



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

Auditor's Report
and
Financial Statements
Of

BEACH HATCHERY LIMITED

For the year ended 30 June 2019

**Concord Tower (9th floor), 113, Kazi Nazrul Islam Avenue
Bangla Motor, Dhaka-1000.**

Auditor:



Ahmed Zaker & Co.

Chartered Accountants

(An Independent Member Firm of Geneva Group International (GGI))

Green City Edge (Level- 10), 89, Kakrail, Dhaka-1000, Bangladesh.

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Table of Content of the Report

Sl. No.	Particulars	Page
1	Independent Auditors' Reports to the Shareholders	1-5
2	Statement of Financial Position	6
3	Statement of Profit or Loss and Other Comprehensive Income	7
4	Statement of Changes in Equity	8
5	Statements of Cash Flows	9
6	Notes to The Financial Statements	10-20
7	Schedule of Property, Plant & Equipment	21



**Independent Auditors' Report
To the Shareholders of Beach Hatchery Limited
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the financial statements of Beach Hatchery Limited ("the Company"), which comprise the Statement of Financial Position as at 30 June 2019, and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for effects of the matters described under paragraph (a to f) in the Basis for Qualified Opinion section of our report, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) where practicable, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

- a) As referred to in the Note # 2.09 to the financial statements which disclosed that the factory building and hatchery equipment of the Company have been dismantled by the Government to construct marine drive road and some portion of the land constituting of hatchery plant was also acquired by government authority. Hence, the entire operation of the Company has been halted since 24 April 2016 and though the management of the Company is taking initiatives but commercial production is yet to resume as of 30 June 2019. Moreover, the Company continued to make significant amount of net losses during the year as well as previous year and retained earnings of the Company stood at (Tk.10,516,158) as on 30 June 2019. These conditions, along with other matters as set forth in Annexure-01 indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern in the foreseeable future. The Company is currently at risk of being delisted and under the scrutiny of Dhaka Stock Exchange as its production has remained suspended for more than for a period of consecutive three years. The Company did not make an assessment of its ability to continue as a going concern and material uncertainties related to the above conditions were also not adequately disclosed in the notes to the financial statements as required by IAS 1: Presentation of Financial Statements.
- b) The Company recognized loans and borrowing of Tk. 16,621,330 which was obtained for financing project and Tk. 43,069,354 for financing working capital in the statement of financial position as on 30 June 2019. This carrying amount also includes interest provision of Tk. 4,932,448 which was charged as expenses during the year. Both of these loans were obtained from Bangladesh Krishi Bank. In absence of sufficient appropriate

audit evidence consisting of loan sanction letter along with board minutes, bank loan statements, loan repayment schedule and certificate of outstanding loan balance from bank, the accuracy and completeness of the said amounts were not verifiable. In addition, current and non-current portion of these loans and borrowings have not been segregated and presented separately which is a departure from the requirement of IAS 1: Presentation of Financial Statements.

- c) Trade receivables amounting to Tk. 276,526,941 was carried in the statement of financial position at the reporting date. These balances were outstanding for more than one year and due to non-operation of the Company for several years there is a probability that recoverability of these long outstanding balances involves a high degree of uncertainty against which no provision for doubtful debt have been recognized by the Company which would overstate total assets and understate net losses in the financial statements.
- d) Property, plant and equipment (PPE) with carrying value of Tk. 217,678,532 was recognized at the reporting date. The Company did not provide us with details information showing individual items of these PPE, asset identification code, location and condition, acquisition date and cost of acquisition. As a result of this, we were not able to determine the accuracy, existence and valuation of the said carrying amount.
- e) Income tax authority has issued letter dated 04.02.2015 claiming Tk.19,335,561 as outstanding tax up to the assessment year 2012-2013 but the Company has not made sufficient provision to meet up the said claim on the ground that they are under the process of appeal against the said assessment order.
- f) Advance, deposits and prepayments of Tk. 3,238,531 was carried in the statement of financial position as on 30 June 2019. Despite, management of the Company considered that full portion of these balances are good subject to realization or adjustment, we noted that some of these balances were beyond more than one year against which no such adjustment was made in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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 the 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 the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for qualified our opinion.





Key Audit Matters

Except for the matters described in the above Basis for Qualified Opinion section of the Auditors' Report, we have determined that there are no other key audit matters to be communicated in our report.

Other Matter

The Financial Statements of **Beach Hatchery Limited** for the year ended 30 June 2018 were audited by Islam Quazi Shafique & Co., Chartered Accountants who expressed a qualified opinion on those financial statements on 30 October 2018.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

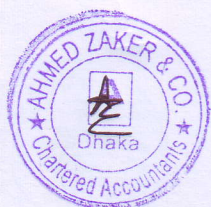
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Audit for the financial statements of the Company for the year ended 30 June 2019 was not completed within the timeframe as required by the listing rules.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 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. The companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management factions of the company.

