

Agricultural Marketing Company Limited

Auditor's Report and Financial Statements as at and for the year ended 30 June 2024

S. F. AHMED & CO.

Chartered Accountants | Since 1958

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Independent Auditor's Report**to the shareholders of Agricultural Marketing Company Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Agricultural Marketing Company Limited (the "company") which comprise the statement of financial position as at 30 June 2024 and the 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, the accompanying financial statements give a true and fair view of the financial position of the company as at 30 June 2024 and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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) 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 our opinion.

Emphasis of Matter

We draw attention to Note-5 and Annexure-1 of the financial statements, which disclose the carrying amount of property, plant, and equipment (PPE) as of 30 June 2024, amounting to Taka 298,358,016, out of which the revalued amount represents Taka 15,184,377.

The company had revalued its land, factory building, machinery & equipment and vehicles on 10 December 1996, and subsequent increases in the net carrying amount were recognized in their respective years as additions to valuation. As per IAS 16.31 and IAS 16.34, those assets under the revaluation model should be revalued with sufficient regularity (i.e in every three or five years) to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Risk	How our audit addressed the key audit matters
Revenue recognition	
<p>Revenue recognition has significant and wide range of influence on financial statements. The accompanying financial statements of the company reported revenue for the year ended 30 June 2024 of Taka 3,306,077,584.</p> <p>The company is engaged in manufacturing and marketing of various food products across a number of geographical areas in Bangladesh and outside Bangladesh. We have specifically focused to cut-off and occurrence for revenue recorded within 30 June 2024. Pressures to meet stakeholders' expectations could provide incentives to record revenues where controls of the goods have not passed.</p> <p>Under IFRS 15, revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p> <p>Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).</p> <p>See note no. 3.12 and 23 to the financial statements.</p>	<p>Our procedures included obtaining an understanding of management's process of the recognition and recording of revenue. We tested the transactions on sample basis to verify whether the balances were accounted for in accordance with the provisions of IFRS 15.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results of the reviews of management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>We assessed the design and implementation of these controls. We visited to various sales depots and tested a sample of individual sales transactions and traced to dispatch notes and subsequent cash receipt or other supporting documents. We performed analytical review to identify any unusual or one-off material revenue transactions.</p> <p>We tested a sample of individual sales transactions and traced to dispatch notes and subsequent cash receipt or other supporting documents.</p> <p>With regard to the implementation of IFRS 15 "Revenue from Contract with Customers", we verified management's conclusion from assessing different types of contracts and the accuracy of the accounting policies in light of the industry specific circumstances and our understanding of the business.</p> <p>We have assessed the reasonableness of the basis of management estimation for expected refund liability as per the provisions of relevant accounting standards.</p> <p>We tested the accuracy of the accounting treatment and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
Inventory	
<p>At the reporting date, the carrying value of inventory amounted to Taka 853,318,297 that is about 52% of total assets. Inventories were considered as a key audit matter as inventory valuation involves management judgement.</p> <p>Inventories consisting of raw materials, work in progress and finished goods are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or</p>	<p>We assessed the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company in respect of inventory management. • Attending the physical inventory counts as on 30 June 2024 and reconciling the count results to the inventory listings to test the completeness of data.



Risk	How our audit addressed the key audit matters
<p>conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>Cost of inventories is determined by using weighted average method. Where necessary, allowance is provided for damage, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.</p> <p>Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>The associated disclosure is included within Note 3.5 and 6.</p>	<ul style="list-style-type: none"> • Reviewing the inventory costing procedures and methodology. • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete. • Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year. • Assessing the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete. • Verifying that the standard costs used for valuation are based on accurate and up-to-date data, including material cost, labor cost, and overheads and adjustment of the variances accordingly.

