

# Jubilant Golden Harvest Limited

## Auditor's Report & Financial Statements as at and for the period ended 31 March 2020



### **S. F. AHMED & CO.**

Chartered Accountants ...since 1958  
Member Firm of HLB International

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**Independent Auditor's Report  
To  
Shareholders of Jubilant Golden Harvest Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Jubilant Golden Harvest Limited (the Company), which comprise the statement of financial position as at 31 March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 so far as it appeared from our examination of those books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the third quarter of the current financial year which were subject to limited review by us.



Dated: Dhaka;  
12 May 2020

*S. F. Ahmed & Co.*

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

# Jubilant Golden Harvest Limited

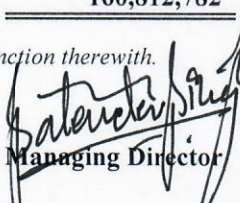
## Statement of Financial Position

As at 31 March 2020

	Notes	Amount in BDT	
		31 March 2020	31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	88,427,143	48,701,883
Capital work-in-progress	7	11,533,205	747,106
Right to use asset	8	106,966,466	-
Intangible assets	6	50,822,449	65,475,584
Other assets	9	360,583	-
Security deposits	10	3,942,554	96,000
Deferred tax assets		279,306	-
<b>Total non-current assets</b>		<b>262,331,705</b>	<b>115,020,573</b>
<b>Current assets</b>			
Inventories	11	11,656,768	6,498,069
Advances, deposits and prepayments	12	15,820,349	7,568,424
Trade and other receivables	13	2,896,235	978,009
Investment in FDR	13	131,100,000	-
Cash and cash equivalents	15	9,613,262	30,747,707
<b>Total current assets</b>		<b>171,086,614</b>	<b>45,792,209</b>
<b>TOTAL ASSETS</b>		<b>433,418,319</b>	<b>160,812,782</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	16	328,945,840	100,000,000
Retained earnings	17	(75,242,725)	(44,913,335)
<b>Total shareholders' equity</b>		<b>253,703,115</b>	<b>55,086,665</b>
<b>Non-current liabilities</b>			
Lease obligation	18	101,751,077	-
<b>Current liabilities</b>			
Trade and other payables	19	64,375,535	100,751,077
Accruals and provisions	20	4,602,419	4,975,040
Short term Lease liabilities		8,986,173	-
<b>Total current liabilities</b>		<b>77,964,126</b>	<b>105,726,117</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>433,418,319</b>	<b>160,812,782</b>

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

  
Director

  
Managing Director

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



Dated, Dhaka;  
12 May 2020

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



**Jubilant Golden Harvest Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the period ended 31 March 2020**

	Notes	Amount in BDT	
		1 April 2019 to 31 March 2020	1 July 2018 to 31 March 2019
Revenue	21	204,982,000	23,533,970
Cost of goods sold	22	77,798,305	12,364,950
<b>Gross profit</b>		<b>127,183,695</b>	<b>11,169,020</b>
<b>Operating expenses</b>			
Administrative & general expenses	23	129,922,567	42,567,719
Selling and distribution expenses	24	19,160,686	13,574,477
<b>Total Administrative &amp; Selling expenses</b>		<b>149,083,253</b>	<b>56,142,196</b>
<b>Profit from operation</b>		<b>(21,899,558)</b>	<b>(44,973,176)</b>
Other income	25	4,993,318	383,742
Interest expense on leases		7,392,307	-
<b>Net profit before tax</b>		<b>(24,298,547)</b>	<b>(44,589,434)</b>
<b>Income tax expenses</b>			
Current tax expenses		5,265,403	143,506
Deferred tax expense/(income)		5,544,709	143,506
		(279,306)	-
<b>Net profit after tax</b>		<b>(29,563,950)</b>	<b>(44,732,940)</b>
Earning per share for the year (BDT)	26	(1.41)	(11.16)

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

  
Director

  
Managing Director

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



Dated, Dhaka;  
12 May 2020

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

**Jubilant Golden Harvest Limited**  
**Statement of Changes in Equity**  
**For the period ended 31 March 2020**

Particulars	<i>Amount in BDT</i>		
	Share capital	Retained earnings	Total
Balance as on 31.03.2019	100,000,000	(44,913,335)	55,086,665
Issuance of ordinary shares	228,945,840	-	228,945,840
Adjustment on leases		(765,440)	
Net profit/(loss) after tax	-	(29,563,950)	(29,563,950)
<b>Balance as on 31.03.2020</b>	<b>328,945,840</b>	<b>(75,242,725)</b>	<b>254,468,555</b>