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.

Auditors' 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 circumstances.
- 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 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 auditors' 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 event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial statement we are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.





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 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 statements 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, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 examinations of those books;
- c) The statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income of the Company dealt with by the report are in agreement with the books of account and returns;
- d) The expenditures incurred were for the purposes of the Company's business.

Place: Dhaka

Dated: 28 November, 2019


Ahmed Zaker & Co.
Chartered Accountants

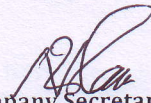


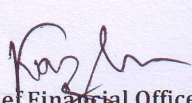



BEACH HATCHERY LIMITED
Statement of Financial Position
As at June 30, 2019

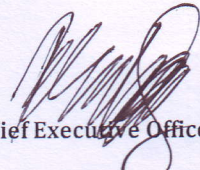
PARTICULARS	NOTES	AMOUNT IN TAKA		
		30.06.2019	30.06.2018	
<u>ASSETS</u>				
<u>Non-Current Assets:</u>		217,678,532	220,544,397	
Property, Plant & Equipment	05.00	217,678,532	220,544,397	
<u>Current Assets:</u>		279,816,532	283,953,966	
Trade Receivables	06.00	276,526,940	279,928,483	
Advances, Deposits & Pre-Payments	07.00	3,238,531	3,845,245	
Cash & Cash Equivalents	08.00	51,061	180,238	
TOTAL ASSETS		497,495,064	504,498,363	
<u>EQUITY :</u>				
<u>Shareholders Equity:</u>		419,867,855	434,888,939	
Share Capital	09.00	414,010,210	414,010,210	
Retained Earnings		(10,516,159)	4,504,925	
Tax Holiday Reserve	10.00	16,373,804	16,373,804	
<u>LIABILITIES:</u>				
<u>Non-Current Liabilities:</u>		16,621,330	15,248,927	
Secured Loan	11.00	16,621,330	15,248,927	
<u>Current Liabilities:</u>		61,005,879	54,360,496	
Short Term Liabilities	12.00	43,069,354	39,513,169	
Liability for Expenses	13.00	7,068,023	3,950,840	
Liabilities for Goods & Services	14.00	1,213,357	1,241,357	
Liabilities for Other Finance	15.00	234,970	234,970	
Provision for Income Tax	16.00	9,420,175	9,420,160	
TOTAL EQUITY AND LIABILITIES		497,495,064	504,498,363	
Net Asset Value per Share (NAVPS)		27.00	10.14	10.50

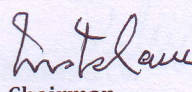
The annexed notes 01 to 29 form an integral part of these financial statement


Company Secretary


Chief Financial Officer



Director


Chief Executive Officer


Chairman

Signed as per our separate report on same date

Dated: November 28, 2019
Place: Dhaka

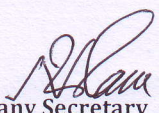
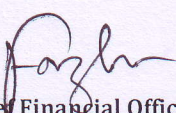
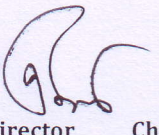
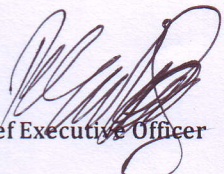
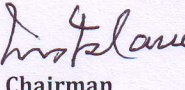

Ahmed Zaker & Co.
Chartered Accountants



BEACH HATCHERY LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

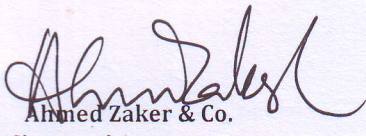
PARTICULARS	NOTES	Amount In Taka	
		01-Jul-2018 to 30-Jun-2019	01-Jul-2017 to 30-Jun-2018
<u>Operating Revenue/Income:</u>			
Turnover/ Sales		-	-
Less : Factory Overhead	17.00	4,547,075	5,473,219
Gross Profit		(4,547,075)	(5,473,219)
<u>Operating Expenses:</u>			
Office & Administrative Expenses	18.00	5,541,638	5,285,498
Selling & Distribution Expenses		5,541,638	5,285,498
Operating Profit/(Loss):		-	-
		(10,088,713)	(10,758,717)
<u>Non-Operating Income:</u>			
Other Income	20.00	103	124
<u>Non-Operating Expenses:</u>			
Financial Expenses	19.00	(4,932,448)	(4,533,167)
<u>Profit/(Loss) before contribution to WPPF</u>		(15,021,058)	(15,291,760)
Contribution to WPPF		-	-
<u>Profit/(Loss) before Income Tax</u>		(15,021,058)	(15,291,760)
Less : Provision for tax	16.01	(26)	(31)
Total other Comprehensive Income for the year		(15,021,084)	(15,291,791)
Earning per share(EPS)	26.00	(0.36)	(0.37)

The annexed notes 01 to 29 form an integral part of these financial statements

 Company Secretary
  Chief Financial Officer
  Director
  Chief Executive Officer
  Chairman

Signed as per our separate report on same date

Dated: November 28, 2019
 Place: Dhaka



 Ahmed Zaker & Co.
 Chartered Accountants.

