,055** | **812,881,271** |
| Syndicated Loan ( UCBL and Standard Bank Limited) | 539,980,365 | 660,826,390 |
| United Commercial Bank Ltd., Term Loan-2 | 318,487,690 | 152,054,881 |
| **Golden Harvest Dairy Limited** | **169,516,567** | **174,616,932** |
| Standard Bank Ltd., Term Loan -1 | 60,843,280 | 67,708,950 |
| Standard Bank Ltd., Term Loan -2 | 108,673,287 | 106,907,982 |
| | **1,770,345,586** | **1,347,299,685** |
| Current maturity of long term loan | (263,120,757) | (224,861,349) |
| | **1,507,224,829** | **1,122,438,336** |

The above term loan is for the dairy project for which two drawdown has been made against one term loan. So two loan has been created.

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| | Amount in BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |

**Terms & conditions of Long Term Loan:**

a) **Golden Harvest Agro Ind. Ltd. In Note 21A**

b) **Golden Harvest Ice Cream Ltd.**

| | | |
|---|---|---|
| **Syndicated loan,** | **539,980,365** | **660,826,390** |
| United Commercial Bank Ltd. Term loan-1 | 176,234,365 | 222,968,318 |
| Standard Bank Ltd | 363,746,000 | 437,858,072 |
| Current maturity of long term loan | (132,322,632) | (116,920,945) |
| | **407,657,733** | **543,905,445** |

Golden Harvest Ice Cream Ltd. has taken syndicated term loan facility amounting Tk.70 crore for establishment of Ice Cream project and will utilise the loan amount to imported machineries and meet other expenditure for implementation of the project.

| Particulars | Rate of Interest | Tenure | Repayment Term | Security |
|---|---|---|---|---|
| United Commercial Bank Ltd., Term loan-1 | 9.50% | 5 Years | 20 Quarterly installment starting from 17 September 2015. | The loans from banks are secured first ranking pari-passu charge by way of hypothecation duly registered with RJSC for all machineries of the Project and distribution HUBs in favour of the term loan lenders duly insured covering the all risk as per insurance policy. 115 Decim Land at Gazipur, 5,000,000 nos shares of GHAIL, a first ranking floating charge over the stocks, receivables, all current and future fixed & floating assets in favour of the term loan lenders on pari passu and pro rata basis. The loans are also secured by personal guarantee of all directors except independent director of the Company and One post dated cheque |
| Standard Bank Ltd., | 10.50% | 5 Years | 20 Quarterly installment starting from 31 May 2016. | |
| United Commercial Bank Ltd., Term loan-2 | 9.75% | 5 Years | Quarterly (Starting from March 2017) | |

c) **Golden Harvest Dairy Ltd.**

**Terms and Conditions:**

**Rate of interest :** 11.00%

**Tenor :** 5 years ( Excluding Moratorium Period)

**Moratorium period :** 1 year

**Repayment term:** 60 Monthly installment.

**Security :** The loans from banks are secured by Registered mortgaged 300 decimal land and Building & machineries situated within Fatehpur, Goainghat, Sylhet. The loans are also secured by personal guarantee of all directors of the Company .

**21A. Long term loan**

**Golden Harvest Agro Industries Limited**

| | | |
|---|---|---|
| Corporate Bond | 222,616,666 | - |
| IPDC Finance Ltd | 255,625,000 | - |
| Mercantile Bank Ltd., HP-2 | 26,446,922 | 51,852,713 |
| Mercantile Bank Ltd., HBL | 27,021,536 | 42,213,960 |
| Mercantile Bank Ltd., Term Loan- Agri | 210,650,840 | 265,734,809 |
| | **742,360,964** | **359,801,482** |
| Current maturity of long term loan | (101,217,680) | (99,453,243) |
| | **641,143,284** | **260,348,239** |

| Amount in BDT | |
|---|---|
| 30-Jun-17 | 30-Jun-16 |

**Terms & conditions of term loan:**

The Company is enjoying term loan facility against imported machineries and House building loan has taken for expansion of Factory Building from Mercantile bank, Gulshan Branch. Terms & Conditions of the loan is as below:

| Particulars | Rate of Interest | Tenor | Repayment Term | Security |
|---|---|---|---|---|
| Mercantile Bank Ltd. HP-2 | 10.00% | 5 Years | Monthly (Starting from 22 May 2015) | a. Hypothecation of the capital machineries and stock in trade.<br>b. Personal guarantee of all the directors<br>c. Post dated cheques<br>d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building |
| Mercantile Bank Ltd. HBL | 10.00% | 5 Years | Monthly (Starting from 24 October 2014) | |
| Mercantile Bank Ltd., Term Loan-Agri | 9.00% | 5 Years | LTR is for 90 Days (RM and PM) | |
| IPDC Finance Ltd. | 11.25% | 5 Years | Quarterly | |
| Fully redeemable Non-convertible, Unsecured Corporate Bond | Floor-10%<br>Ceiling-11.5%<br>Margin-3% | 7 Years | At the end of Years 2, 3, 4, 5, 6 & 7 at the rate of 15% for the first 4 years and 20% for the last two years of issue size respectively | |

| | | |
|---|---|---|
| **22. Deferred tax liability** | | |
| Opening balance | 162,532,888 | 132,749,694 |
| Adjustment during the year on Building | - | 20,796,664 |
| **Restated opening balance** | **162,532,888** | **153,546,358** |
| Adjustment of deferred tax on revaluation surplus of PPE | - | 15,025,155 |
| Adjustment during the year on fixed assets at cost | 39,188,201 | (2,553,322) |
| Less : During the year on revaluation | (1,877,828) | (1,951,980) |
| During the year on business loss | (528,920) | (1,533,323) |
| | **199,314,341** | **162,532,888** |
| **22A. Deferred tax liability** | | |
| Opening balance | 87,719,431 | 91,572,365 |
| Adjustment during the year on Building | - | 20,796,664 |
| **Restated opening balance** | **87,719,431** | **112,369,029** |
| Adjustment during the year on fixed assets at cost | 7,628,209 | (30,383,410) |
| Adjustment depreciation on revaluation surplus of PPE | - | 7,084,252 |
| Less : During the year on revaluation | (1,306,364) | (1,350,440) |
| | **94,041,276** | **87,719,431** |
| **23. Lease obligations** | | |
| United Finance Ltd | 712,017 | 1,229,057 |
| National Finance Limited | 10,956,939 | - |
| IDLC Finance Ltd. Ls | 2,221,284 | 3,513,207 |
| Union Capital Limited | 8,453,499 | 10,965,619 |
| Industrial Promotion and Development Company Ltd. (IPDC) | 13,304,663 | 23,218,543 |
| BD Finance Investment Ltd. | 20,703,720 | 4,922,471 |
| | **56,352,122** | **43,848,897** |
| Current maturity of lease obligation | (13,863,143) | (9,243,801) |
| | **42,488,979** | **34,605,096** |
| **23A. Lease obligations** | | |
| BD Finance Investment Ltd. | 2,384,713 | - |
| United Finance Ltd | 712,017 | 1,229,057 |
| | 3,096,730 | 1,229,057 |
| Current maturity of lease obligation | (1,233,036) | (517,036) |
| | **1,863,694** | **712,021** |

