

TAUFIKA FOODS AND LOVELLO ICE-CREAM PLC

3rd Quarter

Financial Statements 2022-23

(Un-audited)

Taufika Foods and Lovello Ice-Cream PLC

Statement of Financial Position

As at 31 March 2023

PARTICULARS	NOTES	Amount in Taka	
		31-Mar-23	30-Jun-22
ASSETS:			
A. Non-current Assets		1,224,689,694	1,267,601,299
Property, Plant & Equipments	4.00	1,016,885,226	1,041,217,250
ROU Assets	4.01	193,504,775	212,247,197
Intangible Assets	5.00	505,694	633,610
Capital Work-in-progress	6.00	-	-
Investment	7.00	13,793,999	13,503,241
B. Current Assets		1,187,411,738	1,021,372,111
Inventories	8.00	419,666,465	364,927,361
Trade & Other Receivables	9.00	409,101,458	355,518,907
Inter-company Receivables	10.00	84,382,241	2,500,000
Advance, Deposits & Prepayments	11.00	202,783,175	173,060,217
Cash and Cash Equivalents	12.00	71,478,399	125,365,626
TOTAL ASSETS (A+B)		2,412,101,432	2,288,973,410
EQUITIES & LIABILITIES:			
C. Shareholders' Equity		1,090,930,203	1,096,389,086
Share Capital	13.00	850,000,000	850,000,000
Retained Earnings	14.00	240,930,203	246,389,086
D. Non-current Liabilities		746,801,523	746,779,741
Deferred Tax Liability	15.00	67,654,431	59,436,286
Long-term Loan	16.00	449,255,568	450,856,005
Lease Liability	17.00	229,891,524	236,487,451
E. Current Liabilities		574,369,706	445,804,584
Current Portion of Long-term Loan	16.00	128,358,734	128,816,001
Current Portion of Lease Loan	17.00	84,256,214	86,673,649
Short-Term Loan	18.00	86,925,646	86,522,537
Trade & Other Payables	19.00	37,251,936	29,608,177
Liabilities for Expenses	20.00	23,402,686	21,537,447
Provision for WPPF	21.00	13,793,101	7,759,281
Provision for Income Tax	22.00	95,296,007	79,378,873
Unclaimed Dividend	23.00	105,085,383	5,508,618
Total Equity & Liabilities:		2,412,101,432	2,288,973,410
Net Asset Value Per Share	31.00	12.83	12.90

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



Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Dated: April 30, 2023

Taufika Foods and Lovello Ice-Cream PLC
Statement of Profit or Loss and other Comprehensive Income
For the period ended 31 March 2023

PARTICULARS	NOTES	Amount in Taka		Amount in Taka	
		July -March 2023	July - March 2022	Jan-Mar 2023	Jan-Mar 2022
Sales	24.00	746,460,653	741,753,140	240,950,260	338,577,043
Less: Cost of Goods Sold	25.00	432,938,805	427,820,666	140,507,452	197,773,619
Gross Profit		313,521,848	313,932,474	100,442,808	140,803,424
Operating Expenses:		106,587,975	104,744,792	40,455,996	42,950,759
Administrative Expenses	26.00	12,360,041	11,769,602	4,133,295	4,022,259
Marketing & Selling Expenses	27.00	94,227,934	92,975,189	36,322,701	38,928,500
Operating income		206,933,873	209,187,683	59,986,812	97,852,665
Financial Expenses		85,996,848	83,256,126	29,805,814	31,931,681
Finance cost	28.00	85,996,848	83,256,126	29,805,814	31,931,681
Profit before other income		120,937,025	125,931,556	30,180,999	65,920,984
Other Income	29.00	5,773,191	5,028,148	1,070,967	1,972,981
Net profit before WPPF		126,710,216	130,959,705	31,251,966	67,893,965
Provision for WPPF	21.00	6,033,820	6,236,176	1,488,189	3,233,046
Net Profit Before Tax		120,676,396	124,723,528	29,763,777	64,660,919
Income Tax Expense		24,135,279	28,456,272	(4,976,013)	14,942,185
Current Tax	22.00	15,917,134	27,314,957	(7,729,774)	14,662,466
Deferred Tax	15.00	8,218,145	1,141,314	2,753,761	279,718
Net Profit after Tax		96,541,117	96,267,257	34,739,790	49,718,735
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		96,541,117	96,267,257	34,739,790	49,718,735
Earnings per Share (Per value Tk. 10)	30.00	1.14	1.13	0.41	0.58


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



Chairman



Managing Director



Director


Chief Financial Officer


Company Secretary

Place: Dhaka


Dated: April 30, 2023

Taufika Foods and Lovello Ice-Cream PLC
Statement of Changes in Equity
For the Period ended 31 March - 2023.

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2022	850,000,000		345,502,287	1,195,502,287
Share Capital	-	-	-	-
Share Money Deposit	-	-	-	-
Net Income for the year	-	-	96,541,117	96,541,117
Dividend for the financial year 2021-22			(102,000,000)	(102,000,000)
Balance as on March 31, 2023	850,000,000	-	340,043,404	1,190,043,404

Taufika Foods and Lovello Ice-Cream PLC
Statement of Changes in Equity
For the Period ended 31 March - 2022

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on July 01, 2021	850,000,000		218,294,075	1,068,294,075
Share Capital	-	-	-	-
Share Money Deposit	-	-	-	-
Net Income for the year	-	-	96,267,257	96,267,257
Dividend for the financial year 2020-21			(93,500,000)	(93,500,000)
Balance as on March 31, 2022	850,000,000	-	221,061,332	1,071,061,332



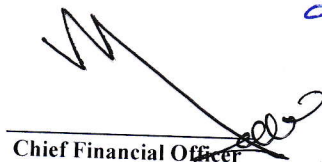
Chairman



Managing Director



Director



Chief Financial Officer



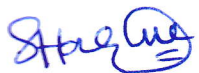
Company Secretary

Place: Dhaka

Dated: April 30, 2023

Taufika Foods and Lovello Ice-Cream PLC
Statement of Cash Flows
For the period ended 31 March 2023

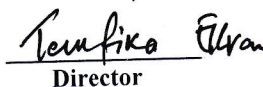
PARTICULARS	Note	Amount in Taka	
		31-Mar-23	31-Mar-22
A. Cash Flows from Operating Activities :			
Cash Received from Customers		692,878,102	724,185,060
Cash Received from other Sources		5,773,191	5,028,148
Cash Paid to Suppliers and Creditors		(476,967,093)	(432,423,819)
Cash Paid for Operating Expenses		(33,212,062)	(63,226,964)
Cash paid for Income Taxes		(7,877,856)	1,917,265
Net cash inflow/(outflow) from operating activities		180,594,282	235,479,690
B. Cash flow from Investing Activities:			
Acquisition of Property, Pland & Equipment		(53,220,470)	(144,696,995)
Increase Investment		(290,758)	(594,965)
Capital Work in Progres		-	(20,166,475)
Net cash inflow/ (outflow) in Investing Activities		(53,511,228)	(165,458,434)
C. Cash flow from Financing Activities:			
Paid up capital		-	-
Bank Loan		(1,654,595)	(408,701)
Lease Loan		(9,013,362)	19,812,140
Dividend Paid		(2,423,236)	(87,893,364)
Inter-company Receivables		(81,882,241)	-
Financial Expenses		(85,996,848)	(83,256,126)
Net cash inflow/(outflow) in financing activities		(180,970,282)	(151,746,051)
D. Increase(Decrease) in Cash and Cash Equivalent (A+B+C)		(53,887,227)	(81,724,795)
E. Opening of Cash and Cash Equivalent		125,365,626	173,150,854
F. Ending Cash and Cash Equivalent (D+E)		71,478,399	91,426,059
Net Operating Cash Flow Per Share (NOCFPS)	32.00	2.12	2.77



Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Dated: April 30, 2023

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the period ended 31 March 2023

1.00 Corporate History of the Reporting Entity

1.01 Legal Status of the Entity

Taufika Foods and Lovello Ice-Cream PLC, The Company (Former Taufika Foods and Agro Industries Limited) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-94700/11 dated August 07, 2011. Subsequently, the Company was converted into a public limited Company dated 08 July 2019 and the company has been enlisted with DSE & CSE on February 02, 2021. And the company also change its name Taufika Foods and Agro Industries Limited to Taufika Foods and Lovello Ice-Cream PLC on 20th June 2021.

The Company started its commercial operation on January 02, 2016. Its Corporate Head Office located at Plot-80, Road-02, Banani, Dhaka-1213 and Factory is located at Bashil, Kathali, Valuka, Mymensingh.

1.02 Corporate Business

The Company is an Ice-cream manufacturer and supplier in Bangladesh.

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of Compliance

The financial statements have been prepared under historical cost convention on a going concern basis following accrual basis of accounting in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), The Companies Act 1994 and Securities and Exchange Rules 1987.

2.02 Regulatory Compliances

The financial statements of the company under reporting have been prepared in accordance with Generally Accepted Accounting Principles and Practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, The Listing Regulations of Dhaka Stock Exchange Ltd (DSE) & Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) as adopted by Financial Reporting Council (FRC), International Financial Reporting Standards (IFRS) as adopted by Financial Reporting Council (FRC) and other applicable rules and regulations.

2.03 Basis of measurement

These financial statements have been prepared under the 'historical cost' convention method.

2.04 Fundamental Accounting Concepts/ Assumption

The Financial Statements have been prepared based on Going Concern, Consistency and Accrual Concepts and such other convention as required by IAS-1 for Fair Presentation of Financial Statements.

2.05 Other regulatory compliances

In addition, the Company is also required to comply with the following major legal provisions:

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Value Added Tax (Amendment) Act, 2012

The Value Added Tax (Amendment) Rules, 2012

The Customs Act 1969

The Company Act 1994

The Bangladesh Labour Act 2006, and

Bangladesh Labour (Amendment) Act 2013

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the period ended 31 March 2023

2.06 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1 'Presentation of Financial Statements'. The Financial Statement comprises

- a) a statement of financial position;
- b) a statement of profit or loss and other comprehensive income;
- c) a statement of changes in equity;
- d) a statement of cash flows; and
- e) notes, comprising a summary of significant accounting policies and explanatory information.

2.07 Preparation and Presentation of Financial Statements of the Company

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

2.08 Going Concern

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

2.09 Reporting Period

The period of the financial statements covers period from July 01, 2022 to March 31, 2023.

2.10 Provisions

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. reliable estimates can be made of the amount of the obligation.

2.11 Events after the Reporting Period

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period there are adjusting events.

2.12 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicated negative balance.

2.13 Comparative Information and Rearrangement Thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the period ended 31 March 2023

2.14 Principal Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect in preparation and presentation of financial statements within the framework of IAS-1 "Presentation of Financial Statements", have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant & Equipment
IAS 19	Employees Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 37	Provisions, Contingent Liabilities and Contingent Assets,
IAS 38	Intangible Assets
IFRS 01	First-time Adoption of International Financial Reporting Standards
IFRS 07	Financial Instruments: Disclosures
IFRS 09	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

3.00 Summary of Significant Accounting Policies

For a proper understanding of the financial statements , these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

3.01 Property, Plant & Equipment (PPE)

i) Recognition of Property, Plant & Equipment

These are capitalized at cost of acquisition and revalued amount and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the PPE, the expenditure is capitalized as an additional cost of the PPE. On retirement or otherwise disposal of PPE, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of PPE and the net sales proceeds.

Taufika Foods and Lovello Ice-Cream PLC
 Explanatory Notes to the Financial Statements
 As at and for the period ended 31 March 2023

ii) Depreciation

Depreciation on all PPE other than Land & Land development has been charged when the PPE was available for use and is computed using the Reducing balance method so as to write off the assets over their expected useful life. Office space is depreciated as per lease contract.

After considering the useful life of PPE as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Particulars	31 March 2023	30 June 2022
Land & Land Development	0%	0%
Building & Civil Works	5%	5%
Plant and Machinery	10%	10%
Furniture and Fixtures	10%	10%
Freezer	10%	10%
Office Equipment	10%	10%
Motor Vehicles	20%	20%
Office Space	20%	20%
Computer Software	50%	50%

3.02 Capital Work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of the period 31 March 2023 and these are stated at cost.

3.03 Impairment of assets

All Fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reasons, no provision has been made for impairment of assets.

3.04 Revenue Recognition

As per IFRS-15 "Revenue from Contracts with Customers", Revenue is too recognized when it is probable that the economic benefits associated with the transaction will flow to the organization and the amount of revenue can be measured reliably. The Company recognizes revenue at the point of raising invoices to the customers/clients. Turnover is shown net of return and discount. Sales revenue is recognized on accrual basis as and when goods are delivered.

Other Income

All other income is recognized when the Company's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.05 Long Term Loan

Long Term loans are non-current liabilities arising from loans taken from different banks which are not repayable within one year.

3.06 Short term loan and bank overdraft

Short term loans are current liabilities arising from loans taken from different banks which are repayable within one year. Bank overdrafts are repayable on demand which were taken to meet up the working capital requirement.

3.07 Liability for expenses

Liabilities are recognized for amounts to be paid in future for goods and services, whether or not billed by the suppliers.

Taufika Foods and Lovello Ice-Cream PLC
 Explanatory Notes to the Financial Statements
 As at and for the period ended 31 March 2023

3.08 Advances, deposits and pre-payments

Advances, Deposits & Pre-payments are unsecured but considered good.

i) Advances

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or changes to other accounts heads.

ii) Deposits

Deposits are measured at payment value.

iii) Prepayments

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charge to profit and loss accounts.

3.09 Inventories

Inventories comprise Raw Materials, Packaging Material, Finished Goods and Work in process. They are stated at the lower of cost or net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost method. Net realizable value of Work in Process is determined after deducting the estimated cost of completion and estimated cost necessary to make the sale from estimated selling price.

3.10 Basis of valuation of inventories

<u>Category</u>	<u>Basis of Valuation</u>
Finished products and work-in-process	At the lower of cost and net realizable value. The cost includes allocation of production overheads that relate to bringing the inventories to their present condition and location.
Raw and packaging materials	At the lower of cost and net realizable value.
Goods in transit	At cost including related charges.

3.11 Finance Costs:

Finance costs comprise interest expense on bank loan and other borrowings and are recognized in the income statement using effective interest method.

3.12 Finance Income:

Finance income comprise of interest income receivable from FDR from Trust Bank Ltd. and Shimanto Bank Ltd. And also interest received from bank current accounts.