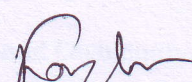


BEACH HATCHERY LIMITED
Statement of Changes in Equity
For the year ended June 30, 2019


Particulars	Share Capital	Tax Holiday Reserve	Proposed Stock Dividend	Retained Earnings	Total
Balance at 1 July 2017	414,010,210	16,373,804	-	19,796,716	450,180,730
Stock Dividend	-	-	-	-	-
Net Profit/Loss 30th June, 2018				(15,291,791)	(15,291,791)
Balance at 30th June, 2018	414,010,210	16,373,804	-	4,504,925	434,888,939
Balance at 1 July 2018	414,010,210	16,373,804	-	4,504,925	434,888,939
Stock Dividend	-	-	-	-	-
Net Profit/Loss 30th June, 2019				(15,021,084)	(15,021,084)
Balance at 30th June, 2019	414,010,210	16,373,804	-	(10,516,159)	419,867,855

The annexed notes 01 to 29 form an integral part of these financial statement


 Company Secretary


 Chief Financial Officer


 Director


 Chief Executive Officer


 Chairman

Dated: November 28, 2019
 Place: Dhaka

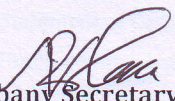
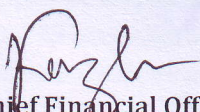
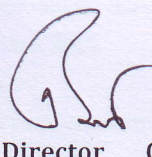
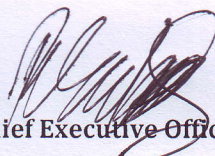
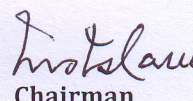




BEACH HATCHERY LIMITED
Statement of Cash Flows
For the year ended June 30, 2019

PARTICULARS	Amount in Taka	
	01-Jul-2018 to 30-Jun-2019	01-Jul-2017 to 30-Jun-2018
Cash flows from Operating Activities:	(129,268)	(454,930)
Collection from Customers	3,401,543	4,347,084
Cash Paid to Suppliers	(1,864,233)	(2,152,598)
Operating Exp. Cash Paid	(2,273,292)	(3,639,085)
Advance, Deposit and Prepayments	606,714	989,669
Cash flows from Non-Operating Activities:	92	111
Other Income	103	124
Tax Deducted at source	(11)	(13)
Cash flows from Investing Activities:	-	-
Acquisition of Fixed Assets	-	-
Cash Flows from Financing Activities:	-	-
Net Decrease in Cash and Cash Equivalents (A+B+C+D)	(129,176)	(454,819)
Cash and Cash Equivalents at Beginning of the Year	180,238	635,057
Cash & Cash Equivalents at the End of Year	51,061	180,238
Net Operating Cash Flow per Share (on the Equity Share of Taka 10 each)	(0.0031)	(0.0110)

The annexed notes 01 to 29 form an integral part of these financial statements

 **Company Secretary**
  **Chief Financial Officer**
  **Director**
  **Chief Executive Officer**
  **Chairman**

Dated: November 28, 2019
Place: Dhaka



BEACH HATCHERY LTD.
Notes to the Financial Statements
For the year ended 30 June, 2019

1.00 THE COMPANY AND ITS OPERATION :

1.01 Status and Legal form of the Enterprise :

The Beach Hatchery Limited was incorporated with the Registrar of Joint Stock Companies, Dhaka, Bangladesh on 9th August, 1994 as Private Limited Company vide incorporation no. C-26397(241)/94 under the Companies Act, 1913 and subsequently been converted as a Public Limited Company on 15th November 1995 under the Companies Act, 1994. The Shares of the Company are publicly traded of the floors of the Dhaka and Chittagong Stock Exchanges.

1.02 Nature of Business Activities :

The Beach Hatchery Limited produces Shrimp Fry to sell in the local market. It has gone into commercial production from 1st January, 1997.

1.03 Registered Office :

The registered office of the company is situated at Concord Tower (9th floor), 113, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, Bangladesh.

1.04 Factory :

The factory of the Company is situated at Moheshkhalipara, Teknaf Sea beach, Teknaf, Cox's Bazar, Bangladesh.

02.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS:

2.01. Statement of Compliance

The Financial Statements have been prepared on a going concern basis in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountant of Bangladesh (ICAB), Companies Act 1994 and other relevant laws and regulations applicable in Bangladesh.