Particulars	<i>Amount in BDT</i>		
	Share capital	Retained earnings	Total
Balance as on 01.07.2018	500,000	(180,395)	319,605
Issuance of ordinary shares	99,500,000	-	99,500,000
Net profit/(loss) after tax	-	(44,732,940)	(44,732,940)
<b>Balance as on 31.03.2019</b>	<b>100,000,000</b>	<b>(44,913,335)</b>	<b>55,086,665</b>

  
Director

  
Managing Director





# Jubilant Golden Harvest Limited

## Statement of Cash Flows

For the period ended 31 March 2020

	Amount in BDT	
	1 April 2019 to 31 March 2020	1 July 2018 to 31 March 2019
<b>Cash flows from operating activities</b>		
Collections from customers	205,370,773	22,939,703
Payments to supplier, employees & others	(230,046,552)	(49,134,197)
Security deposits	(3,846,554)	-
Tax paid	(6,049,838)	-
Interest paid on leases	(7,392,307)	-
<b>Net cash generated from operating activities</b>	<b>(41,964,478)</b>	<b>(26,194,495)</b>
<b>Cash flows from investing activities</b>		
Capital work in progress	(10,786,099)	(747,106)
Acquisitions of intangibles assets	(4,127,865)	(4,169,567)
Investment in FDR	(131,100,000)	-
Interest received	2,686,319	-
Advance against capital goods	(360,583)	-
Acquisitions of PPE	(52,748,567)	(22,963,414)
<b>Net Cash used in investing activities</b>	<b>(196,436,795)</b>	<b>(27,880,087)</b>
<b>Cash flows from financing activities</b>		
Payment principal of leases	(10,689,626)	-
Received /(payment) from Intercompany current accounts	(989,387)	(14,791,374)
Issue of ordinary shares	228,945,840	99,500,000
<b>Net cash (used in) / provided by financing activities</b>	<b>217,266,827</b>	<b>84,708,626</b>
Net changes in cash and cash equivalents	(21,134,445)	30,634,044
Cash and cash equivalents at the beginning of the year	30,747,707	113,663
<b>Cash and cash equivalents at the end of the year</b>	<b>9,613,262</b>	<b>30,747,707</b>
<b>Number of share used to calculate NOCFPS</b>	<b>32,894,584</b>	<b>10,000,000</b>
<b>Operating cash flow per share</b>	<b>(1.28)</b>	<b>(2.62)</b>

  
Director

  
Managing Director





**Jubilant Golden Harvest Limited**  
**Notes to the financial statements**  
**For the period ended 31 March 2020**

**1. Reporting entity**

Jubilant Golden Harvest Limited was incorporated under the Companies Act (Act XVIII) of 1994 and that the Company as a Private Limited Company vide Reg. no. C-142100/2017 Dated: December 21, 2017.

To set up and operate food service businesses including chain of cafes, restaurants, kiosks, food counters, caterers and eating house to make, serve, trade and create industry in different cities to provide ready foods to customers of different varieties, to operate food delivery business through various mediums of delivery and through digital applications and to act as manufactures, distributors and dealers of ready-to-serve food and to grant sub-franchise. To manufacture, process, buy, sell, export, import or otherwise deal in all kinds of food items including but not limited to quality Italian, Western, Indian, Arabian, Local and fusion savoury and sweet food, meals, fast-food and desert, soft drinks, caffeinated drinks, mineral water and other non-alcoholic beverages and all kinds of allied products and to establish, obtain and maintain and land, building, factories, stores, shops, plant, machinery and equipment for processing, canning, packaging of food.

**2 Basis of Accounting**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and as per the requirements of the Companies Act 1994.

The title and format of financial statements follow the requirements of IFRS which are to some extent different from the requirement of Companies Act 1994; however, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

**2.2 Date of authorisation**

The financial statements were authorized for issue by the Board of Directors on 12 May 2020.

