

**Hoda Vasi
Chowdhury & Co**

To
The Chairman
The Peninsula Chittagong Limited
Bulbul Center, 486/B,
O.R. Nizam Road, CDA Avenue
Chittagong - 4000.

**Audited Financial Statements
of
The Peninsula Chittagong Limited
For the year ended 30 June 2013**

Independent Correspondent firm to **Deloitte Touche Tohmatsu**

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Correspondent Firm to Deloitte Touche Tohmatsu
AUDITORS' REPORT TO THE SHAREHOLDERS
OF

THE PENINSULA CHITTAGONG LIMITED

We have audited the accompanying financial statements of **The Peninsula Chittagong Limited**, which comprises the Statement of Financial Position as at **30 June 2013** and the related Statement of Comprehensive Income, Statement of Cash Flows for the year ended, Statement of changes in Equity and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2013 and of the results of its operations and its cash flows for the year ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by **The Peninsula Chittagong Limited** so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns.
- (iv) The expenditure incurred was for the purpose of the company's business.

Chittagong, 28 August 2013

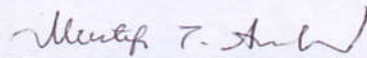
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Chartered Accountants
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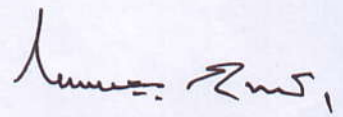
**THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note(s)	30-Jun-2013 Taka	30-Jun-2012 Taka (Restated)
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
		2,258,316,470	1,994,676,049
Property, Plant & Equipment	4	2,024,692,314	1,978,916,396
Capital Work-in-Progress	5	230,394,385	11,722,435
Preliminary Expenses	6	3,229,771	4,037,218
CURRENT ASSETS & PROPERTIES			
		145,588,487	200,990,712
Financial Assets	7	61,550,248	75,594,013
Inventory	8	10,529,534	4,043,109
Accounts Receivables	9	33,868,421	33,920,276
Interest Receivables	10	2,579,716	2,403,409
Advances, Deposits & Prepayments	11	20,261,248	75,956,948
Cash and Cash Equivalents	12	16,799,320	9,072,957
TOTAL ASSETS & PROPERTIES		2,403,904,957	2,195,666,761
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
		1,956,796,253	1,814,358,088
Share Capital	13	580,160,000	453,250,000
Revaluation Surplus	14	1,228,413,842	1,228,413,842
Retained Earnings	15	148,222,411	132,694,246
NON CURRENT LIABILITIES			
Long Term Portion of Term Loan	16	132,973,234	149,227,458
CURRENT LIABILITIES AND PROVISIONS			
		314,135,470	232,081,215
Current Portion of Long Term Loan	16	29,085,115	29,452,452
Accounts Payables	17	37,313,634	38,800,000
Short Term Loan	18	9,275,098	-
Provision for Taxation	19	238,461,623	163,828,763
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		2,403,904,957	2,195,666,761
Net Assets Value Per Share With Revaluation	29.2	33.73	31.27
Net Assets Value Per Share Without Revaluation	29.2	12.55	10.10

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on **26.8.2013** and were signed on its behalf by :



COMPANY SECRETARY


MANAGING DIRECTOR & CEO


CHAIRMAN

Signed in terms of our separate report of even date annexed

Chittagong, 28 August 2013


Hoda Vasi Chy Co
CHARTERED ACCOUNTANTS

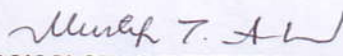


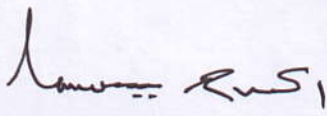
**THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note(s)	30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
Revenue	20	420,264,263	402,928,882
Cost of Sales	21	(111,424,625)	(116,645,592)
Gross Profit/ (Loss)		308,839,638	286,283,290
Administrative Expenses	23	(33,185,954)	(31,752,626)
Selling & Distribution Expenses	24	(3,982,575)	(3,737,770)
		(37,168,529)	(35,490,396)
Operating Profit		271,671,109	250,792,894
Financial Expenses	25	(27,823,778)	(25,655,657)
		243,847,331	225,137,237
Other Income	26	8,460,178	6,530,647
		252,307,509	231,667,884
Workers Profit Participation Fund (WPPF)	27	(12,615,376)	(11,583,394)
Net Profit before Tax		239,692,133	220,084,490
Provision for Tax			
Current	19.1	(89,884,550)	(82,531,685)
Deferred	19.2	(5,357,691)	(5,503,362)
Net Profit after Tax		144,449,892	132,049,443
Other Comprehensive Income			
Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	2.6 & 7.2	(2,011,727)	(2,190,503)
Total Comprehensive Income		142,438,165	129,858,940
Earnings per share (Basic)	29.1	2.49	2.28
Earnings per share (Diluted)	29.1	2.49	2.28