2.02. Basis of Reporting

The Financial Statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 - "Presentation of Financial Statements". The financial statements comprise of:

- a) Statement of Financial Position as at 30 June, 2019
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2019
- c) Statement of Changes in Equity for the year ended 30 June, 2019
- d) Statement of Cash Flows for the year ended 30 June, 2019
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03. Authorization for issue

These Financial Statements have been authorized for the issue by the Board of Directors on 28 November 2019.

2.04. Functional and Presentation Currency

These Financial Statements are prepared in Bangladesh Taka, which is the Company's functional currency. All financial information presented in Taka has been rounded off to nearest integer.

2.05. Applicable Accounting Standards

The following IASs are applicable for preparation and reporting of the Financial Statements for the year under review:

- IAS - 1 Presentation of Financial Statements
- IAS - 2 Inventories
- IAS - 7 Statements of Cash Flows
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS - 12 Income Taxes
- IAS - 16 Property, Plant and Equipment
- IAS - 18 Revenue
- IAS - 19 Employee Benefits
- IAS - 24 Related Party Disclosures
- IAS - 33 Earnings Per Share
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS - 39 Financial Instruments: Recognition and Measurement
- IFRS - 1 First Time Adoption of International Financial Reporting Standards
- IFRS - 7 Financial Instruments: Disclosures
- IFRS - 13 Fair value measurements

2.06. Comparative information :

Comparative information have been disclosed in respect of the last year for all numerical information in the financial statements and also narrative and descriptive information when it is relevant for current year's financial statement.

Figures for the previous year have been reclassified or rearranged whenever considered necessary to ensure comparability with the current year.

2.07. Accounting convention and basis of preparation of the financial statements :

The Financial statements of the Company consistently cover one calendar year from 1st July 2018 to 30 June 2019, and are prepared under the historical cost convention in accordance with the applicable International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) which do not vary from the requirements of the Companies Act 1994 and other laws and rules applicable in Bangladesh.

2.08. Use of estimates in preparation of the financial statements :

Preparation of the financial statements in conformity with the International Accounting Standards adopted in Bangladesh requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses during the year under audit. Actual result may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.09. Going concern:

As the Factory has been dismantled by the government to construct marine drive road and entire operation has stopped and the management is trying to run the production as soon as possible.

03.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES :

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and 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 recommendation of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

3.01. Consistency:

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year under audit are consistent with those policies and methods adopted in preparing the Financial Statements for the previous year.



03.2 Property, Plant and Equipment :

03.2.1 Recognition and Measurement :

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of an asset and bringing it to working condition. The cost of self-constructed / installed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located. When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of property, Plant and Equipment.

03.02.2 Subsequent Costs:

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of Property, Plant and Equipment are recognized in profit and loss as incurred.

03.02.3 Depreciation :

Land is held on a freehold basis and is not depreciated considering the unlimited life. Depreciation on all other fixed assets is computed to be charged on diminishing balance method sufficient to write off depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any loss on such disposal is reflected in operations for the year. No depreciation is charged for the year during which an asset is disposed off.

The principal annual rates and allocation method are as follows :

Category of Assets	Rate of Depn.	Allocated to
Land & Land Development	Nil	
Factory Building & Civil Const.	20%	Factory overhead
Hatchery Equipment & Machinery	20%	Factory overhead
Generator	15%	Factory overhead
Electric Installation	20%	Factory overhead
Fact. Office & Elec. Equipment	20%	Factory overhead
Lab. Equipment	20%	Factory overhead
Factory Furniture & Fixture	10%	Factory overhead
Water Installation	20%	Factory overhead
Motor Vehicle	20%	Factory overhead
Factory Office Furniture & Fixture	20%	Factory overhead
Fry Delivery Box	10%	Factory overhead
Aerator	20%	Factory overhead
Fencing Wire	10%	Factory overhead
Office Furniture & Fixture	10%	Administrative overhead
Vehicle	20%	Administrative overhead
Office & Electric Equipment	20%	Administrative overhead
Office Decoration	15%	Administrative overhead

3.03 Inventories :

Nature of inventories

Inventories comprise fries at tank, fish feed, chemicals and packing materials etc.

Valuation of Inventories :

Inventories have been valued at lower of cost and net realizable value in accordance with IAS 2. "Inventories" cost is determined on FIFO basis.

3.04 Turnover and Revenue Recognition :

Turnover is shown net of return and discount. Sales revenue is recognized as per IAS 18 "Revenue" on accrual basis as and when shrimp fry are delivered.



3.05 **Borrowing Costs :**

Borrowing Cost is recognized as an expenditure in the period in which they are incurred except to the extent that they are capitalized in accordance with IAS-23 "Borrowing Costs".

3.06 **Taxation :**

The applicable rate of income tax for the Fish Farming income of the Company as per SRO No. 255-Law/Income Tax/2015 dated 26 August, 2015 is at the following rate with effects for the assessment year 2018-2019.

Income Range	Reduced Tax rate
Up to Tk. 10,00,000	Nil
On Next Tk. 10,00,000	5%
On remaining income	10%

and applicable rate of Income Tax for the other income of the Company is 25% .