**2.3 Reporting period**

These financial statements have been prepared for the period from 01 April 2019 to 31 March 2020. The comparative information of Jubilant Golden Harvest Limited has changed its reporting period and presented financial statements for a period shorter than one year (9 months) to match with the parent's reporting period and accordingly the amounts presented in the financial statements are not entirely comparable.

**2.4 Functional and presentation currency**

These financial statements are presented in Bangladesh Taka (Taka/Tk) which is both functional currency and presentation currency of the Company. The amounts in these financial statements have been rounded off to the nearest Taka.

**2.5 Use of estimates and judgments**

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

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.





### 3 Basis of measurement

The financial statements have been prepared on historical cost basis except inventories which is measured at lower of cost and net realisable value on each reporting date.

### 4 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

- A Revenue
- B Inventories
- C Property, plant and equipment
- D Capital work in progress
- E Financial instruments
- F Impairment
- G Advance, deposits and prepayments
- H Share capital
- I Income tax
- J Statement of cash flows
- K Foreign currency
- L Provisions
- M Contingencies
- N Leases
- O Going concern
- P Events after reporting period

#### A Revenue

Revenue arising from the sale of goods should be recognised when all of the following criteria have been satisfied:

- a) the significant risks and rewards of ownership transferred to the buyer.
- b) Buhler retains no control and managerial involvement over the goods sold.
- c) the amount of revenue can be measured reliably.
- d) it is probable that the economic benefits associated with the transaction will flow to the seller, and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services:

For revenue arising from the rendering of services, provided that all of the following criteria are met:

- a) the amount of revenue can be measurable reliable through agreement or correspondence.
- b) it is probable that the economic benefits will flow to the seller;
- c) service performance confirmation by service receiver.
- d) the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

#### B Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### C Property, plant and equipment

##### Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation. Cost include the expenditure directly attributable to acquisition of assets. Property plant and equipment are catagorized separately and they have separate useful life as per their catagory.





### **Depreciation on property, plant and equipment**

Depreciation on property, plant and equipment is charged based on straight line method. Depreciation is charged from the month of acquisition if it is in usable condition. No depreciation is charged in the month of disposal.

### **D Capital work in progress**

Property, plant and equipment that is in the process of construction/acquisition/import is accounted for as capital work in progress until construction/acquisition/import is completed and measured at cost.

### **E Financial instruments**

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and at amortised cost.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

#### **(i) Non-derivative financial assets and financial liabilities – recognition and derecognition**

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **(ii) Non-derivative financial assets – measurement**

##### **Financial assets at fair value through profit or loss**

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

##### **Financial assets at amortised cost**

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

##### **Financial assets through other comprehensive income**

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in other comprehensive income (OCI) and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.





### **(iii) Non-derivative financial liabilities – measurement**

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

## **F Impairment**

### **(a) Financial assets**

The company considers evidence of impairment for financial assets at both a specific asset and collective asset level at each reporting date. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor will enter bankruptcy, etc. accordingly, 100% provision is made over the amount outstanding.

### **(b) Non-financial assets**

The carrying amounts of the company's non-financial assets (tangible and intangible) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **G Advance, deposits and prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment etc.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to statement of profit or loss and other comprehensive income.

## **H Share capital**

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

## **I Income tax**

Income tax expenses comprises current and deferred tax. It is recognised in profit and loss except to the extent that relates to an item recognised directly in equity or in other comprehensive income (OCI).

### **(i) Current tax**

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the Company is currently 35% (unlisted private company) in respect of other than 82C related income as per Income Tax Ordinance 1984.





## **(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or there tax assets and liabilities will be realised simultaneously. The company is a loss making entity and it is not certain from when the company will generate profit as a result deferred tax assets and liabilities are not recognised.

## **J Statement of cash flows**

Cash flow statement has been prepared in accordance with the International Accounting Standard (BAS) 7: Cash flow statement. Cash flows from operating activities have been presented under direct method.

## **K Foreign currency**

### **(i) Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the Companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

## **L Provisions**

Provisions are recognised at the reporting date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## **M Contingencies**

Contingencies arising from claims, litigation assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

### **Contingent liability**

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

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

### **Contingent asset**

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





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

## **N Leases**

### **i. The company is the lessee**

The company identifying a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use

The right of use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate

### **ii. The company is the lessor**

The company shall classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. The company recognises finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net

## **O Going concern**

The company has adequate resources to continue its operation for the foreseeable future. For this reasons, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

## **P Events after the reporting period**

Events after the reporting date that provide additional information about the company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

There is no material events that had occurred after the reporting date to the date of issue of financial statement which could effect the figures stated in the accounts.