3.13 Employees' benefit schemes

i) Defined contribution fund (Provident fund)

The Company maintains an equal contributory recognized provident fund @10% for its eligible permanent employees. The provident fund is being considered as defined contribution plan being managed by a separate Board of Trustees.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the period ended 31 March 2023

ii) Workers' profit participation and welfare fund

The Company recognizes a provision for workers' profit participation and welfare fund (WPPF) @ 5% of income before tax and it has been managing, disbursing and investing as per provisions of the Bangladesh Labour (Amendment) Act, 2013. The Company is making the payment within nine months at the end of the relevant financial year. 80% of the Fund is being paid to eligible employees, 10% to Government Workers Welfare Foundation and remaining 10% to Taufika Foods and Lovello Ice-Cream PLC Employees Welfare Fund as per provision of Bangladesh Labour (Amendment) Act, 2013.

iii) Group insurance scheme

The Company operates a group insurance scheme for its permanent employees as per provision of the Bangladesh Labor (Amendment) Act, 2013. The permanent employees include full time permanent employees and workers of the Company. Payment in this regard has been accounted for in the accompanying financial statements

3.14 Statement of Cash flows

Cash Flow Statement is prepared in accordance with IAS-7: Statement of Cash Flows under Direct Method as prescribed by Bangladesh Securities and Exchange (BSEC) rule 1987

3.15 Cash and Cash Equivalents

Cash and cash equivalents consist of bank balances, cash in hand and cash equivalents like demand draft, pay orders etc in hand that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.16 Trade receivables

Trade receivables are recognized and stated at original invoiced amounts and carried at anticipated realizable values. Bad debts are written off when it is established that they are irrecoverable. No bad debt incurred in the period.

3.17 Trade payables

Trade payables are stated at cost which approximates the fair value of the consideration to be paid for goods and services received.

3.18 Provisions

All provision is recognized on the balance sheet date if, as a result of a past event. The company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.19 Borrowings Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with IAS-23 "Borrowings Costs". No borrowing cost incurred during the period.

3.20 Income Tax

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

i) Current Tax

Necessary provision for tax has been made as per Income Tax Ordinance 1984. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and non-compliance with Finance Act on the accounting profit made by the company as per ITO 1984 in compliance with IAS-12 "Income Taxes".

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the period ended 31 March 2023

ii) Deferred Tax

Deferred Tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities for the period ended December 31, 2022 has been recognized in the statement of Profit or Loss and other comprehensive income as per IAS-12 "Income Taxes".

3.21 Contingent Liabilities and Assets

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non- occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with IAS 37 provisions, contingent liabilities and contingent assets, there were no contingent liabilities and assets.

- i. the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. the amount of revenue can be measured reliably;
- iv. it is probable that the economic benefits associated with the transaction will flow to the company; and
- v. the cost incurred or to be incurred in respect of the transaction can be measured reliably.

3.22 VAT

The Company's net sales is considered with 15% applicable VAT and 5% supplementary duty.

3.23 Statement of Changes in Equity

Statement of changes in equity is prepared in accordance with IAS-1 "Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.

3.24 Related party disclosures

The Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The information as required by IAS-24: "Related Party Disclosures" has been disclosed in a separate note to the financial statements.

3.25 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.26 Segment information

The Company is primarily engaged in the manufacturing and selling of similar type of products. The Company's business is not organized in such a way which may identify different products/ geographical components structurally. Hence segmentation within a wide portfolio of products/ geographical location is not a part of the regular internally reported financial information to the operating decision makers. Therefore, it is not possible to segment the Company's results by products/ geographic location which might involve a high degree of estimation.

3.27 Earnings per Share

This has been calculated in compliance with the requirements of IAS 33: "Earnings Per share" by dividing the basic earnings by the number of ordinary shares outstandings during the year.

3.28 Basic Earning

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax has been considered as fully attributable to the ordinary shareholders.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
As at and for the period ended 31 March 2023

3.29 Changes in significant accounting policies - IFRS 16 Leases

IFRS 16 Leases

Nature and effect of Changes

Previously, LOVELLO determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, LOVELLO assesses whether a contract is or contains a lease based on the definition of a lease. On transition to IFRS 16, LOVELLO evaluated all types of contracts to assess whether a contract is or contains, a lease at the date of initial application.

As a Lessee

As a lessee, LOVELLO previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to LOVELLO. Under IFRS 16, LOVELLO recognises right-of-use assets and lease liabilities for all leases.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended March 31, 2022

		Amount in Taka	
		31-Mar-23	30-Jun-22
4.00	Property, Plant & Equipment		
	At Cost:		
	Opening Balance	1,534,380,136	1,377,424,500
	Addition During the period	53,085,470	156,955,635
	Closing balance	1,587,465,605	1,534,380,136
	Accumulated Depreciation:		
	Opening Balance	493,162,885	390,841,217
	Addition During the period	77,417,494	102,321,668
	Closing Balance	570,580,380	493,162,885
	Written Down Value	1,016,885,226	1,041,217,250
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
4.01	ROU Assets		
	At Cost:		
	Opening Balance	407,384,234	407,384,234
	Addition During the period	-	-
	Closing balance	407,384,234	407,384,234
	Accumulated Depreciation:		
	Opening Balance	195,137,037	167,056,121
	Addition During the period	18,742,422	28,080,916
	Closing Balance	213,879,459	195,137,037
	Written Down Value	193,504,775	212,247,197
	(Details of Property, Plant & Equipment are provided in the Annexure-A)		
5.00	Intangible Assets		
	At Cost:		
	Opening Balance	3,608,633	3,323,633
	Addition During the period	135,000	285,000
	Closing Balance	3,743,633	3,608,633
	Accumulated Depreciation:		
	Opening Balance	2,975,023	2,483,913
	Addition During the period	262,916	491,110
	Closing Balance	3,237,939	2,975,023
	Written Down Value	505,694	633,610
	(Details Intangible Assets are provided in the Annexure-A)		
6.00	Capital Work in Progress		
	Storage Box	-	-
	Plant & Machinery	-	-
		-	-
7.00	Investment		
	FDR Investment	13,793,999	13,503,241
	7.01	13,793,999	13,503,241

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended March 31, 2022

		Amount in Taka	
		31-Mar-23	30-Jun-22
7.01	FDR Investment		
	Name of Bank	FDR No.	
	Trust Bank	0022-0330059006	11,486,056
	Shimanto Bank	1001-343000092	2,307,943
		13,793,999	13,503,241
8.00	Inventories		
	Raw Materials	144,593,315	125,733,318
	Work in Progress	19,572,270	17,019,365
	Finished Goods	255,500,880	222,174,678
		419,666,465	364,927,361
	At the end of the period physical verification of Inventories were carried out.		
9.00	Trade & Other Receivables		
	Trade Receivables	9.01	409,101,458
			355,518,907
			409,101,458
9.01	Trade Receivables		
	Bogra Territory	22,150,648	20,136,953
	Khulna Territory	21,838,134	19,852,849
	Barisal Territory	21,657,950	19,689,045
	Rangpur Territory	21,659,424	19,690,385
	Chittagong Territory	27,331,338	24,846,671
	Cumilla Territory	27,431,711	24,937,919
	Uttara Territory	28,379,344	25,799,404
	Rampura Territory	35,868,905	32,608,095
	Jatrabari Territory	27,378,601	24,889,638
	Sylhet Territory	21,803,773	19,821,612
	Faridpur Territory	21,629,502	19,663,183
	Bosilla Territory	32,167,825	29,243,477
	Cox's Bazar Territory	21,376,825	19,433,477
	Noaykhali Territory	17,788,547	16,171,406
	Jessore Territory	22,870,072	15,246,715
	Mymensingh Territory	22,697,279	17,459,446
	Rajshahi Territory	15,071,581	6,028,632
		409,101,458	355,518,907
	Ageing of Trade receivables		
	Due for 3 months	253,642,904	220,421,722
	Due for 3 to 6 months	135,003,481	117,321,239
	Due for above 6 months	20,455,073	17,775,945
		409,101,458	355,518,907