3.07 **Trade Receivable :**

The receivables at the Balance Sheet date are stated at amounts which are considered good and realizable.

3.08 **Cash & Cash Equivalents :**

According to IAS 7 "Cash Flow Statement" comprises cash in hand, demand deposits and cash equivalent are short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change.

4.00 **ADDITIONAL INFORMATION ON FINANCIAL STATEMENT :**

4.01 **Responsibility for preparation and presentation of financial statements :**

The Board of Directors is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994 and as per provision of IAS 1, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

4.02 **Employees Separation Plan :**

The Company has not yet introduced any separation plan for its employees.

4.03 **Earning per Share (EPS) :**

The Company calculates Earning per Share (EPS) in accordance with International Accounting Standard (IAS)-33 "Earning per Share" as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). This has been calculated by dividing net profit/loss for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

4.04 **Net Asset Value (NAV) per Share:**

This has been calculated by dividing Net Assets for the year attributable to the shareholders by the weighted average number of shares outstanding during the year.

4.05 **Net Operating Cash Flow (NOCFPS) per Share:**

This has been calculated by dividing net cash flows from operating activities by the weighted average number of shares outstanding during the year.



4.06 Reporting Period:

Financial Statements of the Company covers 12 (Twelve Months) from 01 July, 2018 to 30 June, 2019.

5.00 PROPERTY, PLANT & EQUIPMENT : Tk.

This is arrived as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Balance as on 01.07.2018 (Cost)	482,260,635	482,260,635
Add : Addition during the year	-	-
	482,260,635	482,260,635
Less: Accumulated Dep. on 01.07.2018	261,716,238	258,169,823
	220,544,397	224,090,812
Less: Depreciation charged during the year	2,865,865	3,546,415
Balance (W.D.V) :	217,678,532	220,544,397

The details of fixed assets and depreciation charged thereon are shown in Annexure -01.

6.00 TRADE RECEIVABLE Tk.

276,526,940 279,928,483

The movement of above balance is as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Balance as on 01.07.2018	279,928,483	284,275,567
Add : Addition during the year	-	-
	279,928,483	284,275,567
Less : Realised/Adjusted during the year	(3,401,543)	(4,347,084)
	276,526,940	279,928,483
Less: Provision for bad & doubtful debts	-	-
Total :	276,526,940	279,928,483

Age analysis of the above balance of Debtors is as follows:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Less than one year	0	0
More than one year	276,526,940	284,275,567
Total :	276,526,940	284,275,567

The management of the Company considered above mentioned balances of trade debtors are good for realisation and hence provision for bad and doubtful debts are not made.

7.00 ADVANCE, DEPOSIT & PREPAYMENT : Tk.

3,238,531 3,845,245

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
a) ADVANCE:		
Advance against Purchase (Note- 7.01)	2,682,941	3,237,205
Adv. Against Expenses (Note -7.02)	255,590	308,040
Total Advance:	2,938,531	3,545,245
b) DEPOSIT:		
Sundry Deposits (Note- 7.03)	300,000	300,000
Grand Total of Advance and Deposits(a+b):	3,238,531	3,845,245

ii) More than one year		
Advance against Purchase	2,682,941	3,237,205
Advance against Expenses	255,590	308,040
Sub Total (ii):	2,938,531	3,545,245
Grand Total (i+ii):	2,938,531	3,545,245

The management of the Company considered above mentioned unadjusted balances of advance are fully realizable/adjustable.



7.01 Advance Against Purchase : Tk.
This is made up as under:

2,682,941

3,237,205

Particulars		Amount(Tk)'19	Amount(Tk)'18
a)	Head Office :		
1.00	Agrocare Ltd. (H/O)	98,235	118,235
2.00	M/S. Enam Brother	85,153	105,153
3.00	M/S. Fair Trade Center	-	15,760
4.00	M/S. Fakrul Anower & Brothers	77,400	77,400
5.00	M/S. Golden Deer Enterprise	75,530	90,530
6.00	Mr. S. M Arman	65,485	89,485
7.00	Mr. Zajorel Haque	86,150	118,150
8.00	Nazrul & Brothers	-	48,380
Total (Head office) (a):		487,953	663,093