| | | Amount in BDT | |
|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 |
| **24. Accounts & other payables** | | | |
| Sundry creditors for goods & service | | 49,480,153 | 139,230,234 |
| Undistributed refund warrant | | 5,281,933 | 5,283,778 |
| Security deposits for freezer | | 21,342,363 | 17,770,323 |
| Withholding tax and VAT | | 9,086,240 | 19,186,059 |
| Undistributed dividend | | 3,118,604 | 3,003,191 |
| Bank interest payable | | 930,572 | 694,458 |
| | | **89,239,865** | **185,168,043** |
| **24A. Accounts & other payables** | | | |
| Sundry creditors for goods and service | | 17,866,637 | 21,482,475 |
| Undistributed refund warrant | | 5,281,933 | 5,283,778 |
| Security deposits for freezer | | 3,533,640 | 2,972,882 |
| Withholding tax and VAT | | 1,061,930 | 11,658,856 |
| Undistributed dividend | | 3,118,604 | 3,003,191 |
| | | **30,862,744** | **44,401,182** |
| **25. Accruals and provisions** | | | |
| Salaries and wages | | 5,139,978 | 2,689,841 |
| Utility bills | | 2,817,187 | 2,854,078 |
| Audit fees | | 632,500 | 660,000 |
| Mobile phone bill | | 111,173 | 216,188 |
| TA/DA and incentive | | 1,681,113 | 759,304 |
| Provision for tax | (Note - 25.01) | 192,857,480 | 187,181,766 |
| Provision for WPPF | (Note - 25.02) | 16,993,054 | 19,390,088 |
| Provision for others | | 3,173,780 | 7,229,292 |
| | | **223,406,265** | **220,980,557** |
| **25.01 Provision for tax** | | | |
| Opening balance | | 187,181,766 | 173,110,584 |
| (Over) /Under provision for previous years | | (11,170,171) | 11,674,389 |
| Tax during the year | | 25,403,840 | 41,685,395 |
| | | (8,557,955) | (39,288,602) |
| AIT adjustment | | (557,955) | (37,288,602) |
| Paid during the year | | (8,000,000) | (2,000,000) |
| | | **192,857,480** | **187,181,766** |
| **25.02 Provision for workers profit participation fund** | | | |
| Opening balance | | 19,390,088 | 34,998,926 |
| Addition during the year | | 12,273,709 | 11,972,717 |
| Interest charged for the year | | 329,257 | 418,445 |
| Paid during the year | | (15,000,000) | (28,000,000) |
| | | **16,993,054** | **19,390,088** |
| **25A. Accruals and provisions** | | | |
| Salaries and wages | | 2,516,785 | 1,469,423 |
| Utility bills | | 1,277,321 | 659,417 |
| Audit fees | | 460,000 | 402,500 |
| TA/DA and incentive | | 798,897 | 759,304 |
| Provision for income tax | | 94,222,474 | 91,015,967 |
| Provision for WPPF | (Note - 25A.01) | 11,134,513 | 12,228,131 |
| Provision for others | (Note - 25A.02) | 2,678,482 | 3,899,878 |
| | | **113,088,472** | **110,434,620** |
| **25A.01 Provision for tax** | | | |
| Opening balance | | 91,015,967 | 87,932,210 |
| (Over) /Under provision for previous years | | (11,170,171) | 11,674,389 |
| Provision for the year | | 18,934,633 | 28,697,970 |
| | | (4,557,955) | (37,288,602) |
| AIT adjustment | | (557,955) | (37,288,602) |
| Paid during the year | | (4,000,000) | - |
| | | **94,222,474** | **91,015,967** |

AMARSTOCK

| | | Amount in BDT | |
|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 |
| **25A.02 Provision for workers profit participation fund** | | | |
| Opening balance | | 12,228,131 | 25,678,647 |
| Addition during the year | | 6,589,272 | 6,230,060 |
| Interest charged for the year | | 317,110 | 319,424 |
| Paid during the year | | (8,000,000) | (20,000,000) |
| | | **11,134,513** | **12,228,131** |
| **26. Short term loan** | | | |
| Golden Harvest Agro Industries Limited | (Note - 26.01) | 757,988,106 | 450,761,662 |
| Golden Harvest Ice Cream Limited | (Note - 26.02) | 677,560,820 | 613,994,094 |
| | | **1,435,548,926** | **1,064,755,756** |
| **26.01 Golden Harvest Agro Industries Limited** | | | |
| Mercantile Bank Limited-CC Hypo | | 301,744,967 | 142,173,065 |
| Mercantile Bank Limited | | 50,125,000 | - |
| Industrial and Infractructure Development Finance Company Limited | | 50,169,792 | - |
| National Finance Ltd. | | 150,000,000 | - |
| Meghna Bank Ltd. | | 204,937,991 | 153,333,334 |
| Union Capital Limited | | - | 151,375,000 |
| Mercantile Bank Limited-LATR | | 1,010,356 | 3,880,263 |
| | | **757,988,106** | **450,761,662** |
| **26.02 Golden Harvest Ice Cream Limited** | | | |
| United Commercial Bank Ltd.-SOD | | 412,745,717 | 296,557,724 |
| Fareast Finance & Investment Ltd. | | 200,000,000 | 200,000,000 |
| United Commercial Bank Ltd.-UPAS LC | | 64,815,103 | 117,436,370 |
| | | **677,560,820** | **613,994,094** |

**Terms & conditions of Short Term Loan:**

a) Golden Harvest Agro Ind. Ltd. In Note 26A

b) Golden Harvest Ice Cream Ltd.