Property, plant and equipment, capital work in progress and borrowing cost

<p>At the reporting date, the carrying value of the company's property, plant and equipment amounted to Taka 298,358,016. The valuation of property, plant, and equipment was identified as a key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgements in determining its valuation.</p> <p>A significant balance amounting to Taka 36,670,458 has been transferred to property, plant and equipment from capital work in progress during the year for the company.</p> <p>Inherent risks associated with property, plant and equipment:</p> <ul style="list-style-type: none"> • Property, plant and equipment may include assets that should have been derecognized following sale, other transfer of rights or abandonment. • Expenditure that should have been recognized as property, plant and equipment but has not been so recognized, including capitalized finance costs. • Depreciation may have been incorrectly calculated. <p>Potential misstatements in property, plant, and equipment on account of frauds and errors:</p> <ul style="list-style-type: none"> • Purchase of an asset at an inflated price especially from a related party. • Wrong write-off of the asset as scrap, obsolescence, missing, donated, or destroyed. 	<p>Our audit procedures to assess the carrying value of property, plant & equipment and capital work in progress included the following:</p> <p>We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS 16 and found them to be consistent.</p> <p>We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS 16- <i>Property, Plant and Equipment</i> and compared each class of asset in the current year to the prior year to determine whether there are any significant changes in the useful life of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.</p> <p>We obtained a list of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.</p> <p>We verified a sample of invoices and LC documents to determine whether the classification between capital and operating expenditure was appropriate.</p> <p>We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</p> <p>We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the acquisition and disposal.</p> <p>We reviewed the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.</p>
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Risk	How our audit addressed the key audit matters
<ul style="list-style-type: none"> • Expenditures for repairs and maintenance recorded as property, plant and equipment or vice versa. • Capitalization of expenditure which are not normally attributable to the cost of the property, plant and equipment. • Recording of an asset purchased, which in effect has not actually been received by the entity at all <p>Please see no. 3.1 and 5.</p>	<p>We assessed whether the costs capitalised met the recognition criteria set forth in IAS 23: <i>Borrowing Costs</i>, in relation to the capitalisation of borrowing costs.</p>

Other Matter

The financial statements of the company as at and for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on these financial statements on 28 October 2023.

Reporting on Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatement, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts; and
- d) the expenditure incurred was for the purposes of the Company's business.

Firm's Name : S. F. Ahmed & Co., Chartered Accountants
Firm's Registration No. : 10898 E.P, under Partnership Act 1932

Signature : 

Engagement Partner Name : Md. Enamul H Choudhury, FCA,
Senior Partner/Enrollment No. 471

DVC Number : 2410270471AS411700

Date : 27 October 2024




AGRICULTURAL MARKETING COMPANY LIMITED


Statement of Financial Position

As at 30 June 2024


	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
ASSETS			
Non-Current Assets		302,637,398	236,064,923
Property, Plant & Equipment	5	298,358,016	189,058,665
Capital Work-in-Progress (Machinery)		-	36,670,458
Right of Use Assets	5.A	4,279,382	10,335,800
Current Assets		1,339,351,553	1,203,766,601
Inventories	6	853,318,297	755,751,468
Trade Receivables	7	50,904,204	93,711,871
Advances, Deposits & Prepayments	8	416,884,051	333,107,068
Cash & Cash Equivalents	9	18,245,001	21,196,194
Total Assets		1,641,988,951	1,439,831,524
EQUITY AND LIABILITIES			
Shareholders' Equity		727,223,023	708,702,128
Share Capital	10	80,000,000	80,000,000
Share Premium	11	40,000,000	40,000,000
Revaluation Surplus	12	12,915,450	12,936,953
Retained Earnings	13	594,307,573	575,765,175
Non Current Liabilities		105,868,970	17,274,349
Deferred Tax Liability	14	12,482,349	9,766,809
Lease Liability	15	1,629,121	7,507,540
Term Loan	16	91,757,500	-
Current Liabilities		808,896,958	713,855,047
Current portion of Lease Liability	15	2,611,260	3,038,760
Short term credit facilities	17	698,525,856	615,386,482
Trade Payable	18	4,421,812	19,750,737
Liabilities for Expenses	19	83,197,132	50,491,925
Security Deposit Payable	20	14,284,300	19,115,348
Workers' Profit Participation Fund (WPPF) Payable	21	3,863,661	4,447,279
Unclaimed Dividend	22	1,992,937	1,624,516
TOTAL LIABILITIES		914,765,928	731,129,396
TOTAL EQUITY AND LIABILITIES		1,641,988,951	1,439,831,524
Net Assets Value (NAV) Per Share with Revaluation	34	90.90	88.59
Net Assets Value (NAV) Per Share without Revaluation	34	89.29	86.97

The annexed accounting policies and other notes form an integral part of the financial statements.


Muhammad Shariful Islam
Company Secretary


Mohammad Yeamin
Chief Financial Officer


Md. Eleash Mridha
Managing Director


Ahsan Khan Chowdhury
Chairman

Signed in terms of our report of even date annexed

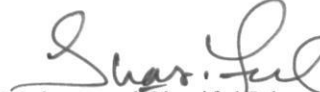
Dated: Dhaka,
27 October 2024

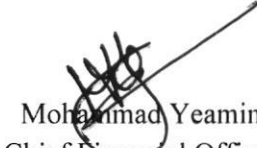

S. F. Ahmed & Co.
Chartered Accountants
DVC No.: 2410270471AS411700

AGRICULTURAL MARKETING COMPANY LIMITED
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024