b)	Teknaf Office :		
1.00	Air Cargo Association Cox's	211,000	211,000
2.00	Allwells Marketing	82,500	82,500
3.00	Alvin Trade International	125,740	153,740
4.00	Aman Enge.	144,934	169,934
5.00	Bay Gold Enterprise	225,364	268,364
6.00	Bangla Enterprise	84,400	96,400
7.00	Global International	76,593	98,593
8.00	Holly Enterprise	68,950	68,950
9.00	Inve Shop	58,572	58,572
10.00	Khulla Mia (Transportation)	165,500	184,500
11.00	M/s B S P Enterprise	155,273	178,273
12.00	M/S. Titu Engr. Works	76,450	98,450
13.00	M/S. Baban Desh	145,000	168,100
14.00	M/S. Helal Auto Ele.	45,000	57,200
15.00	M/S. Momtag & Brothers	70,178	70,178
16.00	N.k. Enterprise	45,000	68,394
17.00	Mr. Azam&Hanif(Mother)	35,500	43,500
18.00	Mr. Sabed Ali (Mother)	48,000	66,500
19.00	Mr. Shagahan	85,400	133,400
20.00	Mr. Shrifuddin Roni	49,334	64,894
21.00	Ocean Aqua Tech	76,300	88,600
22.00	Saiful Hoque & Brothers	68,000	77,020
23.00	Shapla Enterprise	52,000	67,050
Total (Teknaf) (b):		2,194,988	2,574,112
Grand Total of Adv. Against Purchase : (a+b)		2,682,941	3,237,205

7.02 Advance Against Expenses : TK.
This is made up as under:

255,590

308,040

Sl. No.	Particulars	Amount(Tk)'19	Amount(Tk)'18
a)	Head Office :		
2.00	Mr. Mofidul Hoque	95,840	105,840
Total Adv.Agst.Exp.(Head Office)-(a):		95,840	105,840

Sl. No.	Particulars	Amount(Tk)'19	Amount(Tk)'18
b)	Teknaf Office :		
1.00	Md. Ali	-	23,950
2.00	Mr. Arun Babu	30,000	38,500
3.00	Mr. Mofidul Haque	129,750	139,750
Total Adv .Agst. Exp. (Teknaf)---(b):		159,750	202,200
Grand Total of Adv. Against Expenses-(a+b):		255,590	308,040

7.03 Deposits : Tk.

300,000

300,000

The above balance has been brought down from last year account without any changes and the said balance represents amount deposited with CDBL.



8.00 CASH AND CASH EQUIVALENTS : Tk.

51,061

180,238

This is made up as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Cash in Hand (Note- 8.01)	30,667	157,061
Cash at Bank (Note - 8.02)	20,394	23,177
Total:	51,061	180,238

8.01 Cash in Hand : Tk.

30,667

157,061

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Cash in Cox's Bazar	-	42,760
Cash in Head Office	1,184	895
Cash in Khulna	-	48,132
Cash in Satkhira	-	35,700
Cash in Teknaf	29,483	29,574
Total Cash in Hand:	30,667	157,061

8.02 Cash at Bank : Tk.

20,394

23,177

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
a) Cash at Bank (Head office)		
Bangladesh Krishi Bank-2465	1,523	2,673
IFIC Bank-1017124081-001	12,140	12,140
Prime Bank Ltd. 12811050018053	1,383	1,958
Bangladesh Krishi Bank STD 2172	1,789	2,847
Total Cash at Bank (Head office)----(a)	16,835	19,618
b) Cash at Bank (Satkhira)		
Bangladesh Krishi Bank-1116	3,559	3,559
Total Cash at Bank (Satkhira)----- (b)	3,559	3,559
Total Cash at Bank(a+b):	20,394	23,177

9.00

SHARE CAPITAL :

Authorized Capital:

200,000,000 Ordinary Shares of Tk. 10/- each.

2,000,000,000

2,000,000,000

Issued, Subscribed and Paid-up-Capital : Tk.

414,010,210

414,010,210

34,286,560 Ordinary Shares of Tk. 10/- each. (Including Stock dividend up to 01-01-2014)	342,865,600	342,865,600
5,142,984 ordinary of tk 10 each fully paid-up as stock dividend during 2014	51,429,840	51,429,840
19,71,477 ordinary of tk 10 each fully paid-up as stock dividend during 2015	19,714,770	19,714,770
Total:	414,010,210	414,010,210

Ordinary Share holding position of the Company is as follows:

Sl.No.	Name of the Shareholders	Nos. of Shares	Amount (Tk.)
1	Md. Shariful Islam	9,045,704	90,457,040
2	Mrs. Fahmida Islam	1,956,075	19,560,750
3	M/s Meghna Shrimp Culture Ltd.	1,856,660	18,566,600
4	Syed Nur Ahmed	1,619,746	16,197,460
5	ICB	2,518,835	25,188,350
6	Financial Institution	5,365,585	53,655,850
7	General Public	19,038,416	190,384,160
Total :		41,401,021	414,010,210





10.00 TAX HOLIDAY RESERVE : Tk.

16,373,804

16,373,804

The above balance was brought down from last year account without any change.