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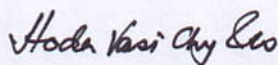

COMPANY SECRETARY


MANAGING DIRECTOR & CEO


CHAIRMAN

Signed in terms of our separate report of even date annexed

Chittagong, 28 August 2013


Hoda Vasi Chowdhury
CHARTERED ACCOUNTANTS

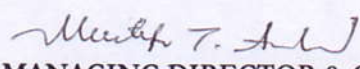


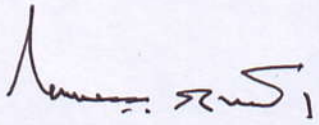
**THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

Particulars	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2012 (Restated)	453,250,000	1,228,413,842	132,694,246	1,814,358,088
Net Profit after Tax	-	-	144,449,892	144,449,892
Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	-	-	(2,011,727)	(2,011,727)
Issuance of Bonus Share	126,910,000	-	(126,910,000)	-
	126,910,000	-	15,528,165	142,438,165
Balance as at 30 June 2013	580,160,000	1,228,413,842	148,222,411	1,956,796,253
Balance as on 01 July 2011 (Restated)	92,500,000	1,228,413,842	363,585,306	1,684,499,148
Net Profit after Tax	-	-	132,049,443	132,049,443
Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	-	-	(2,190,503)	(2,190,503)
Issuance of Bonus Share	360,750,000	-	(360,750,000)	-
	360,750,000	-	(230,891,060)	80,971,467
Balance as at 30 June 2012 (Restated)	453,250,000	1,228,413,842	132,694,246	1,814,358,088

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MANAGING DIRECTOR & CEO

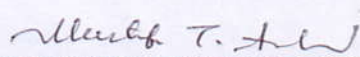

CHAIRMAN

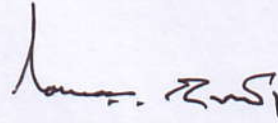
**THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note(s)	30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
Cash flows from Operating Activities			
Cash Received from Customers	28.1	420,316,118	404,787,334
Cash Received from other sources	28.2	67,982,560	5,094,534
Cash Paid to suppliers	28.3	(94,063,056)	(78,996,692)
Cash Paid for admin & selling expense	28.4	(31,727,949)	(92,483,006)
Cash Payment for financial expenses	25	(27,823,778)	(25,655,657)
Income Tax Paid	19.1	(20,609,381)	(31,200,000)
Net cash inflow/(outflow) from operating activities (A)		314,074,514	181,546,513
Cash flows from investing activities			
Acquisition of property, plant and equipment	4.1	(95,892,296)	(133,552,957)
Deletion of property, plant and equipment	28.5	3,530,520	-
Capital Work in Progress	5	(218,671,950)	(11,722,435)
Investment in Financial Assets	2.6 & 7	12,032,038	(15,090,110)
Net cash inflow/(outflow) from investing activities (B)		(299,001,688)	(160,365,502)
Cash flows from financing activities			
Long term loan (repaid)/received	16	(16,621,561)	(26,698,566)
Short term loan(repaid)/ received	18	9,275,098	(27,049,500)
Net cash inflow/(outflow) from financing activities (C)		(7,346,463)	(53,748,066)
Net increase of cash and cash equivalents for the year (A+B+C)		7,726,363	(32,567,055)
Cash and cash equivalents at the beginning of the year		9,072,957	41,640,012
Cash and cash equivalents at the end of the year		16,799,320	9,072,957
Net Operating Cash Flows Per Share (NOCFPS) - note 29.3		5.41	3.13

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on **26.8.** 2013
and were signed on its behalf by :


COMPANY SECRETARY


MANAGING DIRECTOR & CEO


CHAIRMAN

THE PENINSULA CHITTAGONG LIMITED
Notes to the Financial Statements
For the year ended 30 June 2013

1 Background and Introduction

1.1 Formation and Legal Status

The company was formed on 25 July 2002 under the companies Act 1994 vide registration no C-46488 in the name of Voyager Bangladesh Limited. Later, it renamed as The Peninsula Chittagong Limited on 7 June 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) & The company converted from Private Limited Company to Public Limited Company on 30 November 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly.

The registered office of the company is located at 8/A, Chandrishila Shuvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205 and Business Project (4 Star Hotel premises) located at Bulbul Center, 486/B , O.R Nizam Road, C.D.A Avenue, Chittagong 4100, Bangladesh.