| Particulars | Rate of Interest | Tenor | Security |
|---|---|---|---|
| United Commercial Bank Ltd.-SOD | 11.00% | Revolving | a. Hypothecation of raw materials, work in process & finished products duly insured covering Fire & RSD under Bank's Mortgage clause.<br>b. Up to date receivable statement to be provided on quarterly basis |
| Fareast Finance & Investment Ltd. | 10.00% | Revolving (3 months) | Personal Security of directors |
| United Commercial Bank Ltd.-UPAS LC | 10.00% | As per each LC | a. Lien of Shipping documents & title of the goods.<br>b. Your acceptance against UPASS LC |

| | | | |
|---|---|---|---|
| **26A. Short term loan** | | | |
| Golden Harvest Agro Industries Limited | (Note - 26A.01) | 757,988,106 | 450,761,662 |
| | | **757,988,106** | **450,761,662** |
| **26A.01 Golden Harvest Agro Industries Limited** | | | |
| Mercantile Bank Limited-CC Hypo | | 301,744,967 | 142,173,065 |
| Mercantile Bank Limited | | 50,125,000 | - |
| Industrial and Infractructure Development Finance Company Limited | | 50,169,792 | - |
| National Finance Ltd. | | 150,000,000 | - |
| Meghna Bank Ltd. | | 204,937,991 | 153,333,334 |
| Union Capital Limited | | - | 151,375,000 |
| Mercantile Bank Limited-LATR | | 1,010,356 | 3,880,263 |
| | | **757,988,106** | **450,761,662** |

| Particulars | Rate of Interest | Tenor | Repayment Term | Amount in BDT 30-Jun-17 | Amount in BDT 30-Jun-16 |
|---|---|---|---|---|---|
| Mercantile Bank Limited-CC Hypo | 11.00% | Revolving | a. Hypothecation of the capital machineries and stock in trade,<br>b. Personal guarantee of all the directors<br>c. Post dated cheques<br>d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 99.00 decimal land with factory building | | |
| Mercantile Bank Limited Agri- SOD( | 10.00% | 3 months | Personal Security of directors | | |
| Industrial and Infrastructure Development Finance Company | 10.00% | 3 months | Personal Security of directors | | |
| National Finance Ltd. | 10.00% | 6 months | Personal Security of directors | | |
| Meghna Bank Ltd.-STL | 10.00% | 6 months | Personal Security of directors | | |
| Meghna Bank Ltd.-STL | 10.00% | 6 months | Personal Security of directors | | |
| Mercantile Bank Limited-LATR | 10.00% | 6 months | Personal Security of directors | | |

**27. Sales revenue**

| | | | |
|---|---|---|---|
| Sales (Local) | | 1,526,709,565 | 1,427,568,390 |
| | | **1,526,709,565** | **1,427,568,390** |

**27A. Sales revenue**

| | | | |
|---|---|---|---|
| Sales (Local-Frozen Unit) | | 411,641,000 | 437,127,642 |
| Sales (Local-Dairy Unit) | | 215,282,856 | 187,311,015 |
| | | **626,923,856** | **624,438,657** |

**28. Cost of goods sold**

| | | | |
|---|---|---|---|
| Raw and packing materials: | | | |
| Opening stock | (Note - 12) | 158,654,561 | 182,308,133 |
| Purchase | (Note - 28.01) | 808,983,148 | 726,485,280 |
| | | **967,637,709** | **908,793,413** |
| Closing stock | (Note -12) | (227,740,791) | (158,654,561) |
| | | **739,896,918** | **750,138,852** |
| Manufacturing expenses | (Note -28.02) | 149,082,669 | 120,130,540 |
| Total manufacturing cost | | **888,979,587** | **870,269,392** |
| Add: Beginning work in process inventory | (Note - 12) | 108,536 | 271,309 |
| | | **889,088,123** | **870,540,701** |
| Less: Ending work in process inventory | (Note - 12) | (481,397) | (108,536) |
| | | **888,606,726** | **870,432,165** |
| Opening stock of finished goods | (Note - 12) | 153,557,331 | 56,138,121 |
| | | **1,042,164,057** | **926,570,286** |
| Closing stock of finished goods | (Note - 12) | (213,056,156) | (153,557,331) |
| | | **829,107,901** | **773,012,955** |

**28.01 Purchase**

| | | |
|---|---|---|
| Raw materials | 637,333,904 | 557,257,039 |
| Packing materials | 170,288,473 | 168,630,711 |
| Foreign currency exchange loss/(gain) | 1,360,771 | 597,530 |
| | **808,983,148** | **726,485,280** |

AMARSTOCK

| | | Amount in BDT | |
|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 |
| **28.02 Manufacturing expenses** | | | |
| Salary and allowance | | 54,928,971 | 45,604,282 |
| Factory maintenance | | 4,364,358 | 4,121,181 |
| Traveling, conveyance, tour | | 972,928 | 937,546 |
| Utilities and generator fuel | | 24,166,461 | 26,021,597 |
| Office communication | | 552,650 | 354,541 |
| Carriage inward | | 148,262 | 634,355 |
| Insurance premium | | 3,255,858 | 2,960,658 |
| Entertainment | | 317,212 | 592,568 |
| Office stationery | | 410,748 | 865,008 |
| Cleaning & security services | | 962,755 | 608,340 |
| Vehicle fuel | | 47,383 | 49,537 |
| Miscellaneous expenses | | 321,321 | 70,202 |
| Depreciation of lease assets | | 837,277 | - |
| Depreciation of fixed assets | (Note - 5.1) | 57,796,484 | 37,310,725 |
| | | **149,082,669** | **120,130,540** |
| **28A. Cost of goods sold** | | | |
| Raw and packing materials | | | |
| Opening stock | (Note- 12A) | 61,782,644 | 48,274,868 |
| Purchase | (Note - 28A.01) | 325,663,039 | 297,745,657 |
| | | **387,445,683** | **346,020,525** |
| Closing stock | (Note- 12A) | (95,167,369) | (61,782,644) |
| | | **292,278,314** | **284,237,881** |
| Manufacturing expenses | (Note - 28A.02) | 58,337,396 | 58,571,485 |
| Cost of goods manufactured | | **350,615,710** | **342,809,366** |
| Opening stock of finished goods | (Note- 12A) | 57,533,514 | 35,008,868 |
| | | **408,149,224** | **377,818,234** |
| Closing stock of finished goods | (Note- 12A) | (87,028,628) | (57,533,514) |
| | | **321,120,596** | **320,284,720** |

| | Frozen Unit | Dairy Unit |
|---|---|---|
| Opening stock | 61,782,644 | - |
| Purchase | 196,008,285 | 129,654,754 |
| | **257,790,929** | **129,654,754** |
| Closing stock | (95,167,369) | - |
| | **162,623,560** | **129,654,754** |
| Manufacturing expenses | 54,692,978 | 3,644,418 |
| Cost of goods manufactured | **217,316,538** | **133,299,172** |
| Opening stock of finished goods | 57,533,514 | - |
| | **274,850,052** | **133,299,172** |
| Closing stock of finished goods | (87,028,628) | - |
| | **187,821,424** | **133,299,172** |

**28A.01 Purchase**

| | | |
|---|---|---|
| Raw materials | 288,870,683 | 261,442,696 |
| Packing materials | 36,792,356 | 36,302,961 |
| | **325,663,039** | **297,745,657** |

| | Frozen Unit | Dairy Unit |
|---|---|---|
| Raw materials | 160,643,238 | 128,227,445 |
| Packing materials | 35,365,047 | 1,427,309 |
| | **196,008,285** | **129,654,754** |