11.00 SECURED LOAN : Tk

16,621,330

15,248,927

This represents the outstanding amount of principal and interest of project loan taken from Bangladesh Krishi Bank (BKB) Teknaf Branch, Teknaf. The loan is secured by all fixed assets of the Company. The above balance arrived as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Balance b/f	15,248,927	13,989,842
Less : Refund/adjusted during the year	-	-
	15,248,927	13,989,842
Add : Interest charged for the year	1,372,403	1,259,085
Balance:	16,621,330	15,248,927

12.00 SHORT TERM LIABILITIES : Tk.

43,069,354

39,513,169

The above mentioned Bank's loan represents outstanding amount of working capital loan allowed by Bangladesh Krishi Bank, Teknaf branch. The above balance arrived as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Balance b/f	39,513,169	36,250,614
Less : Paid/Adjusted during the year	-	-
	39,513,169	36,250,614
Add : Provision for Interest during the year	3,556,185	3,262,555
Balance:	43,069,354	39,513,169

13.00 LIABILITIES FOR EXPENSES : Tk.

7,068,023

3,950,840

This is made up as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Prov. Audit Fees	230,000	300,000
Prov. Directors Remuneration	-	-
Prov. for Salary and Allowances :	-	-
Prov Salary Head Office	2,595,500	61,110
Prov. for Factory Wages	557,850	637,175
Prov. Salary Factory	2,383,858	1,562,338
Prov. Telex, Fax and Telephone	67,542	54,548
Prov. Utility & Electricity Exp	67,182	88,483
Prov. Listing Fee & CDBL	1,166,091	1,247,186
Total Liabilities for Expenses(Prov.):	7,068,023	3,950,840

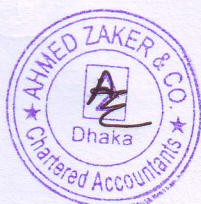
14.00 LIABILITIES FOR GOODS & SERVICES : Tk.

1,213,357

1,241,357

This is made up as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
M/s Taspia Oil Service	-	25,000
M/s. B.S.P Enterprise	249,500	249,500
M/s. Alvin Trade Int.	219,500	219,500
M/s Khaja Electric Works	9,525	9,525
Monir Traders	159,270	159,270
M/s A. K. Enterprise	125,100	128,100
M/S Shrimp Mother Trade	84,400	84,400
M/S Global International	87,430	87,430
Mr. Jahangir	20,000	20,000
Technician Commission	215,000	215,000
M/s Aqua Shop	28,632	28,632
Total Liab.-Goods & Serv./Acc.Payable:	1,213,357	1,241,357





15.00 LIABILITIES FOR OTHER FINANCE : TK.

234,970

234,970

The above balance represents unclaimed dividend as on Balance Sheet date. Year wise break up of the balance is under.

Dividend for the year	Amount(Tk)'19	Amount(Tk)'18
2003	7,220	7,220
2004	27,872	27,872
2005	152,392	152,392
Fraction of Stock Dividend	47,486	47,486
Total :	234,970	234,970

16.00 PROVISION FOR INCOME TAX:

9,420,175

9,420,160

The above balance arrived as under:

Particulars	Amount(Tk)'19	Amount(Tk)'18
Balance b/f	9,420,160	9,420,142
Add : Provision for the year (Note-16.01)	26	31
	9,420,186	9,420,173
Less :TDS from STD Bank A/C Interest	11	13
	9,420,175	9,420,160
Less : Tax paid	-	-
Total :	9,420,175	9,420,160

16.01 Provision for Income Tax for the year :

This is arrived as under :

Particulars	Amount(Tk)	Tax (Tk)	Tax (Tk)
Operating Income	-	0.20	0
Other Income@ 25%	103	26	26
Total:	103	26	26

17.00 Factory Overhead : Tk.

4,547,075

5,473,219

This is made up as under :

Particulars	Amount(Tk)'19	Amount(Tk)'18
Depreciation (Factory)	2,682,842	3,321,916
Electricity Exp. (Factory)	152,921	403,859
Entertainment	19,758	4,539
Factory Labour	6,120	9,520
Factory Salary	1,173,600	1,333,600
Factory Wages	390,240	244,240
General mess Expe.	64,315	42,062
Electric Goods	17,195	-
Photostat Exp.	154	386
Office Exp.	1,225	-
Postage & Courier Exp.	85	1,095
Printing Stationery	95	40
Promotional Expense	2,500	20,000
Repair & Maintenance	13,525	48,362
Telex, Fax & Telephone	12,000	18,500
Directors Traveling & Conveyance	-	16,350
Trade License & Fees	3,000	2,500
Traveling & Conveyance	4,850	3,500
Vehicle Expenses	2,650	2,750
Total Cost of Goods Sold:	4,547,075	5,473,219





24.00 CONTINGENT LIABILITY :

There was no sum for which the Company is contingently liable as on 30.06.2019.

25.00 PRODUCTION CAPACITY :

- a) Available Production Capacity 60 crore fry
b) Actual Production Nil

Shortfall in production was due to inherent risk and nature of the business.