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended March 31, 2022

Amount in Taka	
31-Mar-23	30-Jun-22

Full information as per requirements of the Para 4 Part I, schedule XI, of the Companies Act, 1994 regarding Trade receivables as on March 31, 2023 are as follows:

Sl.	Particulars	31 March, 2022	30 June, 2022
i.	Receivables considered good in respect of which the company is fully secured.		
ii.	Receivables considered good in respect of which the company holds no security other than the debtor personal security.	409,101,458	355,518,907
iii.	Receivable considered doubtful or bad.		
iv.	Accounts Receivable due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due firm or private companies respectively in which any director is a partner or a director or a member to be separately stated.		
v.	Receivables due by companies under the same management to be disclosed with the names of the companies;		
vi.	The maximum amount of receivable due by any director or other officer of the company at any time during the year to be shown by way of a note.		

- i) Debt considered good and in respect of which the company can realize it fully.
- ii) Debts considered good for which the company holds no security other than the debtors personal security
- iii) Management considered the trade receivables are collectible and thus no provision had been made.
- iv) There is no such trade receivables due by or to director or other officers of the company.

10.00 Inter-company Receivables	84,382,241	2,500,000
	84,382,241	2,500,000

This represent temporary advance and short term in nature, and repayable on demand.. Management has obtained confirmation from the aforesaid entities and assessed recoverability, upon which satisfied that all these balances are recoverable in full.

11.00 Advance, Deposits & Pre-payments

Advance	11.01	188,241,651	149,835,592
Deposit	11.02	13,300,875	19,501,835
Pre-payments	11.03	1,240,649	3,722,791
		202,783,175	173,060,217
11.01 Advance			
AIT & Source Tax	11.01.01	62,639,037	54,761,182
Advance to BSTI & Halal Sonod		1,242,119	1,933,446
Advance for Office Rent		1,150,000	1,150,000
Advance to Supplier		123,108,347	91,444,115
Advance for Listing Fees		102,148	546,849
		188,241,651	149,835,592
11.02 Deposit			
L/C margin	11.02.01	13,300,875	19,501,835
		13,300,875	19,501,835

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended March 31, 2022

		Amount in Taka	
		31-Mar-23	30-Jun-22
11.03 Pre-payments			
	Karnahuli Insurance Co. Ltd.	858,183	3,530,251
	Metlife Insurance Co. Ltd.	382,466	192,540
		1,240,649	3,722,791
11.01.01 AIT & Source Tax			
	Opening Balance	54,761,182	38,798,543
	Addition During the period	7,877,856	15,962,639
		62,639,037	54,761,182
	Adjustment During the period	-	-
	Closing Balance	62,639,037	54,761,182
11.02.01 L/C margin			
	Opening Balance	19,501,835	38,508,579
	Addition During the period	13,300,875	19,501,835
	Net Adjustment During the period	(19,501,835)	(38,508,579)
	Closing Balance	13,300,875	19,501,835
11.04 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994			
	Advance, deposits & prepayments considered good & secured	202,783,175	173,060,217
	Advance, deposit & prepayments considered Good without security		
	Advance, deposit & prepayments considered doubtful & bad		
	Advance, deposit & prepayments due by directors or other officers & staffs		
	Advance, deposit & prepayments due from companies under same management		
	Maximum advance due by directors or officers & staffs at any time		
	Total	202,783,175	173,060,217
12.00 Cash and Cash Equivalents			
	Cash in Hand	12.01 20,454,275	66,312,921
	Cash at Bank	12.02 51,024,123	59,052,705
		71,478,399	125,365,626
12.01 Cash in Hand			
	Factory Office	1,357,500	110,000
	Corporate Office	1,762,123	5,080,819
	Depot Office	17,334,652	61,122,102
		20,454,275	66,312,921
12.02 Cash at Bank			
	Trust Bank Ltd CD 0022-0210012550	3,694	101,402
	Pubali Bank Ltd CD 0565901028140	349,074	17,680
	Premier Bank Ltd CD 010411100078610	7,903	15,394
	Prime Bank Ltd CD 2132113001637	661,482	6,460
	Brac Bank Ltd CD 1507203439665001	7,962	1,384,900
	Islami Bank Ltd CD 20501770100435601	31,022	123,062
	Dutch Bangla Bank L CD 1031100033118	234,844	583,502
	Union Bank Ltd CD 0291010001239	366,796	41,338
	Mercantile Bank Ltd CD 111311118966001	2,576,867	4,298

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			Amount in Taka	
			31-Mar-23	30-Jun-22
UCBL	CD	541101000005430	193,717	6,974
City Bank Ltd	CD	1402538242001	47,234	47,234
AB Bank Ltd	SND	4033-761383-430	750	17,198
Trust Bank Ltd	SND	0022-0320000775	43,908,289	47,453,191
National Bank Limited	CD	1106003604218	339,417	150,932
Dutch Bangla Bank Ltd	CD	2811100002179	708,490	143,721
Shimanto Bank Limited	CD	1001241001122	17,500	18,190
NRB Bank	CD	1022010104230	2,980	3,378,762
Shimanto Bank Limited	CD	1005241000030	310,850	28,555
Shimanto Bank Limited	SND	1005441000036	1,241,569	13,697
Trust Bank Ltd	CD	7022-0212003722	6,026	9,371
Trust Bank Ltd	SND	0022-0320000962	7,660	5,506,845
			51,024,123	59,052,705

All bank balances are reconciled with bank statements and bank book and reconciled balance extracted here.

13.00 Share Capital

13.01 Authorized Capital

(100,000,000 Ordinary shares of Tk.10 each)

1,000,000,000 **1,000,000,000**

13.02 Issued, Subscribed and Paid-up

85,000,000 shares of Tk.10 each

850,000,000 **850,000,000**

Shareholding Position is as follows:

Sl. No.	Name of shareholders	Percentage of Shareholdings		Number of Shares	
		31-Mar-23	2021-22	31-Mar-23	2021-22
1	Md. Ekramul Haque	35.29%	35.29%	30,000,000	30,000,000
2	Ms Shamima Nargis Haque	3.41%	3.41%	2,900,000	2,900,000
3	Muhsinina Sharika Ekram	3.53%	3.53%	3,000,000	3,000,000
4	Taufika Engineering Limited	16.12%	14.24%	13,697,921	12,100,964
5	Muhsinina Taufika Ekram	2.41%	2.41%	2,050,000	2,050,000
6	Abu Taher Muhammed	2.48%	1.18%	2,109,932	1,000,000
7	Md. Abdus Sultan	0.85%	0.85%	725,000	725,000
8	Zakir Hossain	0.04%	0.12%	30,000	100,000
9	Kazi Amdadul Haque	1.25%	1.25%	1,060,000	1,060,000
10	Rizvi Kaiser	0.01%	0.01%	10,000	10,000
11	Md. Saiful Islam Helaly	1.23%	1.23%	1,045,000	1,045,000
12	Md. Mizanur Rahman	0.01%	0.01%	5,000	5,000
13	Tahmina Chowdhury	0.24%	0.24%	205,000	205,000
14	Masuma Khatun	0.30%	0.30%	255,000	255,000
15	Hosne Ara Begum	1.29%	1.29%	1,095,000	1,095,000
16	Initial Public Offering	31.54%	34.65%	26,812,147	29,449,036
Total		100%	100%	85,000,000	85,000,000

14.00 Retained Earnings

Opening Balance	246,389,086	218,294,075
Add: Profit During the Period	96,541,117	121,595,010
Less: Dividend for FY 2020-21	-	(93,500,000)
Less: Dividend for FY 2021-22	(102,000,000)	-
Closing Balance	240,930,203	246,389,086

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For the period ended March 31, 2022

		Amount in Taka	
		31-Mar-23	30-Jun-22
15.00 Deferred Tax Liability			
Opening Balance		59,436,286	47,774,428
Add: During the period		8,218,145	11,661,858
Closing Balance		67,654,431	59,436,286
As on 31 March 2023			
WDV as per Accounts		1,210,895,694	1,169,736,567
WDV as per 3rd Schedule		872,623,539	872,555,140
Temporary Difference		338,272,155	297,181,428
Applicable Tax Rate		20.00%	20.00%
Deferred Tax Liability		67,654,431	59,436,286
Deferred Tax Liability		67,654,431	59,436,286
16.00 Long -term Loan			
Long-term Loan from Shimanto Bank Limited	16.01	577,614,302	579,672,006
		577,614,302	579,672,006
Current Portion Classification			
Due within one year		128,358,734	128,816,001
Due after one year		449,255,568	450,856,005
		577,614,302	579,672,006
16.01 Long-term Loan from Shimanto Bank Limited			
1001741000052		-	13,331,747
1001741000061		-	1,912,446
1001741000070		-	2,449,882
1001741000089		-	5,079,687
1001741000098		-	1,701,629
1001741000105		-	1,498,507
1001741000114		-	15,118,581
1001741000123		-	14,016,584
1001741000141		-	4,726,936
1001741000150		-	5,317,421
1001741000187		-	514,518,586
1001741000310		51,350,781	-
1001741000392		526,263,521	-
		577,614,302	579,672,006

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial	Shimanto Bank Limited
Type of Facility	Long Term Loan
Limit	BDT TK 69.50 Crore
Repayment	Monthly
Interest Rate	9% p.a with monthly rest or as revised from time to time by SMBL
Period of Loan	60 months
Expiry Date	5 Years from the the date of 1st disbursement.
Renewal Status	Renewed
Securities	i. Joint Registration and comprehensive insurance of vehicles ii. Postdated Cheque covering each EMI
Purpose	To purchase glass top deep freezer, storage box for cold room, pick up, Refrigerated van, auto vehicles, office car, motorcycle etc

Taufika Foods and Lovello Ice-Cream PLC
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For the period ended March 31, 2022

		Amount in Taka	
		31-Mar-23	30-Jun-22
17.00	Lease Liability		
	Lease Loan from Lankabangla	17.01 310,995,640	318,202,609
	Office Space	17.02 3,152,098	4,958,491
		314,147,738	323,161,100
	Current Portion Classification		
	Due within one year	84,256,214	86,673,649
	Due after one year	229,891,524	236,487,451
		314,147,738	323,161,100
17.01	Lease Loan from Lankabangla		
	0013 71400000025	15,317,219	15,690,226
	0013 71400000026	36,895,802	37,750,375
	0011 71400000131	147,531,946	150,834,025
	0011 72200000070	111,250,674	113,927,983
		310,995,640	318,202,609

Nature of Security of Loans:

Particulars	Details
Name of Bank & Financial Institute	Lanka Bangla Finance Limited
Type of Facility	Lease Finance
Limit	BDT 316,200,725
Repayment	Quarterly
Interest Rate	14.00%
Period of Loan	60 months
Expiry Date	June, 2026
Renewal Status	Renewal
Securities	i. Subsequent Charges/Hypothecation on all the Fixed Assets of TFAIL ii. Ownership of Leased Assets iii. Personal Guarantee of Directors iv. Corporate Guarantee of Taufika Engineering Limited (TEL)
Purpose	To procure Glass Top Deep Freezer and Try Cycle, Ref. Van & Cold Store

17.02 Lease Liability (Office Space)

Office Space	4,958,491	7,128,640
Less: Adjustment for IFRS 16 for Current period	(1,806,393)	(2,170,149)
	3,152,098	4,958,491
Current Portion Classification		
Due within one year	1,554,519	2,445,378
Due after one year	1,597,578	2,513,113
	3,152,098	4,958,491

18.00 Short-term Loan

Short-term Loan Trust Bank	18.01	86,925,646	86,522,537
		86,925,646	86,522,537

These loans are taken to finance import materials value and L/C related expenses. The average tenure of these facilities are normally 06 months with renewal option. The rate of interest/profit against these facilities is 9%.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended March 31, 2022

		Amount in Taka	
		31-Mar-23	30-Jun-22
18.01	Short-term Loan Trust Bank		
	Loan Against Trust Receipt (LTR)	54,802,934	55,868,387
	Overdraft (Working Capital)	32,122,712	30,654,150
		86,925,646	86,522,537
19.00	Trade & Other Payables		
	Trade Payables	10,264,409	10,063,146
	Others Payables	26,987,527	19,545,031
		37,251,936	29,608,177
19.01	Trade Payables		
	Siam Chemical	432,639	424,156
	Emkay Enterprise	197,157	193,291
	PremiaFlex Plastic Ltd	857,708	840,890
	International Television Channel LTD.	1,647,852	1,615,541
	Maasranga Communications Ltd.	7,344	7,200
	MMX advertising communication	430,117	421,684
	RTR Traders	4,853,411	4,758,246
	Opus Sign	1,493,491	1,464,207
	Rivers Sign	344,690	337,932
		10,264,409	10,063,146
This represents amount payable to suppliers of raw materials, packing materials and finished goods. All suppliers were paid on a regular basis.			
	Ageing of Trade Payables		
	Due for 3 months	8,724,748	8,553,674
	Due for 3 to 6 months	1,026,441	1,006,315
	Due for above 6 months	513,220	503,157
		10,264,409	10,063,146
19.02	Others Payables		
	Payable against Freezer	8,104,738	7,718,798
	VAT payable	18,882,789	11,826,233
		26,987,527	19,545,031
20.00	Liabilities for Expenses		
	Audit Fees	66,667	240,000
	Electricity Bill Payable	7,410,895	5,960,735
	Salary & Wages Payable	4,724,052	5,836,310
	Payable for PF	11,051,072	9,350,402
	Remuneration Payable	150,000	150,000
		23,402,686	21,537,447

All these payables are temporary in nature and repayable in demand. No interest/profit is charged for these payables. Its derived from taking different types of service.