**Jubilant Golden Harvest Ltd.**  
**Property, plant and equipment**  
**As on 31 March 2020**

Particulars	Cost/Valuation				Depreciation			Amount in BDT Written Down Value as on 31.03.20	
	Balance as on 01-Apr-19	Addition during year	Disposal during year	Balance as on 31-Mar-20	Balance on 01-Apr-19	Charged during year	Disposal for the year		Balance on 31-Mar-20
	Furniture & Fixtures	2,039,972	4,439,446	-	6,479,418	28,408	588,889		-
Leasehold Improvement	29,433,764	16,786,490	-	46,220,254	733,935	3,979,284	-	4,713,219	41,507,035
Office Equipment	1,309,424	1,254,074	-	2,563,498	33,729	306,918	-	340,646	2,222,852
Plant & Machinery	15,440,498	21,659,141	-	37,099,639	249,109	2,891,782	-	3,140,890	33,958,749
Vehicles	1,544,850	4,326,550	-	5,871,400	21,444	973,569	-	995,014	4,876,386
<b>Total as on 31.03.20</b>	<b>49,768,508</b>	<b>48,465,701</b>	-	<b>98,234,209</b>	<b>1,066,624</b>	<b>8,740,442</b>	-	<b>9,807,066</b>	<b>88,427,143</b>
<b>Total as on 31.03.19</b>	-	<b>49,768,508</b>	-	<b>49,768,508</b>	-	<b>1,066,624</b>	-	<b>1,066,624</b>	<b>48,701,883</b>

Particulars	Cost/Valuation				Amortization			Amount in BDT Written Down Value as on 31.03.20	
	Balance on 01-Apr-19	Addition during year	Disposal during year	Balance as on 31-Mar-20	Balance on 01-Apr-19	Charged during year	Disposal for the year		Balance on 31-Mar-20
	Software	8,662,555	1,396,865	-	10,059,420	460,459	1,874,000		-
Store opening fee and territory fees*	58,126,980	2,731,000	7,605,000	53,252,980	853,492	9,302,000	-	10,155,492	43,097,488
<b>Total as on 31.03.20</b>	<b>66,789,535</b>	<b>4,127,865</b>	<b>7,605,000</b>	<b>63,312,400</b>	<b>1,313,951</b>	<b>11,176,000</b>	-	<b>12,489,951</b>	<b>50,822,449</b>
<b>Total as on 31.03.19</b>	-	<b>66,789,535</b>	-	<b>66,789,535</b>	-	<b>1,313,951</b>	-	<b>1,313,951</b>	<b>65,475,584</b>

\* Store opening fee is paid to Domino's Pizza International Franchising Inc. and amortised over 05 years in line with the group policy.



		Amount in BDT	
		31-Mar-20	31-Mar-19
<b>7</b>	<b>Capital work-in-progress</b>		
	Plant & Machinery	11,533,205	747,106
		<b>11,533,205</b>	<b>747,106</b>
<b>8</b>	<b>Right to use asset</b>		
	Opening balance	-	-
	Addition during the year	124,742,496	-
	Amortization during the year	(17,776,030)	-
		<b>106,966,466</b>	<b>-</b>
<b>9</b>	<b>Other assets</b>		
	Advance against capital goods	360,583	-
		<b>360,583</b>	<b>-</b>
<b>10</b>	<b>Security deposits</b>		
	Security deposits	3,942,554	96,000
		<b>3,942,554</b>	<b>96,000</b>
<b>11</b>	<b>Inventories</b>		
	Closing food stock	6,997,690	4,598,002
	Closing traded items stock	323,851	201,393
	Closing non food stock	4,335,227	1,698,673
		<b>11,656,768</b>	<b>6,498,069</b>
<b>12</b>	<b>Advances, deposits and prepayments</b>		
	Advance to employee	333,513	118,910
	Advance against rent	5,967,148	3,185,370
	Advance against LC	-	4,169,569
	Prepaid insurance	1,514,691	56,201
	Advance tax	399,997	38,374
	VAT current account	7,605,000	-
	Others	-	-
		<b>15,820,349</b>	<b>7,568,424</b>
<b>13</b>	<b>Trade and other receivables</b>		
	Credit sales receivables	589,236	978,009
	Interest receivable on FDR	2,306,999	-
		<b>2,896,235</b>	<b>978,009</b>
<b>14</b>	<b>Investment in FDR</b>		
	FD-Standard Bank Limited	41,100,000	-
	FD-Mercantile Bank Limited	60,000,000	-
	FD-Al Arafah Islami Bank Limited	30,000,000	-
		<b>131,100,000</b>	<b>-</b>