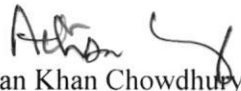
	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Turnover	23	3,306,077,584	3,226,363,501
Cost of Goods Sold	24	(2,674,023,177)	(2,609,766,920)
Gross Profit		632,054,407	616,596,581
Expenses		(392,846,115)	(390,258,029)
Administrative Expenses	25	86,342,699	85,180,423
Marketing Expenses	26	102,779,987	113,753,076
Selling Expenses	27	74,034,606	68,479,553
Distribution Expenses	28	129,688,823	122,844,977
Operating Profit		239,208,292	226,338,552
Less : Financial Expenses	29	(154,559,006)	(145,724,266)
Operating Profit after Financial Expenses		84,649,286	80,614,286
Other Income	30	(17,960,767)	12,778,563
Profit before WPPF & Tax		66,688,519	93,392,849
Contribution to Worker's Participation & Welfare Funds		(3,863,661)	(4,447,279)
Profit Before Taxation		62,824,858	88,945,570
Provision for Income Tax		(18,712,663)	(45,600,568)
Current Tax	31	15,988,423	45,249,471
Deferred Tax	14.1	2,724,240	351,097
Total Comprehensive Income for the year		44,112,195	43,345,002
Earnings per Share (EPS)	32	5.51	5.42

The annexed accounting policies and other notes form an integral part of the financial statements.


 Muhammad Shariful Islam
 Company Secretary


 Mohammad Yeamin
 Chief Financial Officer


 Md. Eleash Mridha
 Managing Director


 Ahsan Khan Chowdhury
 Chairman

Signed in terms of our report of even date annexed



Dated: Dhaka,
 27 October 2024


S. F. Ahmed & Co.
 Chartered Accountants
 DVC No.: 2410270471AS411700

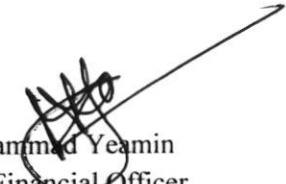
AGRICULTURAL MARKETING COMPANY LIMITED


**Statement of Changes in Equity
for the year ended 30 June 2024**


Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
	1	2	3	4	5=(1+2+3+4)
Balance as on 30 June 2022	80,000,000	40,000,000	14,736,005	557,985,450	692,721,455
Net Profit after Tax	-	-	-	43,345,002	43,345,002
Adjustment for Deferred Tax Against Revaluation of Assets (Note: 14)	-	-	(1,764,329)	-	(1,764,329)
Excess Depreciation Transferred, Net of Tax (Note: 14.1)	-	-	(34,723)	34,723	-
Dividend for the year 2021-2022	-	-	-	(25,600,000)	(25,600,000)
Balance as on 30 June 2023	80,000,000	40,000,000	12,936,953	575,765,175	708,702,128
Balance as on 30 June 2023	80,000,000	40,000,000	12,936,953	575,765,175	708,702,128
Net Profit after Tax	-	-	-	44,112,195	44,112,195
Adjustment for Deferred Tax Against Revaluation of Assets (Note: 14)	-	-	8,700	-	8,700
Excess Depreciation Transferred, Net of Tax (Note: 14.1)	-	-	(30,203)	30,203	-
Dividend for the year 2022-2023	-	-	-	(25,600,000)	(25,600,000)
Balance as on 30 June 2024	80,000,000	40,000,000	12,915,450	594,307,573	727,223,023

The annexed accounting policies and other notes form an integral part of the financial statements.


Muhammad Shariful Islam
Company Secretary



Mahamud Yeamin
Chief Financial Officer


Md. Eleash Mridha
Managing Director


Ahsan Khan Chowdhury
Chairman



Dated: Dhaka,
27 October 2024



S. F. Ahmed & Co.
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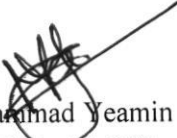
AGRICULTURAL MARKETING COMPANY LIMITED

**Statement of Cash Flows
for the year ended 30 June 2024**


	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Cash Flows from Operating Activities :			
Cash received from Customers		3,894,191,724	3,842,348,027
Cash Paid to Suppliers		(2,441,855,228)	(2,369,335,403)
Income Tax Paid		(57,734,233)	(45,006,233)
Cash Paid to Employees & Others		(1,296,685,677)	(1,232,594,428)
Net cash (used in)/ generated from operating activities		97,916,586	195,411,963
Cash Flows from Investing Activities :			
Acquisition of Property, Plant & Equipment		(134,969,921)	(9,394,550)
Capital Work-in-Progress (Machinery)		36,670,458	(36,670,458)
Net cash (used in)/ generated from investing activities		(98,299,463)	(46,065,008)
Cash Flows from Financing activities :			
Short Term Loans		83,139,374	(9,822,176)
Long Term Loans		91,757,500	-
Interest Paid		(150,528,169)	(141,326,459)
Repayment of Lease Liability		(2,748,135)	(2,570,010)
Dividend Paid		(25,231,579)	(25,209,798)
Net cash (used in)/ generated from financing activities		(3,611,009)	(178,928,443)
Increase/(Decrease) in Cash & Cash Equivalents		(3,993,886)	(29,581,488)
Cash & Cash Equivalents at Opening		21,196,194	50,419,861
Effect of Exchange rate fluctuations on realised Gain/(Loss)		1,042,693	357,821
Closing cash and cash equivalents at reporting date		18,245,001	21,196,194
Closing cash and cash equivalents represent:			
Cash and cash equivalents	9	18,245,001	21,196,194
		18,245,001	21,196,194
Net Operating Cash Flows Per Share (NOCFPS)	33	12.24	24.43