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended March 31, 2022

	Amount in Taka	
	31-Mar-23	30-Jun-22
21.00 Provision for WPPF :		
Opening Balance	7,759,281	5,672,354
Add: Addition During the period	6,033,820	7,330,975
	<u>13,793,101</u>	<u>13,003,329</u>
Less: Paid During the period	-	(5,244,048)
Closing Balance	<u>13,793,101</u>	<u>7,759,281</u>

The management of Taufika Foods and Lovello Ice-Cream PLC have already taken all necessary steps to maintain compliance and they take decision to deposit all amounts within one year.

22.00 Provision for Income Tax		
Opening Balance	79,378,873	66,016,234
Current period Provision	15,917,134	13,362,639
Total Current Year Provision	<u>15,917,134</u>	<u>13,362,639</u>
Total Provision	<u>95,296,007</u>	<u>79,378,873</u>
Adjustment During the period	-	-
Closing Balance	<u>95,296,007</u>	<u>79,378,873</u>

Tax Computation		
Business Income	114,903,205	134,568,502
Other Income	5,773,191	12,051,004
Total Income	<u>120,676,396</u>	<u>146,619,507</u>
Acc. Dep	96,422,833	130,893,694
Tax Dep	137,513,560	215,744,333
Total Taxable Income	<u>79,585,669</u>	<u>61,768,868</u>
Applicable tax Rate	<u>20.00%</u>	<u>20.00%</u>
Current Year Tax	<u>15,917,134</u>	<u>12,353,774</u>

Minimum TAX	0.60% on Gross receipt	4,513,403	5,834,616
		<u>4,513,403</u>	<u>5,834,616</u>

Advance Income Tax considered for minimum TAX		7,877,856	13,362,639
		<u>7,877,856</u>	<u>13,362,639</u>

23.00 Unclaimed Dividend		
Opening	5,508,618	-
Dividend for the FY 2020-21	-	93,500,000
Dividend for the FY 2021-22	102,000,000	-
Disbursement	(2,423,236)	(87,991,382)
Closing Balance	<u>105,085,383</u>	<u>5,508,618</u>

	Amount in Tk.		Amount in Tk.	
	July - March 2023	July -March 2022	Jan-Mar 2023	Jan-Mar 2022
24.00 Sales				
Gross Sales	901,351,239	895,600,166	290,947,439	408,831,779
Less: (SD+VAT)	154,890,586	153,847,026	49,997,179	70,254,736
Net Sales	746,460,653	741,753,140	240,950,260	338,577,043
25.00 Cost of Goods Sold				
Raw Materials Consumed: Note- 25.01	350,313,169	341,564,811	144,373,629	181,242,879
Add: Factory Overhead Charges Note- 25.02	118,504,743	95,633,560	49,794,029	32,755,172
Cost of Production	468,817,912	437,198,372	194,167,658	213,998,051
Add: Opening Work in Process	17,019,365	17,619,365	16,678,978	15,067,873
	485,837,277	454,817,737	210,846,635	229,065,924
Less: Closing Work in Process	(19,572,270)	(19,119,598)	(19,572,270)	(19,119,598)
Cost of Goods Manufactured	466,265,007	435,698,139	191,274,365	209,946,326
Add: Opening Stock of Finished Goods	222,174,678	98,059,494	204,733,966	93,764,260
Cost of Goods available for Sale	688,439,685	533,757,633	396,008,331	303,710,586
Less: Closing Stock of Finished Goods	(255,500,880)	(105,936,967)	(255,500,880)	(105,936,967)
Cost of Goods Sold	432,938,805	427,820,666	140,507,452	197,773,619
25.01 Raw Materials Consumed				
The break-up of the amount is given below:				
Opening Stock	125,733,318	184,056,096	169,391,317	209,261,906
Purchase During the year	369,173,167	348,314,145	119,575,627	162,786,402
Raw Materials available for Use	494,906,484	532,370,241	288,966,944	372,048,308
Less: Closing Stock	(144,593,315)	(190,805,430)	(144,593,315)	(190,805,430)
Raw Materials Consumed	350,313,169	341,564,811	144,373,629	181,242,879
25.02 Manufacturing Overhead				
Electricity Bill	24,275,601	19,934,380	8,621,390	4,988,880
Fuel & Lubricants	9,169,447	9,176,702	2,627,711	2,502,582
Wages & Salary	29,175,298	25,809,867	9,817,274	9,349,785
Festival Bonus	2,796,720	2,572,777	1,357,680	1,293,029
Overtime and Other Allowance	2,010,981	1,901,381	960,912	915,154
Tour and Travles	1,007,311	991,024	342,321	326,020
Pool Car Expenses	286,474	248,934	154,249	146,904
Telecommunication Expenses(Tracking)	54,043	47,288	28,127	26,788
Factory Supplies	1,090,451	1,055,388	350,266	333,587
Loading & Unloading Expenses	138,677	133,499	47,788	45,513
Postage & Courier	24,905	22,059	6,995	6,662
Printing & Stationary	711,574	527,852	184,235	175,462
Food and Entertainment	680,517	658,694	232,939	221,846
Repair & Maintenance	1,668,856	1,490,241	702,300	668,858
Spare Parts	4,309,913	4,221,604	2,395,137	2,281,083
Insurance Expenses	3,274,072	1,655,547	1,080,169	353,300
Licenses Renewal Fees	792,650	39,380	260,360	-
Depreciation	24,912,160	25,146,993	8,499,082	9,119,720
	118,504,743	95,633,560	49,794,029	32,755,172

	Amount in Tk.		Amount in Tk.	
	July - March 2023	July -March 2022	Jan-Mar 2023	Jan-Mar 2022
26.00 Administrative Expenses				
Salary & Allowance	5,341,254	5,049,423	1,724,332	1,642,221
Festival Bonus	670,352	662,964	413,152	203,002
Meeting Allowance	100,000	75,000	25,000	25,000
Provident Fund Expenses	976,339	1,222,595	216,722	410,366
Utility Charge	373,970	369,543	108,119	102,970
Director Remuneration	1,350,000	1,350,000	450,000	450,000
Office Vehicles expense	456,886	587,772	138,068	226,732
Entertainment Expense	189,553	195,955	62,793	59,803
Vehicle Insurance & Others	287,057	-	173,069	-
Audit Fees	260,001	-	65,000	-
Listing Fees	755,189	265,586	248,055	33,334
Telephone, Mobile & Internet Bill	238,027	203,091	88,465	84,253
Postage & Couriers	100,650	115,796	39,749	37,856
Printing & Stationery	73,037	156,535	23,634	21,318
Legal & Statutory Expenses	184,511	243,781	40,728	38,789
Repair Maintenance of Head office	224,485	263,603	78,427	98,033
Health Safety Measure Expenses	53,500	60,000	31,500	30,000
Consultacny Fees	120,000	337,022	-	337,022
Depreciation	605,231	610,936	206,482	221,560
	12,360,041	11,769,602	4,133,295	4,022,259
27.00 Marketing & Selling Expenses				
Salary & Allowance	8,862,058	7,068,138	2,630,550	2,578,971
Festival Bonus	511,794	748,728	250,533	245,621
Provident Fund Expenses	1,058,515	1,276,282	240,995	431,136
Fuel & Toll for Vehicles	4,020,420	3,345,249	2,845,730	2,789,931
TA/DA and Other Allowances	1,486,106	1,381,881	1,051,761	1,031,138
Repair Maintenance & Others Vehicles Exp	1,118,842	1,233,339	711,322	991,492
Tour and Travles	803,602	681,869	529,104	518,729
Postage & Couriers	251,026	245,893	129,100	126,568
Incentive and Commision	337,296	329,314	170,577	167,233
Event Management Expenses	347,450	281,875	195,422	191,590
Health Safety Measure Expenses	87,467	92,557	66,358	65,057
Trade Promotion Expenses	431,395	437,150	289,833	284,150
Advertisement Expenses	4,006,521	4,279,087	3,021,175	3,550,172
Depreciation	70,905,442	71,573,828	24,190,241	25,956,712
	94,227,934	92,975,189	36,322,701	38,928,500
28.00 Finance Cost				
Bank Service Charges	1,411,225	1,051,818	154,559	245,168
Interest on Bank Loan	58,629,414	50,342,168	21,170,673	21,293,217
Interest on Lease Loan	25,596,643	31,305,222	8,380,774	10,223,685
Interest Expense on Office Space	359,566	556,918	99,808	169,611
	85,996,848	83,256,126	29,805,814	31,931,681
Consistent with prior periods banks charges and others bank loan interest expenses are included as finance costs				
29.00 Others Income				
Scrap Sale	2,090,786	1,057,935	54,991	52,372
Rent Received against Freezer	3,016,693	2,905,502	917,895	1,826,567
Interest income	613,212	944,711	45,581	44,042
	5,773,191	5,028,148	1,070,967	1,972,981