Amount in BDT	
31-Mar-20	31-Mar-19

**15 Cash and cash equivalents**

Cash in hand	710,141	442,365
Balances with banks in:		
Standard Bank Limited	3,828,059	3,290,190
Mercantile Bank Limited	1,227,328	6,583,198
Mercantile Bank Limited a/c no 2883	5,459	20,323,490
LC Deposit as Margin SC Bank	571,872	-
Standard Chartered Bank	197,925	-
Standard Chartered Bank	3,072,477	-
LC Deposit as Margin SBL	-	108,465
	<b>9,613,262</b>	<b>30,747,707</b>

**16 Share capital**

<b>Authorized share capital</b>	400,000,000	200,000,000
<b>40,000,000 ordinary Shares of BDT 10 each</b>	<b>400,000,000</b>	<b>200,000,000</b>

**Issued, subscribed and paid up capital**

Name	Designation	% of Shares	Value of shares in BDT	
			2020	2019
Jubilant FoodWorks Limited	Parent	51%	167,762,378	51,000,000
Golden Harvest QSR Ltd.	Associate	49%	161,183,462	49,000,000
			<b>328,945,840</b>	<b>100,000,000</b>

**17 Retained earnings**

Opening balance	(44,913,335)	(180,395)
Net profit after tax	(29,563,950)	(44,732,940)
Adjustment	(765,440)	-
Closing balance	<b>(75,242,725)</b>	<b>(44,913,335)</b>

**18 Lease obligation**

Present value of rental lease payment	101,751,077	-
	<b>101,751,077</b>	<b>-</b>

**19 Trade and other payables**

Trade creditors	34,711,372	3,571,187
Capital creditor	5,735,635	10,018,501
Payable to employee	155,663	31,687
TDS Salary	-	599,865
Deductions-TDS & VDS	5,642,902	9,365,878
Other Payable	-	23,519,894
Franchisee development fees	13,657,317	49,311,000
Franchisee fee (Royalty)	3,775,200	1,412,032
Store opening fee	-	1,234,200
Inter company transaction	19.01	697,446
	<b>64,375,535</b>	<b>100,751,077</b>





Amount in BDT		
31-Mar-20	31-Mar-19	
<b>19.01 Inter company transaction</b>		
Golden Harvest QSR Ltd.	105,001	105,001
Golden Harvest Agro Industries Ltd.	22,860	22,860
Golden Harvest Ice Cream Ltd.	216,926	1,162,386
Golden Harvest Foods Ltd.	352,659	396,586
	<b>697,446</b>	<b>1,686,833</b>

**20 Accruals & provisions**

Salary & allowances	-	4,213,672
Gratuity	1,549,000	
Leave benefits	1,866,000	
Audit fees	208,000	57,500
Provision for provident fund	979,419	560,362
Provision for tax	-	143,506
	<b>4,602,419</b>	<b>4,975,040</b>

**21 Revenue**

Sales	204,982,000	23,533,970
	<b>204,982,000</b>	<b>23,533,970</b>

**22 Cost of goods sold**

Opening stock	4,799,395	-
Purchase-raw material	76,401,451	16,335,551
Purchase-beverages	3,919,000	828,794
Closing stock	(7,321,541)	(4,799,395)
	<b>77,798,305</b>	<b>12,364,950</b>

**23 Administrative & general expenses**

Salaries, allowances and bonus	36,765,532	14,187,285
Gratuity	1,549,000	-
Employer Contribution-PF	549,555	146,538
Staff Welfare Expense	7,769,427	1,110,912
Depreciation and Amortisation	35,612,000	2,380,575
Cleaning and maintenance	4,410,692	22,540
Rent Expense	4,974,919	3,802,276
Power and Fuel	4,408,746	1,023,108
Repair and Maintenance	1,433,126	82,861
Rates and Taxes	35,802	327,757
Insurance Expense	263,308	3,012
Food Testing Expenses	515,174	4,141,143
Franchisee Expenses	12,245,285	1,623,837
Travelling and conveyance	2,656,197	9,715,953
Security Expenses	2,377,149	154,613