26.00 EARNING PER SHARE (EPS) BASIC :

EPS and its components have been defined in the Note-4.03.

The computation of EPS is given below :

a) Net Profit/(Loss) after tax for the year	Tk. (15,021,084)
b) Weighted average number of ordinary shares outstanding during the year	41,401,021
c) EPS Basic	(0.36)

27.00 Net Asset Value (NAV) per Share:

(NAV) and its components have been defined in the Note-4.04.

The computation of (NAV) is given below :

a) Net Assets as on 30 June 2019	Tk. 419,867,855
b) Weighted average number of ordinary shares outstanding during the year	41,401,021
c) NAV Per Share	10.14

28.00 Net Operating Cash Flow (NOCFPS) per Share:

(NOCFPS) and its components have been defined in the Note-4.05.

The computation of (NOCFPS) is given below :

a) Cash flows from Operating Activities	Tk. (129,268)
b) Weighted average number of ordinary shares outstanding during the year	41,401,021
c) NOCFPS	(0.0031)

29.00 Reconciliation of Net Profit with Cash Flows from Operating Activities for the Year Ended 30 June 2019 - Under Indirect Method is Given below:

Net Profit/(Loss) after tax	(15,021,084)
Adjustments for non-cash items:	
Depreciation	2,865,865
Net Profit/(Loss) before changes in working capital	(12,155,219)
Changes in working capital:	
(Increase)/Decrease of Current Assets	4,008,257
Decrease in Accounts Receivables	3,401,543
Decrease in Advances, Deposits & Pre-Payments	606,714
Increase/(Decrease) of Liabilities	8,017,786
Provision for Income Tax	15
Liability for Expenses	3,117,183
Secured Loan	1,372,403
Short Term Liabilities	3,556,185
Liabilities for Goods & Services	(28,000)
Liabilities for Other Finance	-
Net increase/(decrease) in working capital	12,026,043
Net cash flows from operating activities	(129,176)

Company Secretary

Chief Financial Officer

Director

Chief Executive Officer

Chairman



BEACH HATCHERY LIMITED

Annexure-01

Schedule of Property, Plant & Equipment and Depreciation Charged thereon as at 30.06.2019

PARTICULARS	COST		Rate of Dep. (%)	DEPRECIATION			Written Down Value (W.D.V.) As on 30.06.19
	Opening Balance As on 01.07.18	Addition during the year		Opening Balance As on 01-07-18	Charged for the year	Closing Balance As on 30.06.19	
1	2	3	5	6	7.00	6+(7)=8	9
Factory :							
Land & Land Development	205,229,927	-	0%	205,229,927	-	196,530,469	205,229,927
Factory Building & Civil Const.**	202,173,856	-	20%	202,173,856	1,410,847	196,530,469	5,643,387
Hatchery Equipment & Machinery	43,522,393	-	20%	43,522,393	610,732	41,079,464	2,442,929
Generator	6,832,022	-	15%	6,832,022	273,061	5,284,675	1,547,347
Electric Installation	4,114,245	-	20%	4,114,245	64,358	3,856,814	257,431
Fact.. Office & Elec. Equipment	1,667,487	-	20%	1,667,487	30,163	1,546,833	120,654
Lab. Equipment	1,462,422	-	20%	1,462,422	47,301	1,273,216	189,206
Factory Furniture & Fixture	682,098	-	10%	682,098	14,871	548,264	133,835
Water Installation	6,129,777	-	20%	6,129,777	142,617	5,559,310	570,467
Motor Vehicle	101,000	-	20%	101,000	976	97,096	3,904
Factory Office Furniture & Fixture	200,385	-	20%	200,385	10,212	159,538	40,847
Fry Delivery Box	3,479,300	-	10%	3,479,300	16,261	3,332,949	146,351
Aerator	187,625	-	20%	187,625	9,351	150,222	37,403
Fencing Wire	1,065,903	-	10%	1,065,903	52,092	597,074	468,829
Total	476,848,440	-		257,333,082	2,682,842	260,015,924	216,832,516
Office :							
Office Furniture & Fixture	333,270	-	10%	333,270	9,135	251,055	82,215
Vehicle	3,255,000	-	20%	3,255,000	122,872	2,763,511	491,489
Office & Electric Equipment	616,540	-	20%	616,540	10,068	576,269	40,271
Office Decoration	1,207,385	-	15%	1,207,385	40,948	975,344	232,041
Total :	5,412,195	-		4,383,156	183,023	4,566,179	846,016
Grand Total	482,260,635	-		261,716,238	2,865,865	264,582,103	217,678,532

Depreciation has been apportioned as below :

Cost of goods Sold : 2,682,842

Administrative Overhead : 183,023

2,865,865

**Factory Building and Hatchery Equipment have been destroyed by Bangladesh Army to Construct Marine drive road and some portion of the land also Hatchery Plant acquired by them. Now it has become impossible to run a Hatchery.