The annexed accounting policies and other notes form an integral part of the financial statements.


Muhammad Shariful Islam
Company Secretary


Mohammad Yeamin
Chief Financial Officer



Md. Eleash Mridha
Managing Director


Ahsan Khan Chowdhury
Chairman



Dated: Dhaka,
27 October 2024

Signed in terms of our report of even date annexed


S. F. Ahmed & Co.
Chartered Accountants
DVC No.: 2410270471AS411700

Agricultural Marketing Company Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2024

1 The Background and Business Activities of the Company

1.1 Status of the Company

Agricultural Marketing Company Limited (AMCL) (herein after referred to as AMCL or the Company) was incorporated in Bangladesh on 15 May 1985 as a Private Limited Company under the Companies Act, 1913 and subsequently on 22 June 1993 the company was converted into a Public Limited Company. The Company went into public in 1996 and its shares are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Company's registered office is situated at PRAN-RFL Centre, 105 Middle Badda, Progoti Sharani, Dhaka-1212 and the industrial unit is located at Ghagra, Ghorashal, Narsingdi, BIN# 000622006-0306.

1.2 Nature of Business

The Company is engaged in manufacturing and marketing of various food products and to import, export, buy, sell and deal in raw materials of all kinds directly or indirectly connected with the manufacturing of above mentioning products.

2 Basis of Preparation of Financial Statements

2.1 Statement of Compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as listed entities with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

2.2 Other Regulatory Compliance

In addition to the above, Agricultural Marketing Company Limited is also required to comply and has complied with the following laws and regulations:

- The Companies Act 1994;
- The Securities and Exchange Commission Act 1993;
- The Income Tax Act 2023;
- The Income Tax Rules 1984 & sro 206/ain/incometax-01/2023;
- The Value Added Tax & Supplementary Duty Act 2012;
- The Value Added Tax & Supplementary Duty Rules 2016;
- The Bangladesh Labor Act 2006 (Amended in 2015);
- Customs Act 1969;
- Negotiable Instrument Act 1881.

2.3 Basis of Measurement

These financial statements have been prepared under the historical cost convention applying accrual basis of accounting in accordance with International Financial Reporting Standards (IFRSs).

2.4 Components of Financial Statements

The financial statements of the Company consist of the following components:

- Statement of Financial Position;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Changes in Equity;
- Statement of Cash Flows and
- Notes to the Financial Statements.



2.5 Use of Estimates and Judgments

The preparation of financial statements in conformity with the IFRS including IASs requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of and during the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates. Judgments: In the process of applying the accounting policies, management has made the judgments, which have the most significant effect on the amounts recognised in the financial statements.

2.6 Reporting Period

These financial statements of the company cover a period of twelve months from 01 July 2023 to 30 June 2024.

2.7 Going Concern

Management has assessed AMCL's ability to continue as a going concern and is satisfied that AMCL has access to resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the AMCL's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.8 Authorisation for Issue

The financial statements were authorized for issue by the Board of Directors on 27 October 2024.

3 Significant Accounting Policies

Following are the accounting policies relating to recognition and valuation of items in financial statements which are material and critical in determining the company's results of operations for the year and as on the financial position date and are consistent with those adopted in the financial statements for the previous year.

3.1 Property, Plant and Equipment (PPE)

3.1.1 Recognition and Measurement

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with International Accounting Standard (IAS)-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its location and condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.1.2 Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

3.1.3 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided using the reducing balance method. No depreciation is charged for land and capital work-in-progress. The Company follows this policy consistently from past years.

Rates of depreciation are as follows:

Particulars	Rate (%)
Factory Building	10
Machinery and Equipments	10
Furniture and Fixtures	10
Tools and Accessories	20
Vehicles	10
Office Equipment	10
Plastic Container	10
Other Fixed Assets	10
Right of use Assets	Allocated throughout the lease term

Depreciation on addition of fixed assets has been charged in compliance with Para 55 of IAS- 16.