		<b>Amount in BDT</b>	
		<b>31-Mar-20</b>	<b>31-Mar-19</b>
	House Keeping Charges	813,572	84,460
	Foreign Exchange Fluctuation	-	1,485,747
	Legal Advisory Fees	5,190,306	1,152,711
	Postage, Telephones and Telegrams	1,593,813	374,872
	Printing & Stationery	1,079,824	235,082
	Uniform Expenses	787,571	89,390
	Bad debt expense	-	2,500
	Audit fees	208,000	57,500
	Bank charges	837,436	350,146
	Miscellaneous expenses	3,846,133	12,902
		<b>129,922,567</b>	<b>42,567,719</b>
<b>24</b>	<b>Selling &amp; distribution expenses</b>		
	Freight Expense	3,171,589	225,000
	Consumable Items	-	677,173
	Advertisement & Publicity Expenses	10,498,561	12,040,036
	Packing Material	5,490,536	632,268
		<b>19,160,686</b>	<b>13,574,477</b>
<b>25</b>	<b>Other operating income</b>		
	Interest income	4,993,318	383,742
		<b>4,993,318</b>	<b>383,742</b>
<b>26</b>	<b>Earning per share (EPS)</b>		
	Net profit during the year	(29,563,950)	(44,732,940)
	Weighted average number of share outstanding (note-23.1)	20,914,130	4,008,212
	Earning per share (EPS)	<b>(1.41)</b>	<b>(11.16)</b>
<b>26.01</b>	<b>Weighted average number of share</b>		
	Number of share outstanding for the year	10,000,000	50,000
	Number of share outstanding 22,894,584 for 174 days	10,914,130	3,958,212
		<b>20,914,130</b>	<b>4,008,212</b>





**27 Related party transactions**

**A. Parent and ultimate controlling party**

Jubilant FoodWorks Limited, holds 51% shares in the Company. As a result, the ultimate controlling party of the Company is Jubilant FoodWorks Limited

**B. Transactions with key management personnel**

**Loans to directors**

During the period, no loan was given to the directors of the Company.

**C. Other related party transactions**

During the period, the company carried out a number of transactions with related parties. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS 24: Related party disclosure.

Name of Company	Nature of relationship	Nature of transactions	Balance outstanding as at	Transaction values for	Balance outstanding as at
			1 April 2019 (TK)	the year/period ended 31 March 2020 (TK)	31 March 2020 (TK)
Golden Harvest QSR Ltd.	Associate	Inter company advance	105,001	-	105,001
Golden Harvest Agro Industries Ltd.	Sister Concern	Inter company advance	22,860	-	22,860
Golden Harvest Ice Cream Ltd.	Sister Concern	Inter company advance	1,162,386	945,460	216,926
Golden Harvest Foods Ltd.	Sister Concern	Inter company advance	396,586	43,927	352,659





**28 Guarantees and commitments**

As at 31 March 2020, the Company had no commitments.

**29 Contingent liabilities and commitments**

**29.1 Contingent liabilities**

There is no contingent liability as at 31 March 2020 for the Company.

**29.2 Capital commitments**

There is no capital commitment as at 31 March 2020 for the Company.

**30 Particulars of employee**

During the period ended 31 March 2020, there were 199 employees who received salary of Tk 36,000 or above per year.

**31 Potential financial impacts by COVID - 19**

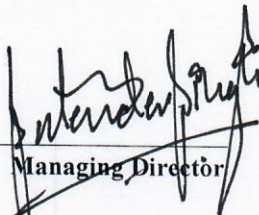
The COVID-19 related financial impacts are described below:

Category	Department	Amount in BDT.
Direct Expenses	Marketing	34,871
Direct Expenses	Other SOC	70,245
Sub-total		105,116
Indirect Expenses	Consumption (BD)	155,770
Sub-total		155,770
Total COVID Cost		260,886

**32 Events after the reporting period**

There is no material events that had occurred after the reporting date to the date of issue of financial statement which could effect the figures stated in the accounts.

  
Director

  
Managing Director