AMAR STOCK

| | | Amount in BDT | |
|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 |

**28A.02 Manufacturing expenses**

| | | | |
|---|---|---|---|
| Salary and allowance | | 27,077,345 | 26,382,924 |
| Factory maintenance | | 2,244,641 | 2,280,780 |
| Traveling, conveyance, tour | | 237,056 | 272,828 |
| Utilities and generator fuel | | 9,971,343 | 12,397,865 |
| Office communication | | 141,998 | 150,057 |
| Insurance premium | | 1,624,677 | 1,427,013 |
| Entertainment | | 150,064 | 380,453 |
| Office stationery | | 201,071 | 295,553 |
| Cleaning & security services | | 472,065 | 389,736 |
| Vehicle fuel | | 46,213 | 25,481 |
| Miscellaneous expenses | | 69,068 | 53,109 |
| Depreciation of fixed assets | (Note - 5A.1) | 16,101,854 | 14,515,686 |
| | | **58,337,396** | **58,571,485** |

| | Frozen Unit | Dairy Unit |
|---|---|---|
| Salary and allowance | 25,506,905 | 1,570,440 |
| Factory maintenance | 2,083,023 | 161,618 |
| Traveling, conveyance, tour | 194,296 | 42,760 |
| Utilities and generator fuel | 9,723,815 | 247,528 |
| Office communication | 137,148 | 4,850 |
| Insurance premium | 1,216,716 | 407,961 |
| Entertainment | 145,509 | 4,555 |
| Office stationery | 196,084 | 4,987 |
| Cleaning & security services | 393,449 | 78,616 |
| Vehicle fuel | 11,310 | 34,903 |
| Miscellaneous expenses | 63,858 | 5,210 |
| Depreciation of fixed assets | 15,020,865 | 1,080,989 |
| | **54,692,978** | **3,644,418** |

**29. Administrative expenses**

| | | | |
|---|---|---|---|
| Director remuneration | | 9,700,000 | 9,750,000 |
| Salary and allowance | | 27,276,278 | 27,804,575 |
| Office maintenance | | 599,481 | 622,044 |
| Traveling, conveyance, tour | | 1,133,580 | 1,552,766 |
| Utilities and generator fuel | | 1,520,978 | 1,823,405 |
| Office communication | | 1,428,046 | 1,408,729 |
| Insurance premium | | 1,287,801 | 1,101,814 |
| Entertainment | | 585,676 | 798,715 |
| Fees, taxes & renewal | | 3,169,273 | 3,243,048 |
| Professional & legal fees | | 956,402 | 1,543,270 |
| Audit fees | | 632,500 | 775,000 |
| Advertisement & publicity | | 80,258 | 50,930 |
| Office stationery | | 991,337 | 1,062,696 |
| Training & conference | | 30,350 | 23,615 |
| AGM expenses | | 555,920 | 459,750 |
| Bank charges | | 524,936 | 521,388 |
| Vehicle fuel | | 347,746 | 421,990 |
| Miscellaneous expenses | | 353,439 | 195,684 |
| Depreciation of fixed assets | (Note - 5.1) | 3,944,540 | 8,105,428 |
| Depreciation of lease assets | (Note - 6.1) | 1,626,948 | 1,109,851 |
| Intangible Assets Amortizations | (Note - 7.1) | 4,175,491 | 37,838 |
| | | **60,920,980** | **62,412,536** |

(a) Auditors' fees represents audit fee for auditing the accounts for the period ended 30 June 2017. Auditors were not paid any other fees.

(b) The Company did not pay any remuneration to any Director who was not an officer of the Company.

(c) No board meeting attendance fee was paid to the directors of the Company.



F. AHMED & CO.

| | | Amount in BDT | |
|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 |
| **29A. Administrative expenses** | | | |
| Director remuneration | | 9,700,000 | 9,750,000 |
| Salary and allowance | | 19,162,940 | 18,996,285 |
| Office maintenance | | 490,771 | 593,084 |
| Traveling, conveyance, tour | | 474,876 | 631,255 |
| Utilities and generator fuel | | 1,498,300 | 1,823,405 |
| Office communication | | 913,530 | 1,117,827 |
| Insurance premium | | 609,830 | 358,737 |
| Entertainment | | 313,604 | 512,565 |
| Fees, taxes & renewal | | 1,894,480 | 1,977,634 |
| Professional & legal fees | | 418,402 | 927,275 |
| Audit fees | | 460,000 | 602,500 |
| Office stationery | | 612,220 | 705,037 |
| AGM expenses | | 555,920 | 459,750 |
| Bank charges | | 315,654 | 198,014 |
| Vehicle fuel | | 72,200 | 168,257 |
| Miscellaneous expenses | | 286,848 | 93,963 |
| Depreciation of fixed assets | (Note - 5A.1) | 1,873,262 | 2,039,702 |
| Depreciation of lease assets | (Note - 6A.1) | 346,896 | 580,889 |
| Intangible Assets Amortization | (Note - 7A.1) | 1,524,084 | - |
| | | **41,523,817** | **41,536,179** |

| | | Frozen Unit | Dairy Unit |
|---|---|---|---|
| Director remuneration | | 9,700,000 | - |
| Salary and allowance | | 18,115,725 | 1,047,215 |
| Office maintenance | | 445,487 | 45,284 |
| Traveling, conveyance, tour | | 432,471 | 42,405 |
| Utilities and generator fuel | | 1,498,300 | - |
| Office communication | | 913,530 | - |
| Insurance premium | | 609,830 | - |
| Entertainment | | 313,604 | - |
| Fees, taxes & renewal | | 1,894,480 | - |
| Professional & legal fees | | 418,402 | - |
| Audit fees | | 460,000 | - |
| Office stationery | | 612,220 | - |
| AGM expenses | | 555,920 | - |
| Bank charges | | 315,654 | - |
| Vehicle fuel | | 72,200 | - |
| Miscellaneous expenses | | 286,848 | - |
| Depreciation of fixed assets | (Note - 5A.1) | 1,873,262 | - |
| Depreciation of lease assets | (Note - 6A.1) | 346,896 | - |
| Intangible Assets Amortization | (Note - 7A.1) | 1,524,084 | - |
| | | **40,388,913** | **1,134,904** |