Taufika Foods and Lovello Ice-Cream PLC
Explanatory Notes to the Financial Statements
For the period ended 31 March 2023

Amount in TK	
31-Mar-23	31-Mar-22

30.00 Earning per Share (EPS)

The Computation of EPS is given below:

Earning attributable to the Shareholders (net profit after tax)	96,541,117.23	96,267,257
Total number of Shares	85,000,000.00	85,000,000

Adjusted/Basic Earnings per Share (EPS)(Per value Tk. 10)

1.14	1.13
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For Current Period				
Total Share	No of shares	No. of Days Used	Total No. of Days	Weighted Average
85,000,000	85,000,000	90	90	85,000,000
85,000,000	85,000,000			85,000,000

For Previous Period				
Total Share	No of shares	No. of Days Used	Total No. of Days	Weighted Average
850,000,000	85,000,000	90	90	850,000,000
850,000,000	85,000,000			850,000,000

31.00 Net Asset Value (NAV) per Share

Amount in TK	
31-Mar-23	30-Jun-22

The Computation of NAV is given below:

Net Assets	1,090,930,203	1,096,389,086
Total number of Shares	85,000,000	85,000,000
Net Asset Value (NAV) per Share	12.83	12.90

Total number of shares

Paid-up-capital	850,000,000	850,000,000
Share money deposit	-	-
Total	850,000,000	850,000,000
Number of shares (Per value Tk. 10)	85,000,000	85,000,000

32.00 Net Operating Cash Flows per Share (NOCFPS)

The Computation of NOCFPS is given below:

Net Cash Generated from Operating Activities	180,594,282	235,479,690
Total number of Shares	85,000,000	85,000,000
Net Operating Cash Flows per Share (NOCFPS)	2.12	2.77

33.00 Reconciliation of Net Operating Cash Flow

Particulars	Amount in BDT	
	31.03.2023	31.03.2022
Net Profit after Tax	96,541,117	96,267,257
Adjustment to reconcile netcash provided by operating activities:		
Depreciations	96,422,833	97,331,757
Provision for Income Tax	15,917,134	4,141,105
Provision for WPPF	6,033,820	6,236,176
Deferred Tax	8,218,145	1,141,314
Loan Interest	85,996,848	83,256,126
Increase in Inventories	(54,739,104)	(16,127,040)
Increase in Trade & Other Receivables	(53,582,551)	(17,568,080)
Increase in Advance, Deposits & Prepayments	(29,722,958)	6,634,534

Increase/Decrease in Trade & Other Payables	7,643,758	(18,340,376)
Increase in Liabilities for Expenses	1,865,239	(2,675,250)
Adjustments for WPPF		(4,817,835)
Adjustments for IPO Expenses		
Net cash inflow/(outflow) from operating activities	180,594,282	235,479,690

34.00 Related Party Transactions:

The company has related party transactions as per IAS-24 "Related Party Disclosures".

Related party transactions are as follows:

Sl.	Name of the Related Party	Relationship	Nature of transaction	Opening Balance	Transaction during the year	Payment/ Recieved	Closing Balance
1	Taufika Engineering Limited	Intercompany	Advance	2,500,000	81,882,241	-	84,382,241
2	Ms. Shamima Nargis Haque	Chairman	Meeting Allowance	-	5,000	5,000	-
3	Md. Ekramul Haque	Managing Director	Remuneration and Meeting Allowance	150,000	455,000	455,000	150,000
4	Muhsinina Taufika Ekram	Director	Meeting Allowance		5,000	5,000	
5	Muhsinina Sharika Ekram	Director	Meeting Allowance	-	5,000	5,000	-
6	Ruhul Ameen M. Com, FCMA	Independent Director	Meeting Allowance	-	5,000	25,000	-

35.00 Attendance Status of Board Meeting of Directors

During the period ended 31 March 2023 there were one Board Meetings was held. The attendance status of all the meetings is as follows:

Name of the Directors	Designation	Meeting held	Attendance
Ms. Shamima Nargis Haque	Chairman	1	1
Md. Ekramul Haque	Managing Director	1	1
Muhsinina Taufika Ekram	Director	1	1
Muhsinina Sharika Ekram	Director	1	1
Ruhul Ameen M. Com, FCMA	Independent Director	1	1

36.00 General:

All the figures in the financial statements represent Bangladeshi taka currency (BDT) rounded off to the nearest figure. The comparative information has been disclosed for the period ended March 31, 2023 for all numerical information in the financial statements and also the narrative and descriptive information as found relevant for understanding of the current years financial statements. To facilitate comparison, certain relevance balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.

37.00 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994:

A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3:

Employee position of the company as at 31 March, 2023:

Salary (Monthly)	Factory	Head Office	Sales & Marketing	Total Employees
Below BDT 6,000	-	-	-	-
Above BDT 6,000	203	20	25	248
Total	203	20	25	248

B. Disclosure as per requirement of Schedule XI, Part II, Para 4:

Name of Directors	Designation	Meeting allowance	Total Remuneration for the period ended 31 March 2023
Ms. Shamima Nargis Haque	Chairman	20,000	-
Md. Ekramul Haque	Managing Director	20,000	1,350,000
Muhsinina Taufika Ekram	Director	20,000	-
Muhsinina Sharika Ekram	Director	20,000	-
Ruhul Ameen M. Com, FCMA	Independent Director	10,000	
Imtiaz Lutful Baset FCMA, FCA	Independent Director	10,000	

38.00 As per IAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the

- (a) Short-term employee benefits
(b) Post-employee benefits
(c) Other long term benefits
(d) termination benefits and
(e) Share- based payment

-	-
-	-
-	-
-	-
-	-
-	-

39.00 Events after Reporting Period:

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period there are adjusting events.