1.2 Nature of Business

The principal activities of the company includes carrying of business of modern hotel, restaurants, etc. In this context the company has established a hotel named "**The Peninsula Chittagong**" which offers a range of hotel facilities including fitness centre, a luxurious oasis within the hotel with gymnasium, swimming pool, sauna, steam bath and massage treatments etc. The company started commercial operation on 17th February 2006.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements of the company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and other applicable laws and regulations.

2.2 Functional and Presentation Currency

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.3 Use of Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

2.4 Reporting Period

The financial statements of the Company consistently cover one financial year from 01 July 2012 to 30 June 2013 for all reported periods.



2.5 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of The Peninsula Chittagong Limited is responsible for the preparation and presentation of financial statements of the Company.

2.6 Comparative Information

Comparative information has been disclosed in respect of the year 2012 for all numeric information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current years Financial Statements.

Re-arrangement

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the financial statement.

Re-statement

In finalizing the financial statements for the year ended 30 June 2013, some figures of previous year were restated to conform the provisions in accordance with Para 22, 42 & 49 of BAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

i) Total Revaluation surplus except Land & Land development of Tk 657,136,384 was initially incorporated at the time of Assets Revaluation in the financial statements as at June 30, 2011 along with Revaluation Surplus of Land and Land Development of Tk 1,228,413,842. The revaluation surplus of Tk 599,960,942 (after depreciation and related adjustments) was reported at the last audited financial statement as at June 30, 2012 other than the Revaluation Surplus amount of Land and Land Development. However, as per the decision of the board of directors, the company has discarded the revaluation surplus of Tk 599,960,942 as reported at the last audited financial statement as at June 30, 2012 other than the amount of Land and Land Development. Retrospective effects were considered for previous years.

ii) Statement of Financial Position

Particulars	Investment	Retained Earnings
Previously reported (30.06.2012):	81,778,532	138,878,765
Less: Unrealized Loss on Available-for-Sale Financial Assets for 2011	3,994,016	3,994,016
Less: Unrealized Loss on Available-for-Sale Financial Assets for 2012	2,190,503	2,190,503
Restated Balance (30.06.2012)	75,594,013	132,694,246

Particulars	Property, Plant & Equipment	Revaluation Surplus
Previously reported (30.06.2012):	2,578,877,338	1,828,374,784
Less: Discarded	599,960,942	599,960,942
Restated Balance (30.06.2012)	1,978,916,396	1,228,413,842

iii) Statement of Comprehensive Income

Particulars	Profit for the year	Total Comprehensive Income/Loss
Previously reported (30.06.2012):	132,049,443	
Less: Unrealized Loss on Available-for-Sale Financial Assets	(2,190,503)	(2,190,503)
Restated Balance (30.06.2012)	129,858,940	(2,190,503)

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3 Significant Accounting Policies

The financial statements have been prepared in compliance with requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the financial statements for the year under audit:

BAS-1	Presentation of Financial Statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Date
BAS-12	Income Taxes
BAS-16	Property, Plant & Equipment
BAS-18	Revenue
BAS-19	Employee Benefits
BAS-21	The effects of Changes in Foreign Exchange Rate
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-26	Accounting and Reporting by Retirement Benefit Plans
BAS-33	Earnings Per Share
BAS-36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BFRS-5	Non-current Assets Held for Sale and Discontinued Operations
BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

3.01 Property, Plant and Equipment (PPE)

i) Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the BAS 16 "Property, plant and equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use. During Financial year 2010-2011, all fixed assets had been revalued by Syful Shamsul Alam & Co., Chartered Accountants.

Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as expense when incurred. Subsequent expenditure on property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

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ii) Depreciation

Depreciation is charged on property, plant and equipment on reducing balance method at the annual rate(s) shown below.

<u>Category</u>	<u>Rate</u>
Hotel Building	5%
Plant & Machineries	15%
Office Equipment	15%
Electrical Equipment	15%
Air Conditioner	15%
Kitchen Equipment	20%
House Keeping Equipment	20%
Bar Equipment	20%
Security Equipment	20%
Linen	25%
SPA	5%
Wooden Floor	10%
Tumbler Drier	10%
Furniture & Fixtures	10%
Office Decoration	15%
Motor Vehicles	15%

iii) Revaluation of Fixed Assets

Since inception, the company revalued its fixed assets for the 1st time in the year 2010-2011 by Syful Shamsul Alam & Co., Chartered Accountants. Reserve was created by the sum of revaluation surplus as per the provision of BAS-16.