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| | | Amount in BDT | |
|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 |
| **30. Selling and distribution expenses** | | | |
| Salary and allowance | | 30,019,179 | 30,445,363 |
| Office maintenance | | 1,056,972 | 985,144 |
| Traveling, conveyance, tour | | 1,467,587 | 1,628,419 |
| Utilities and generator fuel | | 6,691,969 | 5,890,365 |
| Office communication | | 2,862,691 | 2,720,616 |
| Carriage outward | | 300,152 | 12,640 |
| Insurance premium | | 1,668,755 | 1,149,358 |
| Entertainment | | 536,082 | 463,287 |
| Office rent | | 9,318,448 | 7,758,062 |
| Advertisement & publicity | | 2,498,247 | 8,331,020 |
| Office stationery | | 1,007,614 | 1,832,837 |
| Cleaning & security services | | 96,308 | 74,480 |
| Training & conference | | 175,447 | 199,079 |
| Trade promotion expenses | | 3,170,842 | 3,026,974 |
| Trade fair expenses | | 5,599,466 | 6,830,255 |
| Vehicle fuel | | 7,670,955 | 7,097,818 |
| Distribution promotion expenses | | 6,327,642 | 6,403,667 |
| Research & development expenses | | 82,579 | 51,294 |
| Miscellaneous expenses | | 75,825 | 66,786 |
| Depreciation of lease assets | (Note - 6.1) | 25,768,456 | 4,439,403 |
| Depreciation of fixed assets | (Note - 5.1) | 59,706,120 | 83,272,312 |
| | | **166,101,336** | **172,679,179** |
| **30A. Selling and distribution expenses** | | | |
| Salary and allowance | | 16,240,052 | 14,028,738 |
| Office maintenance | | 109,648 | 46,547 |
| Traveling, conveyance, tour | | 101,964 | 47,779 |
| Utilities and generator fuel | | 36,813 | 33,864 |
| Office communication | | 556,862 | 444,422 |
| Carriage outward | | 4,500 | 12,640 |
| Insurance premium | | 224,483 | 227,583 |
| Entertainment | | 19,705 | 1,225 |
| Office rent | | 83,292 | 158,692 |
| Advertisement & publicity | | 779,531 | 679,236 |
| Office stationery | | 239,056 | 449,240 |
| Training & conference | | 15,000 | 20,429 |
| Trade promotion expenses | | 1,077,994 | 974,177 |
| Trade fair expenses | | 3,250,756 | 4,130,409 |
| Vehicle fuel | | 2,888,192 | 2,684,869 |
| Distribution promotion expenses | | 3,608,489 | 3,336,084 |
| Research & development expenses | | 42,298 | 10,264 |
| Miscellaneous expenses | | 47,758 | 40,116 |
| Depreciation of lease assets | (Note - 6A.1) | 1,387,586 | 2,323,557 |
| Depreciation of fixed assets | (Note - 5A.1) | 23,675,262 | 26,303,895 |
| | | **54,389,241** | **55,953,766** |

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| | | Amount in BDT | |
|---|---|---|---|
| | | 30-Jun-17 | 30-Jun-16 |
| | | Frozen Unit | Dairy Unit |
| Salary and allowance | | 15,221,404 | 1,018,648 |
| Office maintenance | | 90,809 | 18,839 |
| Traveling, conveyance, tour | | 78,963 | 23,001 |
| Utilities and generator fuel | | 13,000 | 23,813 |
| Office communication | | 551,631 | 5,231 |
| Carriage outward | | 4,500 | - |
| Insurance premium | | 224,483 | - |
| Entertainment | | 16,000 | 3,705 |
| Office rent | | 83,292 | - |
| Advertisement & publicity | | 747,811 | 31,720 |
| Office stationery | | 237,090 | 1,966 |
| Training & conference | | 7,000 | 8,000 |
| Trade promotion expenses | | 581,554 | 496,440 |
| Trade fair expenses | | 3,250,756 | - |
| Vehicle fuel | | 2,351,752 | 536,440 |
| Distribution promotion expenses | | 3,513,017 | 95,472 |
| Research & development expenses | | 34,342 | 7,956 |
| Miscellaneous expenses | | 47,758 | - |
| Depreciation of fixed assets | (Note - 5A.1) | 23,675,262 | - |
| Depreciation of lease assets | (Note - 6A.1) | 1,387,586 | - |
| | | **52,118,010** | **2,271,231** |

**31. Other operating income**

| | | |
|---|---|---|
| Scrap sale | 13,323,735 | 10,085,402 |
| Freeze rent | 14,933,009 | 50,571,100 |
| | **28,256,744** | **60,656,502** |

**31A. Other operating income**

| | | |
|---|---|---|
| Scrap sale | 7,984,172 | - |
| Freeze rent | 14,868,109 | 14,674,032 |
| | **22,852,281** | **14,674,032** |

Scrap sale represents sale of various Scrap and Wastage including Chicken wings, skin, head and leg etc., and factory construction Scrap. Here most of Other operating Income is From sale Chicken wastage.

**32. Finance income**

| | | |
|---|---|---|
| Interest received from STD | 97,808 | 61,035 |
| Interest received from FDR | 1,137,085 | 2,798,092 |
| | **1,234,893** | **2,859,127** |

**32A. Finance income**

| | | |
|---|---|---|
| Interest received from STD | 91,508 | 61,035 |
| Interest received from FDR | 77,432 | 324,860 |
| | **168,940** | **385,895** |

**33. Finance expenses**

| | | |
|---|---|---|
| Interest on Short Term Loan | 93,992,006 | 72,629,239 |
| Interest on Agri Loan | 24,499,880 | 9,230,068 |
| Interest on Term Loan | 135,749,863 | 163,022,451 |
| Interest on Finance Lease | 5,372,708 | 2,496,052 |
| Interest on others | 2,472,933 | - |
| Interest against Workers Profit Participation Fund | 329,257 | 418,445 |
| | **262,416,647** | **247,796,255** |

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| | Amount in BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |
| **33A. Finance expenses** | | |
| Interest on Short Term Loan | 52,629,242 | 33,909,965 |
| Interest on Agri Loan | 24,499,880 | 9,230,068 |
| Interest on Term Loan | 14,202,444 | 47,176,110 |
| Interest on Finance Lease | 359,728 | 204,733 |
| Interest on others | 2,472,933 | - |
| Interest against Workers Profit Participation Fund | 317,110 | 319,424 |
| | **94,481,337** | **90,840,300** |
| **34 Income tax expenses** | | |
| Current tax expense (Note - 34.1) | 14,233,669 | 53,359,784 |
| Deferred tax | 38,659,282 | (4,086,645) |
| | **52,892,951** | **49,273,139** |
| Under provision for previous years | - | - |
| **Restated income tax expenses** | **52,892,951** | **49,273,139** |
| **34.1 Reconciliation of accounting profit to income tax expense** | | |
| Profit before tax | 238,231,971 | 225,114,336 |
| Effective tax rate | 11% | 26% |
| Tax effect on profit before tax | 57,540,493 | 59,407,317 |
| Tax effect on deductible expense for tax purposes | 41,853,337 | 4,768,973 |
| Tax effect on non deductible expense for tax purposes | (75,447,066) | (22,490,895) |
| **Income tax on current year profit** | **23,946,764** | **41,685,395** |
| Tax on Ice Cream Unit on Business income | (2,264,646) | - |
| (Over) /Under provision for previous years | (11,170,171) | 11,674,389 |
| Minimum tax be paid for Ice Cream Unit | 3,721,722 | - |
| **Income tax charge for the year** | **14,233,669** | **53,359,784** |