40.00 Disclosure as per requirements of Schedule XI, Part-II., Para-3 of the Companies Act. 1994

Requirements under condition No.	Compliance status of Disclosure Schedule XI, Part II, Para 3
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Not Applicable
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as as possible	Complied
3(i) (d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Complied
(i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	

Taufika Foods and Lovello Ice-Cream PLC
Schedule of Property, Plant & Equipment
As at 31 March 2023

Property, Plant & Equipment

Annexure - A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 31-03-2023
	Balance as on 01-07-2022	Addition during the period	Balance as on 31-03-2023		Balance as on 01-07-2022	Charged during the period	Balance as on 31-03-2023	
Land & Land Development	84,361,490	-	84,361,490	0%	-	-	-	84,361,490
Building & Civil Works	91,694,977	-	91,694,977	5%	25,378,781	2,486,857	27,865,638	63,829,339
Plant and Machinery	491,309,326	1,074,359	492,383,685	10%	171,454,863	24,029,373	195,484,236	296,899,449
Furniture and Fixtures	9,826,798	108,400	9,935,198	10%	2,980,405	517,544	3,497,949	6,437,249
Freezer	678,712,687	40,780,110	719,492,797	10%	198,134,348	37,572,630	235,706,978	483,785,819
Office Equipment	9,242,962	70,600	9,313,562	10%	2,449,449	512,161	2,961,610	6,351,952
Motor Vehicles	169,231,896	11,052,000	180,283,896	20%	92,765,039	12,298,929	105,063,967	75,219,929
Total as on 31.03.2023	1,534,380,136	53,085,470	1,587,465,605		493,162,885	77,417,494	570,580,380	1,016,885,226
Total as on 30.06.2022	1,377,424,500	156,955,635	1,534,380,135	-	390,841,217	102,321,668	493,162,885	1,041,217,250

Right of Use Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 31-03-2023
	Balance as on 01-07-2022	Addition during the period	Balance as on 31-03-2023		Balance as on 01-07-2022	Charged during the period	Balance as on 31-03-2023	
Plant and Machinery	4,079,499	-	4,079,499	10%	1,536,768	190,705	1,727,472	2,352,027
Freezer	324,745,500	-	324,745,500	10%	139,253,046	13,911,934	153,164,980	171,580,520
Motor Vehicles	67,662,134	-	67,662,134	20%	47,627,345	3,005,218	50,632,563	17,029,571
Office Space	10,897,101	-	10,897,101	20%	6,719,879	1,634,565	8,354,444	2,542,657
Total as on 31.03.2023	407,384,234	-	407,384,234		195,137,037	18,742,422	213,879,460	193,504,775
Total as on 30.06.2022	407,384,234	-	407,384,234	-	167,056,121	28,080,916	195,137,037	212,247,197

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 31-03-2023
	Balance as on 01-07-2022	Addition during the period	Balance as on 31-03-2023		Balance as on 01-07-2022	Charged during the period	Balance as on 31-03-2023	
Computer Software	3,608,633	135,000	3,743,633	50%	2,975,023	262,916	3,237,939	505,694
Total as on 31.03.2023	3,608,633	135,000	3,743,633		2,975,023	262,916	3,237,939	505,694
Total as on 30.06.2022	3,323,633	285,000	3,608,633	0	2,483,913	491,110	2,975,023	633,610
Grand Total as on 31.03.2023	1,945,373,003	53,220,470	1,998,593,473	-	691,274,946	96,422,833	787,697,778	1,210,895,694
Total as on 30.06.2022	1,788,132,367	157,240,635	1,945,373,002	0	560,381,251	130,893,694	691,274,945	1,254,098,057

Allocation of depreciation

	<u>Amount in Taka</u>
	<u>31.03.2023</u>
Manufacturing Overhead	24,912,160
Administrative Expenses	605,231
Marketing & Selling Expenses	70,905,442
Total	<u><u>96,422,833</u></u>

Taufika Foods and Lovello Ice-Cream PLC
Schedule of Property, Plant & Equipment

As at 30 June 2022

Property, Plant & Equipment

Annexure - A

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2022
	Balance as on 01-07-2021	Addition during the year	Balance as on 30-06-2022		Balance as on 01-07-2021	Charged during the year	Balance as on 30-06-2022	
Land & Land Development	84,361,490	-	84,361,490	0%	-	-	-	84,361,490
Building & Civil Works	91,694,977	-	91,694,977	5%	21,888,455	3,490,326	25,378,781	66,316,196
Plant and Machinery	414,437,939	76,871,386	491,309,326	10%	140,186,111	31,268,752	171,454,863	319,854,462
Furniture and Fixtures	9,425,340	401,458	9,826,798	10%	2,241,998	738,407	2,980,405	6,846,393
Freezer	628,974,033	49,738,654	678,712,687	10%	147,500,014	50,634,335	198,134,348	480,578,338
Office Equipment	8,360,012	882,950	9,242,962	10%	1,743,667	705,782	2,449,449	6,793,513
Motor Vehicles	140,170,710	29,061,187	169,231,896	20%	77,280,972	15,484,066	92,765,039	76,466,858
Total as on 30.06.2022	1,377,424,500	156,955,635	1,534,380,136		390,841,217	102,321,668	493,162,885	1,041,217,250
Total as on 30.06.2021	1,200,619,949	176,804,551	1,377,424,500	-	296,327,876	94,513,342	390,841,217	986,583,283

Right of Use Assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2022
	Balance as on 01-07-2021	Addition during the year	Balance as on 30-06-2022		Balance as on 01-07-2021	Charged during the year	Balance as on 30-06-2022	
Plant and Machinery	4,079,499		4,079,499	10%	1,254,242	282,526	1,536,768	2,542,731
Freezer	324,745,500		324,745,500	10%	118,642,773	20,610,273	139,253,046	185,492,454
Motor Vehicles	67,662,134		67,662,134	20%	42,618,647	5,008,697	47,627,345	20,034,789
Office Space	10,897,101		10,897,101	20%	4,540,459	2,179,420	6,719,879	4,177,222
Total as on 30.06.2022	407,384,234	-	407,384,234		167,056,121	28,080,916	195,137,037	212,247,197
Total as on 30.06.2021	407,384,234	-	407,384,234	-	135,401,609	31,654,512	167,056,121	240,328,113

Intangible assets

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as on 30-06-2022
	Balance as on 01-07-2021	Addition during the year	Balance as on 30-06-2022		Balance as on 01-07-2021	Charged during the year	Balance as on 30-06-2022	
Computer Software	3,323,633	285,000	3,608,633	50%	2,483,913	491,110	2,975,023	633,610
Total as on 30.06.2022	3,323,633	285,000	3,608,633		2,483,913	491,110	2,975,023	633,610
Total as on 30.06.2021	2,696,433	627,200	3,323,633	-	1,957,793	526,120	2,483,913	839,720
Grand Total as on 30.06.2022	1,788,132,367	157,240,635	1,945,373,003		560,381,251	130,893,694	691,274,945	1,254,098,057
Total as on 30.06.2021	1,610,700,616	177,431,751	1,788,132,367	-	433,687,278	126,693,974	560,381,251	1,227,751,116

Allocation of depreciation

	<u>Amount in Taka</u>
	<u>30.06.2022</u>
Manufacturing Overhead	33,818,179
Administrative Expenses	821,599
Marketing & Selling Expenses	96,253,915
Total	<u>130,893,694</u>