The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012 and instructed the management to consider the proper Accounting Policies for it. Details in note 4.

iv) Retirement and Disposals

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the Statement of Comprehensive Income.

3.02 Inventories & Consumables

Inventories comprise of food & beverage, house keeping materials, printing & stationary, hard drinks, stores & spares which are valued lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories". Details of valuation are as follows:

i) Food & Beverage	at cost
ii) House Keeping Materials	at cost
iii) Printing & Stationary	at cost
iv) Store & Spares	at cost
v) Beverage	at cost

3.03 Revenue Recognition

Revenues are recognized at the time of delivery / providing services in accordance with Bangladesh Accounting Standard (BAS) -18 "Revenue".

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3.04 Taxation

The Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

i) Current Income tax:

Provision is made at the effective rate of 37.50% of tax applied on 'estimated' taxable profit.

The Company enjoyed tax holiday facilities for four years from 01 February 2006 to 31 January 2010 as per letter no.11(60) anu-1/2006/364(2) dated 04 September 2006 issued by NBR under section 46 A and 46A (1) (a) .

ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current enacted tax rates are used in the determination of deferred income tax.

3.05 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the reporting date are classified as current liabilities whereas borrowings repayable after twelve months from the reporting date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

3.06 Provision:

In accordance with the guidelines as prescribed by BAS 37, provisions are recognized when all the following criteria are met:

- i) When the company has a present obligation as a result of past event;
- ii) When it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and
- iii) Reliable estimate can be made of the amount of the obligation.

We have shown the provisions in the balance sheet at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the reporting date.

3.07 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, 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 BAS-37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in the Notes to the financial statements.

3.08 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with BAS 7 " Statement Cash Flow " and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.

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3.09 Events after the Reporting Date

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

3.10 Borrowing Cost:

The company capitalizes borrowing cost for new project such as interest on term loan and other related fees/Charges for the period till to commencement of commercial operation and charges the cost to revenue account as financial expenses after commencement of commercial operation.

3.11 Advertisement and Promotional Expenses

All cost associated with advertising and promotional activities are charged out in the year incurred.

3.12 Creditors and Accrual

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

3.13 Cash and Cash Equivalent:

According to BAS 7 " Statement Cash flows " cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value IAS 1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

3.14 Components of the Financial Statements:

According to the Bangladesh Accounting Standard BAS-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30 June 2013.
- ii) Statement of Comprehensive Income for the year ended 30 June 2013.
- iii) Statement of Cash flows for the year ended 30 June 2013.
- iv) Statement of Changes in Equity for year then ended 30 June 2013.
- v) Accounting Policies and Explanatory Notes.

3.15 Earnings Per Share:

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share".

i) Basic Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

ii) Diluted Earnings Per Share:

As there is no prospective dilutive securities, diluted earning per share has been calculated based on the total existing number of share as prescribed in the rules 8 (B), 20 (e) of Securities and Exchange Commission (Public Issue) Rules, 2006.

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3.16 Related Party Transactions

The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

A party is related to an entity if: [IAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. Detailed in note-32.

3.17 Financial Expenses

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

3.18 Employee Benefits

i) **Short Term Employee Benefits**

Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

ii) **Worker's Profit Participation Fund:**

The company had created a fund for workers as "Worker's Profit Participation Fund" by contributing 5% of the profit before charging such expenses.

3.19 Going Concern

The company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may significant doubt upon the Company's ability to continue as a going concern.

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30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
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4 PROPERTY, PLANT AND EQUIPMENT

Detail of fixed assets and depreciation as on 30 June 2013 are shown in the notes 4.1, 4.2 & 4.3

A. Cost

Opening Balance as on 01 July	2,203,468,512	2,069,915,555
Add: Addition during the year	95,892,296	133,552,957
Less: Decrease Due to Sales	3,802,302	-
Total Cost as on 30 June	<u><u>2,295,558,506</u></u>	<u><u>2,203,468,512</u></u>

B. Accumulated Depreciation

Opening Balance as on 01 July	224,552,116	176,714,634
Add : Depreciation for the year	47,437,169	47,837,482
Less : Adjustments during the year	1,123,093	-
Total Depreciation as on 30 June	<u><u>270,866,192</u></u>	<u><u>224,552,116</u></u>

Written Down Value (WDV), (A-B)

<u><u>2,024,692,314</u></u>	<u><u>1,978,916,396</u></u>
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The board of directors agreed to discard the revaluation surplus of all assets except Land in a board meeting held on 05 August 2012 and instructed the management to incorporate the changes as per BAS 8. Moreover, the changes in policy has been treated as per para 76 of BAS 16 & para 22 of BAS 8.