Tax is calculated using tax rates enacted for the year of assessment. The profit from Agro Industries are taxed at 25%.The profit from Ice Cream Industries are taxed at 35% and The profit from Dairy Industries are taxed at 15%.

| | | |
|---|---|---|
| **34.A Income tax expenses** | | |
| Current tax expenses (Note - 34A.1) | 7,764,462 | 40,372,359 |
| Deferred tax | 7,628,209 | (30,383,410) |
| | **15,392,671** | **9,988,949** |
| **34A.1 Reconciliation of accounting profit to income tax expense** | | |
| Profit before tax (Frozen Unit) | 33,982,335 | 46,926,240 |
| Effective tax rate | 25% | 25% |
| Profit before tax (Dairy Unit) | 74,837,258 | 62,367,392 |
| Effective tax rate | 14.71% | 15.00% |
| Tax effect on profit before tax (Frozen Unit) | 8,495,584 | 11,731,560 |
| Effective tax rate | 35% | 35% |
| Tax effect on others income (Frozen Unit) | 5,755,305 | 5,270,974 |
| Tax effect on profit before tax (Dairy Unit) | 11,005,589 | 9,355,109 |
| Tax effect on deductible expense for tax purposes | (16,734,439) | (8,374,494) |
| Tax effect on non deductible expense for tax purposes | 10,412,594 | 10,714,821 |
| **Tax effect on total statutory income** | **18,934,633** | **28,697,970** |
| (Over) /Under provision for previous years | (11,170,171) | 11,674,389 |
| **Income tax charge for the year** | **7,764,462** | **40,372,359** |
| **Under / (Over) tax provision in respect of previous year comprises:** | | |
| Income Year 2013-2014 | - | 11,674,389 |
| Income Year 2014-2015 | 1,540,751 | - |
| Income Year 2015-2016 | (12,710,922) | - |
| | **(11,170,171)** | **11,674,389** |
| **35 Share of profit from subsidiary** | | |
| Net profit/Loss after tax during the year (GHICL) | 75,718,743 | 74,084,372 |
| Net profit/Loss after tax during the year (GHDL) | (6,827,866) | (12,907,785) |
| Non Controlling Interest (GHICL) | (151) | (148) |
| Non Controlling Interest (GHDL) | 1,706,967 | 3,226,946 |
| | **70,597,693** | **64,403,385** |

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## 36 Segmental information:

The Groups operational segments are frozen snacks, dairy and ice cream. The operational segments results are as follows:

| Particulars | Frozen snacks and dairy Product | Dairy Farm | Ice Cream | Totals |
|---|---|---|---|---|
| Revenue from sales | 626,923,856 | 22,249,560 | 877,536,149 | 1,526,709,565 |
| Expenses | 417,033,654 | 5,054,655 | 359,134,382 | 781,222,691 |
| **Segment result** | **209,890,202** | **17,194,905** | **518,401,767** | **745,486,874** |
| **Capital expenditure** | | | | |
| Additions to property, plant and equipment | 173,354,067 | 33,648,464 | 439,528,450 | 646,530,981 |
| Additions to Leased asset | 3,824,116 | - | 20,442,696 | 24,266,812 |
| Additions to intangible asset | 34,850,355 | - | 3,720,277 | 38,570,632 |
| **Other segment information** | | | | |
| Other operating income | 22,852,281 | - | 5,404,463 | 28,256,744 |
| Finance income | 168,940 | - | 1,065,953 | 1,234,893 |
| Finance expenses | 94,481,337 | 23,151,691 | 144,783,619 | 262,416,647 |
| Provision for income tax | 15,392,671 | (517,476) | 38,017,756 | 52,892,951 |
| Share of profit from subsidiaries | 70,597,693 | - | - | 70,597,693 |
| Depreciation expenses | 41,650,377 | 679,639 | 101,428,937 | 143,758,953 |
| **Segment assets** | **3,940,953,178** | **3,064,938,620** | **2,944,256,419** | **9,950,148,217** |
| Non-current assets | 2,371,207,089 | 359,093,561 | 1,999,616,968 | 4,729,917,618 |
| Current assets | 1,569,746,089 | 3,120,277 | 944,639,451 | 2,517,505,817 |
| **Segment liabilities** | **1,741,438,292** | **1,054,347,434** | **2,208,416,653** | **5,004,202,379** |
| Non-current liabilities | 737,048,254 | 139,936,122 | 874,106,016 | 1,751,090,392 |
| Current liabilities | 1,004,390,038 | 192,256,602 | 1,334,310,637 | 2,530,957,277 |

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| | Amount/BDT | |
|---|---|---|
| | 30-Jun-17 | 30-Jun-16 |

## 37. Other information

### 37.1 Transaction in foreign currency

| | | |
|---|---|---|
| **Golden Harvest Agro Industries Ltd.** | | |
| CIF value of import: | | |
| Raw materials | 4,739,115 | 3,435,723 |
| Capital machinery | 12,247,170 | - |
| FOB value of export | - | - |
| **Golden Harvest Ice Cream Ltd.** | | |
| Raw materials | 93,623,477 | 124,364,665 |
| Capital machinery | 29,092,052 | 93,926,085 |
| FOB value of export | - | - |
| **Exchange Rate on June 30, 2017** | | |
| Euro | 92.12 | 86.64 |
| USD | 80.60 | 78.40 |
| GBP | 105.01 | 111.56 |

### 37.2 Contingent liabilities and commitments

**Contingent liabilities**

The Group confirms that there are no case filed against the Group which is not disclosed which would have been a material impact on the financial position of the Group. There was no Contingent Liabilities as on 30 June 2017.

**Capital expenditure commitment**

Capital expenditure commitment for machineries and raw material at 30 June 2017 were as under:

| | | |
|---|---|---|
| **Golden Harvest Agro Industries Ltd.** | - | 602,950 |
| **Golden Harvest Ice Cream Ltd.** | - | 343,409 |
| | - | **946,359** |

| **Term loan commitment** | **Consolidated** | **The Company** | **Ice Cream** | **Dairy** |
|---|---|---|---|---|
| At 30 June 2017 the company had annual commitment under Term Loan as set out below: | | | | |
| Term loan principal due within 1 year | 263,120,757 | 101,217,680 | 132,322,632 | 29,580,445 |
| Term loan principal due within 2 to 5 years | 1,507,224,829 | 641,143,284 | 726,145,423 | 139,936,122 |
| Term loan principal due above 5 years | | - | - | - |

| **Finance lease commitment** | **Consolidated** | **The Company** | **Ice Cream** | **Dairy** |
|---|---|---|---|---|
| At 30 June 2017 the company had annual commitment under finance lease as set out below: | | | | |
| Lease expires within 1 year | 13,863,143 | 1,233,036 | 12,630,107 | - |
| Lease expires within 2 to 5 years | 42,488,979 | 1,863,694 | 40,625,285 | - |