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PROPERTY, PLANT & EQUIPMENT

4.1 Fixed Assets - at Cost Less Accumulated Depreciation - note 4

(a)

Particulars	Cost (Amount in Taka)				Depreciation Rate (%)	Depreciation (Amount in Taka)				Written Down Value as on 30.06.2013 (Taka)
	Opening Balance as on 01.07.2012	Addition During the year	Deletion During the year	Closing Balance as on 30.06.2013		Opening Balance as on 01.07.2012	Charge During the year	Deletion During the year	Closing Balance as on 30.06.2013	
Land and Land Development:										
Free Hold Land	205,836,564	-	-	205,836,564	-	-	-	-	-	205,836,564
Building:										
Hotel Building	409,972,667	4,813,548	-	414,786,215	5%	63,458,889	17,561,349	-	81,020,238	333,765,977
Plant & Machinery:										
Plant & Machinery	41,059,979	23,271,783	-	64,331,762	15%	19,804,836	3,395,712	-	23,200,548	41,131,214
Equipment & Appliance:										
Office Equipment	5,957,900	8,506,821	-	14,464,721	15%	2,068,637	806,724	-	2,875,361	11,589,360
Electrical Equipment	30,856,658	739,294	-	31,595,952	15%	17,519,213	2,012,611	-	19,531,824	12,064,128
Air Conditioner	67,871,328	46,400	-	67,917,728	15%	39,260,610	4,297,608	-	43,558,218	24,359,510
Kitchen Equipment	26,713,731	11,016,929	-	37,730,660	20%	13,794,357	3,848,176	-	17,642,533	20,088,127
House Keeping Equipment	9,604,812	22,171,092	-	31,775,904	20%	4,059,347	1,123,893	-	5,183,240	26,592,664
Bar Equipment	2,271,149	1,321	-	2,272,470	20%	976,416	259,211	-	1,235,627	1,036,843
Security Equipment	5,713,104	262,232	-	5,975,336	20%	3,697,783	429,265	-	4,127,048	1,848,288
Linen	13,597,825	1,564,136	-	15,161,961	25%	6,778,294	2,046,710	-	8,825,004	6,336,957
SPA	19,982,780	-	-	19,982,780	5%	2,153,499	891,465	-	3,044,964	16,937,816
Wooden Floor	46,033,190	5,652,000	-	51,685,190	10%	12,384,366	3,804,283	-	16,188,649	35,496,541
Tumbler Drier	232,200	-	-	232,200	10%	44,118	18,809	-	62,927	169,273
	228,834,677	49,960,225	-	278,794,902		102,736,640	19,538,755	-	122,275,395	156,519,507
Furniture & Fixtures	33,955,300	7,298,958	-	41,254,258	10%	12,232,315	2,761,078	-	14,993,393	26,260,865
Office Decoration	34,377,538	4,839,820	-	39,217,358	15%	19,387,441	2,295,233	-	21,682,674	17,534,684
Motor Vehicles	21,017,945	5,707,962	-	22,923,605	15%	6,931,996	1,885,042	-	7,693,945	15,229,660
	975,054,670	95,892,296	3,802,302	1,067,144,664		224,552,117	47,437,169	1,123,093	270,866,193	796,278,471
	30.06.2013									
	841,501,713	133,552,957	-	975,054,670		176,714,634	47,837,482	-	224,552,116	750,502,554
	30.06.2012									

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(b) Revaluation:

Particulars	Revaluation (Amount in Taka)				Depreciation Rate (%)	Depreciation (Amount in Taka)				Written Down Value as on 30.06.2013 (Taka)
	Opening Balance as on 01.07.2012	Addition During the year	Deletion During the year	Closing Balance as on 30.06.2013		Opening Balance as on 01.07.2012	Charge During the year	Deletion During the year	Closing Balance as on 30.06.2013	
Land and Land Development:										
Free Hold Land	1,228,413,842	-	-	1,228,413,842	-	-	-	-	-	1,228,413,842
30.06.2013	1,228,413,842	-	-	1,228,413,842						1,228,413,842
Total Assets(a+b) 30.06.2013	2,203,468,512	95,892,296	3,802,302	2,295,558,506		224,552,117	47,437,169	1,123,093	270,866,193	2,024,692,313
30.06.2012 (Restated)	2,069,915,555	133,552,957	-	2,203,468,512		176,714,634	47,837,482	-	224,552,116	1,978,916,396

4.2 Depreciation Allocated to:

Operating Expenses - note 22.3
Administrative Expenses - note 23

	30-Jun-2013 Taka	30-Jun-2012 Taka	Basis
Operating Expenses	37,949,736	38,269,986	80%
Administrative Expenses	9,487,433	9,567,496	20%
	<u>47,437,169</u>	<u>47,837,482</u>	100%

4.3 Revaluation Surplus

Represent revaluation surplus arising in accordance with the report on revaluation of assets carried out by Syful Shamsul Alam & Co, Chartered Accountants. The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012 during the reporting period.

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30-Jun-2013 Taka	30-Jun-2012 Taka
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5 Capital Work -in- Progress

Opening balance	11,722,435	-
Expenses incurred during the year	218,671,950	11,722,435
Closing Balance	230,394,385	11,722,435

Capital work-in-progress includes all the costs of extension of hotel building which is under construction on North side of the main building.

6 Preliminary Expenses

Opening balance	4,037,218	4,844,665
Less: Amortized during the year - note 22.3	807,447	807,447
Closing Balance	3,229,771	4,037,218

The Company had decided to amortize the total amount of Preliminary Expenses of Tk8,074,447 from July 01, 2007 to June 17, 2017 of Tk807,447 per year.

Preliminary Expenses has been treated and shown as per Schedule of Part I Para 3 & 7 of the Securities and Exchange Commission Rules -1987.

30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
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7 FINANCIAL ASSETS

FDR-note 7.1	43,895,315	45,927,708
Shares-note 7.2	17,654,933	29,666,305
	61,550,248	75,594,013

7.1 FDR - note 7

Bank name	FDR No	Rate	Maturity Date	Amount
A B Bank	3348601	15%	06 August 2013	11,265,188
A B Bank	3348625	15%	08 August 2013	11,265,188
A B Bank	3374849	12%	08 October 2013	10,332,864
A B Bank	12209	12.50%	23 February 2014	1,032,075
Lankabangla Finance Ltd.	3532	15.50%	11 July 2013	10,000,000
				43,895,315

7.2 Shares - note 7

i) Quoted Securities - note 7.2

Particulars	Qty	Market Price 30.06.2013	Market Price 30.06.2012	Unrealized Gain (Loss)
A B Bank	62,100	1,776,060	2,340,480	(564,420)
BRAC Bank	106,950	3,219,195	3,059,700	159,495
First Securities Bank	8,944	123,428	141,480	(18,052)
Unique Hotel & Resort	57,500	6,411,250	8,000,000	(1,588,750)
		11,529,933	13,541,660	(2,011,727)

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ii) Unquoted Securities - note 7.2

Particulars	Qty	Market Price	Cost Price Per Unit	Unrealized Gain (Loss)
Lanka Bangla Securities	52,500	-	3,750,000	-
Energy Prima Ltd	25,000	-	2,375,000	-
		-	<u>6,125,000</u>	-

Cost price of Lanka Bangla Securities is Tk71.42 per share and Energy Prima Ltd is Tk95 per share.

	30-Jun-2013 Taka	30-Jun-2012 Taka
8 INVENTORY		
Food- note 8.1	1,351,285	765,770
House Keeping Materials - note 8.2	340,274	337,482
Printing & Stationary - note 8.3	880,107	900,545
Store & Spares	231,200	272,000
Beverage - note 8.4	7,726,668	1,767,312
	<u>10,529,534</u>	<u>4,043,109</u>
8.1 Food - note 8		
Opening balance	765,770	653,130
Add: Purchase during the year	22,152,018	26,508,137
	<u>22,917,788</u>	<u>27,161,267</u>
Less: Consumption during the year	21,566,503	26,395,497
Closing balance - note 21.1	<u>1,351,285</u>	<u>765,770</u>
8.2 House Keeping Materials - note 8		
Opening balance	337,482	1,285,008
Add: Purchase during the year	4,181,586	4,428,243
	<u>4,519,068</u>	<u>5,713,251</u>
Less: Consumption during the year	4,178,794	5,375,769
Closing balance - note 22.1	<u>340,274</u>	<u>337,482</u>
8.3 Printing & stationary - note 8		
Opening balance	900,545	647,392
Add: Purchase during the year	1,593,103	1,544,143
	<u>2,493,648</u>	<u>2,191,535</u>
Less: Consumption during the year	1,613,541	1,290,990
Closing balance - note 23.1	<u>880,107</u>	<u>900,545</u>
8.4 Beverage - note 8		
Opening balance	1,767,312	6,185,725
Add: Purchase during the year	8,824,611	-
	<u>10,591,923</u>	<u>6,185,725</u>
Less: Consumption during the year	2,865,255	4,418,413
Closing balance - note 21.2	<u>7,726,668</u>	<u>1,767,312</u>

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	30-Jun-2013 Taka	30-Jun-2012 Taka
9 ACCOUNTS RECEIVABLES		
Opening Balance	33,920,276	35,778,728
Add: Addition during the year	103,646,502	139,274,747
	137,566,778	175,053,475
Less: Realized during the year	103,698,357	141,133,199
	33,868,421	33,920,276
There is no related party transaction.		