### 37.3 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 June 2017 are as follows:

| Name of Company | Relationship | Nature of Transaction | Opening Balance | Addition | Adjustment | Closing Balance |
|---|---|---|---|---|---|---|
| Golden Harvest Ice Cream Ltd. | Subsidiary company | Current account with sister concern | 215,892,669 | 653,919,094 | 524,331,657 | 345,480,106 |
| Golden Harvest Dairy Ltd. | Subsidiary company | Current account with sister concern | 26,805,975 | 24,309,422 | 1,613,186 | 49,502,211 |
| Golden Harvest Foods Ltd. | Common Director | Current account with sister concern | 33,505,643 | 355,226,822 | 75,291,932 | 313,440,533 |
| Golden Harvest InfoTech Ltd. | Common Director | Current account with sister concern | - | 88,642,643 | 1,439,642 | 87,203,001 |
| Golden Harvest Developers Ltd. | Common Director | Current account with sister concern | - | 108,754,111 | 70,000,000 | 38,754,111 |
| Golden Harvest QSR Ltd. | Associate company | Current account with sister concern | - | 53,320,375 | 334,198 | 52,986,177 |
| Samdani Art Foundation | Common Director | Current account with sister concern | 4,700,117 | 1,063,522 | - | 5,763,639 |
| **Total** | | | **280,904,404** | **1,285,235,989** | **673,010,615** | **893,129,778** |

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**Transaction with key management personals**

| No. | Particulars | 30-Jun-17 | 30-Jun-16 |
|---|---|---|---|
| (a) | Managerial remuneration paid or payable during the year to the directors, including managing directors. | 9,700,000 | 9,750,000 |
| (b) | Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable. | - | - |
| (c) | Other allowances and commission including guarantee commission | - | - |
| (d) | Pensions etc. | - | - |
| | (i) Pensions | - | - |
| | (ii) Gratuities | - | - |
| | (iii)Payments from a provident funds, in excess of own subscription and interest thereon | - | - |
| (e) | Share Based payments | - | - |

**37.4 Quantitative details of opening stock, purchases/ production, consumption/sales and closing stock of raw materials and finished goods:**

**Golden Harvest Agro Industries Ltd.**

| Item | Opening stock | | Purchases/ Production | Consumption / Sales | Closing Stock |
|---|---|---|---|---|---|
| | Unit | Kg | Kg | Kg | Kg |
| **Raw materials:** | Kg | | | | |
| For the period 2016-2017 | | 1,835,827 | 2,051,797 | 3,291,511 | 596,113 |
| For the period 2015-2016 | | 1,622,123 | 5,548,093 | 5,334,389 | 1,835,827 |
| **Finished goods:** | | | | | |
| Snacks | Kg | | | | |
| For the period 2016-2017 | | 676,865 | 1,435,440 | 1,700,199 | 412,107 |
| For the period 2015-2016 | | 520,741 | 3,881,142 | 3,725,018 | 676,865 |

**Golden Harvest Ice Cream Ltd.**

| Item | Opening stock | | Purchases/ Production | Consumption/ Sales | Closing Stock |
|---|---|---|---|---|---|
| | Unit | Kg | Kg | Kg | Kg |
| **Raw Materials:** | | | | | |
| For the period 2016-2017 | Kg | 190,058 | 2,368,834 | 2,276,777 | 282,115 |
| For the period 2015-2016 | | 354,185 | 1,972,899 | 2,137,026 | 190,058 |
| **Finished Goods:** | | | | | |
| For the period 2016-2017 | Kg | 482,709 | 5,117,089 | 4,531,768 | 1,068,030 |
| For the period 2015-2016 | | 233,160 | 4,505,279 | 4,255,730 | 482,709 |

**37.5 Capacity utilization**

**Golden Harvest Agro Industries Ltd.**

| Item | Capacity in KG Per Year | Utilization in KG Average Per year | % |
|---|---|---|---|
| Snacks | 750,000 | 358,532 | 47.80% |

**Golden Harvest Ice Cream Ltd.**

| Item | Capacity in KG Per Year | Utilization in KG Average Per year | % |
|---|---|---|---|
| Ice Cream | 7,500,000 | 5,117,089 | 68.23% |

**Golden Harvest Dairy Ltd.**

| Item | Capacity in KG Per Year | Utilization in KG Average Per year | % |
|---|---|---|---|
| Milk Production | 1,512,000 | 278,120 | 18.39% |

### 37.6 Un-availed credit facilities

Un-availed credit facilities to the company as on 30 June 2017 are as under:

**Golden Harvest Agro Industries Ltd.**

| Bank & Branch Name | Nature of loan | Credit limit | Outstanding | Unavailed limit |
|---|---|---|---|---|
| Mercantile Bank ltd. (Gulshan branch, Dhaka) | Term Loan Agri | 300,000,000 | 210,650,840 | 89,349,160 |
| | Hire Purchase | 90,000,000 | 26,446,922 | 63,553,078 |
| | House Building | 50,000,000 | 27,021,536 | 22,978,464 |
| | LTR | 40,000,000 | 1,010,356 | 38,989,644 |
| | | | | **214,870,346** |

**Golden Harvest Ice Cream Ltd.**

| Bank & Branch Name | Nature of loan | Credit Limit | Outstanding | Unavailed limit |
|---|---|---|---|---|
| United Commercial Bank ltd. | OD(General) | 400,000,000 | 412,745,717 | (12,745,717) |
| | Term Loan | 350,000,000 | 318,487,690 | 31,512,310 |
| | LC/UPAS | 178,000,000 | 64,815,103 | 113,184,897 |
| | LTR | 90,000,000 | - | 90,000,000 |
| | | | | **221,951,490** |

**Golden Harvest Dairy Ltd.**

| Bank & Branch Name | Nature of loan | Credit Limit | Outstanding | Unavailed limit |
|---|---|---|---|---|
| Standard Bank Ltd. (Panthopath Branch, Dhaka) | CC(Hypo) | 50,000,000 | - | 50,000,000 |
| | Term Loan | 240,000,000 | 169,516,567 | 70,483,433 |
| | | | | **120,483,433** |

### 37.7 Employee details:

i) During the year, there were 1093 employees employed in the group & 535 employees employed in the company for the full year and 32 employees in the group & 11 employees in the company less than the full year at a remuneration of

ii) At the end of the year, there were 1060 employees in the group and 524 employees in the Company.

### 37.8 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

### 37.9 Correction of an error

The Income Tax authority did not considered depreciation on Building and Other Construction Upto 30 June 2014, at the time of assessment for the income year 2013-2014 the DCT considered depreciation Tk. 42,420,347 on Building and other construction as a result Retained Earnings and deferred tax liability has been restated as per BAS 8.

The following table summarise the adjustment made to the Consolidated financial position on the correction of error:

| | Deferred tax liability The Company | Deferred tax liability Consolidated | Retained earnings |
|---|---|---|---|
| Balance at 01 July 2015, as previously reported | 91,572,365 | 132,749,694 | 334,401,831 |
| Impact of the correction of under provision for previous years (GHAIL) | 20,796,664 | 20,796,664 | (20,796,664) |
| Impact of the correction of under provision for previous years (GHIL) | - | - | - |
| **Restated balance at 01 July 2015** | **112,369,029** | **153,546,358** | **313,605,167** |
| Balance at 30 June 2016, as previously reported | 59,838,515 | 126,711,069 | 520,290,272 |
| Impact of the correction of under provision for previous years (GHAIL), at 01 July 2015 | 20,796,664 | 20,796,664 | (20,796,664) |
| Impact of the correction of under provision for previous years (GHAIL), during 2014-2015 | 7,084,252 | - | - |
| Impact of the correction of under provision for previous years (GHIL), during 2014-2015 | 7,940,903 | - | - |
| **Restated balance at 30 June 2016** | **95,660,334** | **147,507,733** | **499,493,608** |

| | 30-Jun-16, Restated | 1-Jul-15, Restated |
|---|---|---|
| **Impact on net asset value (increase/decrease) in NAV)** | | |
| Net asset value, as previously reported (after restated due to bonus share issued) | 20.65 | 18.83 |
| Net asset value, Increase / (Decrease), at 01 July 2015 | (0.21) | (0.21) |
| Net asset value, Increase / (Decrease), during 2015-2016 | (0.15) | - |
| **Net impact on Net asset value** | **20.29** | **18.62** |

**37.10 Event after reporting period**

The Board of Director of the Company in their 120 th board meeting held on 02 November 2017 proposed dividend @ 10% stock for the year ended 30 June 2017 for approval by the shareholders in the upcoming 13th AGM of the company.

Except the fact stated above, there is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

**Director** **Director** **Managing Director**

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# Golden Harvest Agro Industries Limited

## Consolidated Statement of Cash at Bank

### As at June 30, 2017

Annex-A

| Sl. No. | Name of Bank | Account Name | 30-Jun-17 | 30-Jun-16 |
|---|---|---|---|---|
| **Agro Industries Ltd.** | | | | |
| 1 | First Security Islami Bank Ltd. | Current Account | 32,048.00 | 34,728 |
| 2 | United Commercial Bank Ltd. | Current Account | 29,777.00 | 31,077 |
| 3 | Marcantial Bank Ltd. | Current Account | - | 37,480 |
| 4 | Bank Asia Ltd. | Current Account | 563,909.00 | 812,731 |
| 5 | Dutch Bangla Bank Ltd. | Current Account | 302,245.00 | 40,810 |
| 6 | The City Bank | Current Account | 266,834.00 | 3,527 |
| 7 | The City Bank | Current Account | 5,281,588.00 | 5,306,623 |
| 8 | The City Bank | Current Account | - | - |
| 9 | United Commercial Bank Ltd. | Current Account | 2,385.00 | 3,535 |
| 10 | Meghna Bank | Current Account | 23,625.00 | 1,413 |
| 11 | Mutual Trust Bank Ltd. | Current Account | 2,622,731 | 1,555,204 |
| 12 | First Security Islami Bank Ltd. | Short Term Deposit | 581,292 | 566,045 |
| 13 | United Commercial Bank Ltd. | Short Term Deposit | 2,537,312 | 2,437,307 |
| 14 | Habib Bank Ltd. | Current Account | 2,700 | 4,540 |
| 15 | Mutual Trust Bank Ltd. | Scrow | 15 | - |
| | | **Sub-Total** | **12,246,461** | **10,835,020** |
| 1 | Social Islami Bank Ltd. | FDR | 968,241.00 | 908,025 |
| | | **Sub-Total** | **968,241** | **908,025** |
| | | **Total** | **13,214,702** | **11,743,045** |

F. AHMED & CO.

**Golden Harvest Ice Cream Ltd.**

| Sl. No. | Name of Bank | Account Name | 30-Jun-17 | 30-Jun-16 |
|---|---|---|---|---|
| 1 | First Security Islami Bank Ltd. | Current Account | 2,331 | 4,861 |
| 2 | United Commercial Bank Ltd. | Current Account | 11,614 | 12,764 |
| 3 | Marcantial Bank Ltd. | Current Account | | - |
| 4 | Bank Asia Ltd. | Current Account | 81,048 | 81,773 |
| 5 | Islami Bank Bangladesh Ltd. | Current Account | 12,028,711 | 4,654,554 |
| 6 | City Bank | Current Account | 5,000 | 5,000 |
| 7 | United Commercial Bank Ltd. | Current Account | 89,553 | 224,527 |
| 8 | Marcantial Bank Ltd. | Current Account | 17,006,063 | 3,023,083 |
| 9 | NRB Commercial Bank | Current Account | - | 110 |
| 10 | United Commercial Bank Ltd. | Current Account | 108,922 | 174,675 |
| 11 | Prime Bank Ltd. | Current Account | | 187 |
| 12 | Habib Bank Ltd. | Current Account | 2,700 | 3,850 |
| 13 | Prime Bank Ltd. | Current Account | 160 | - |
| 14 | Dutch Bangla Bank Ltd. | Current Account | 1,531,981 | - |
| 15 | Sonali Bank Ltd. | Current Account | 6,210,885 | - |
| 16 | Mutual Trust Bank Ltd. | Current Account | 10,377 | - |
| 17 | Mutual Trust Bank Ltd. | Current Account | 51,038 | - |
| 18 | Mutual Trust Bank Ltd. | Current Account | 13,975 | - |
| 19 | Mutual Trust Bank Ltd. | Current Account | 1,325 | - |
| 20 | Mutual Trust Bank Ltd. | Current Account | 425 | - |
| 21 | United Commercial Bank Ltd. | Current Account | 448 | - |
| 22 | United Commercial Bank Ltd. | Current Account | 9,456 | - |
| 23 | United Commercial Bank Ltd. | Current Account | 550 | - |
| 24 | United Commercial Bank Ltd. | Current Account | 219 | - |
| | | **Sub-Total** | **37,166,780** | **8,185,384** |
| | | | | |
| 1 | UCB | FDR | 18,755,517 | 11,590,000 |
| 2 | SBL | FDR | 1,570,704 | - |
| | | **Sub-Total** | **20,326,221** | **11,590,000** |
| | | **Total** | **57,493,001** | **19,775,384** |

**Golden Harvest Dairy Ltd.**

| Sl. No. | Name of Bank | Account Name | 30-Jun-17 | 30-Jun-16 |
|---|---|---|---|---|
| 1 | Social Islami Bank Ltd. | Current Account | 606,595.00 | 212,630 |
| 2 | Mutual Trust Bank Ltd. | Current Account | 613,822.00 | 1,768,067 |
| 3 | Brac Bank Ltd. | Current Account | 1,515.00 | - |
| | | **Total** | **1,221,932** | **1,980,697** |