9.1 Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

Debts exceeding 6 Months	3,385,629	5,220,059
Other debts less provision	30,482,792	28,700,217
	33,868,421	33,920,276
Debts considered Good & secured	33,868,421	33,920,276
Debts considered Good without security	-	-
Debts considered doubtful or Bad	-	-
Debts due by Directors or other Officers	-	-
Debts due from companies under same management	-	-
Maximum debt due by Directors or Officers at any time	-	-
	33,868,421	33,920,276

10 INTEREST RECEIVABLES

Accrued Interest Income on FDR	2,579,716	2,403,409
	2,579,716	2,403,409

Bank wise interest

Bank name	FDR No	Rate	Maturity Date	Interest Amount
A B Bank	3348601	15%	06 August 2013	675,911
A B Bank	3348625	15%	08 August 2013	666,524
A B Bank	3374849	12%	08 October 2013	175,659
A B Bank	12209	12.50%	23 February 2014	45,512
Lankabangla Finance Ltd.	3532	15.50%	11 July 2013	1,016,110
				2,579,716

10.1 The interest was accrued for the FDR of Tk 43,895,315 maintained with The AB Bank Limited, O.R Nizam Road, CDA Avenue Branch, Chittagong, Lanka Bangla Finance, Kemal Ataturk Avenue, Dhaka in different date from 01 February 2013.

10.2 Disclosure as per Schedule-XI, Part-I, of the Companies Act, 1994

Debts exceeding 6 Months	2,579,716	2,403,409
Other debts less provision	-	-
	2,579,716	2,403,409
Debts considered Good & secured	2,579,716	2,403,409
Debts considered Good without security	-	-
Debts considered doubtful or Bad	-	-
Debts due by Directors or other Officers	-	-
Debts due from companies under same management	-	-
Maximum debt due by Directors or Officers at any time	-	-
	2,579,716	2,403,409

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	30-Jun-2013 Taka	30-Jun-2012 Taka
11 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - note 11.1	16,606,636	73,112,601
Deposits - note 11.2	1,572,508	1,518,508
Prepayments - note 11.3	2,082,104	1,325,839
	<u>20,261,248</u>	<u>75,956,948</u>
There is no Related party transaction.		
11.1 Advances - note 11		
Advance Income Tax	5,207,165	3,147,145
Lanka Bangla Securities	4,990	8,554
Advances to Others - note 11.1.1	2,200,418	63,676,352
VAT Current Account	3,059,108	3,543,839
SD Account	83,293	327,686
Defodil Electric Company	1,920,000	-
Store In Transit	4,131,662	2,409,025
	<u>16,606,636</u>	<u>73,112,601</u>
11.1.1 Advances to Others - note 11.1		
Rainbow CNG Service Station	25,000	25,000
Kuwait Airways	41,882	41,882
Advance against Land	-	60,550,000
Fly Dubai Advance Allowance	1,992,000	888,000
Advance Salary	141,536	2,171,470
	<u>2,200,418</u>	<u>63,676,352</u>
Advance against land realized fully during the year.		
11.2 Deposits - note 11		
T&T	140,000	140,000
Bangladesh Gas System Limited	1,069,148	1,069,148
Power Development Board Chittagong	285,000	285,000
House Rent Deposit	54,000	-
Shah Amanat International Airport(Security Deposit)	24,360	24,360
	<u>1,572,508</u>	<u>1,518,508</u>
11.3 Prepayments - note 11		
Prepaid Expense (Staff Haj Expense)	100,000	200,000
Prepaid Insurance	1,982,104	1,125,839
	<u>2,082,104</u>	<u>1,325,839</u>

All are security deposits against contractual services to be provided by the respective institutions.

Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

Advance, deposits and pre-payments exceeding 6 Months	1,572,508	1,518,508
Other advance, deposits & pre-payments less provision	16,524,126	74,438,440
Taka	<u>18,096,634</u>	<u>75,956,948</u>
Advance, deposits and pre-payments considered Good & secured	18,096,634	75,956,948
Advance, deposits and pre-payments considered Good without security	-	-
Advance, deposits and pre-payments considered doubtful or Bad	-	-
Advance, deposits and pre-payments due by Directors or other Officers	-	-
Advance, deposits and pre-payments due from companies under same management.	-	-
Maximum Advance, deposits and pre-payments due by Directors or Officers at any time.	-	-
	<u>18,096,634</u>	<u>75,956,948</u>

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12 CASH AND CASH EQUIVALENTS

Cash in Hand
Cash at Banks - note 12.1

30-Jun-2013 Taka	30-Jun-2012 Taka
419,232	1,268,521
16,380,088	7,804,436
16,799,320	9,072,957

12.1 Cash at Bank : Balances with Schedule Banks - note 12

Prime Bank Ltd, IBB O.R Nizam Road, CD-13411030000449
Standard Bank Ltd, CD-33000324
Standard Chartered Bank Ltd
AB Bank Ltd, CD-4110-753162-000
AB Bank Ltd, Notice-4110-761221-430
Social Islami Bank Ltd, CD-13300025306
AB Bank Ltd, STD-4110-776797-430
Brac Bank Ltd, CD-02019912560-01
City Bank Ltd, CD-1101238038001
Sonali Bank Ltd, CD-33023975
AB Bank(Current A/C-4110-753033-000)
AB Bank Ltd, STD-4110-776797-000
Prime Bank Ltd- Card Balance
Brac Bank Ltd- Card Balance
City Bank Ltd- Card Balance

199,695	686,448
146,005	149,925
4,705,282	1,075,408
18,290	16,991
1,626,765	197,154
1,723	3,965
6,796,782	2,670,963
1,150,360	393,223
992,415	5,609
1,709	5,699
77,985	19,252
-	25,124
-	49,504
138,012	237,831
525,065	2,267,340
16,380,088	7,804,436

13 SHARE CAPITAL

13.1 Authorized Capital

300,000,000 (2011 : 300,000,000) Ordinary Shares of Tk 10
(2011: Tk 10) each

3,000,000,000	3,000,000,000
3,000,000,000	3,000,000,000

13.2 Issued, Subscribed and Paid-up Capital

45,325,000 Ordinary Shares of Tk 10 (2011: Tk 10) each
12,691,000 Ordinary Shares of Tk 10 each as Bonus Share
58,016,000 Ordinary Shares of Tk 10 each

453,250,000	92,500,000
126,910,000	360,750,000
580,160,000	453,250,000

13.3 A. Position of Shares holding as on 30 June 2013

Name of the Shareholders	Nature of Shareholding	Nationality	Percentage (%)	30-Jun-2013 Taka	30-Jun-2012 Taka
Engineer Mosharraf Hossain	Individual	Bangladeshi	12.00	69,619,200	54,390,000
Mrs. Ayesha Sultana	Individual	Bangladeshi	8.00	46,412,800	36,260,000
Mr. Mustafa Tahseen Arshad	Individual	American	24.00	139,238,400	108,780,000
Mrs. Bilkis Arshad	Individual	American	15.00	87,024,000	67,987,500
Mr. Mustafa Tahir Arshad	Individual	American	9.00	52,214,400	40,792,500
Mr. Mahboob- Ur-Rahman	Individual	Bangladeshi	5.00	29,008,000	22,662,500
Mrs. Mirka Rahman	Individual	Finnish	5.00	29,008,000	22,662,500
Mr. Aminur Rahman	Individual	Bangladeshi	5.00	29,008,000	22,662,500
Mr. Sabedur Rahman	Individual	Bangladeshi	5.00	29,008,000	22,662,500
Mrs. Arifa Sultana	Individual	Bangladeshi	6.00	34,809,600	27,195,000
Mr. Afzal Bin Tarique	Individual	Bangladeshi	4.00	23,206,400	18,130,000
Mrs. Shaheda Sultana	Individual	Bangladeshi	2.00	11,603,200	9,065,000
Total			100	580,160,000	453,250,000

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B. The details of the above shares holding are as follows:

Name of the shareholders	No. of shares as at 01 July 2012	Movement of shares issued during the year		No. of shares as at 30 June 2013	Share capital in Taka as at 30 June 2013
		In cash	Bonus shares		
Engineer Mosharraf Hossain	5,439,000	-	1,522,920	6,961,920	69,619,200
Mrs. Ayesha Sultana	3,626,000	-	1,015,280	4,641,280	46,412,800
Mr. Mustafa Tahseen Arshad	10,878,000	-	3,045,840	13,923,840	139,238,400
Mrs. Bilkis Arshad	6,798,750	-	1,903,650	8,702,400	87,024,000
Mr. Mustafa Tahir Arshad	4,079,250	-	1,142,190	5,221,440	52,214,400
Mr. Mahboob- Ur-Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mrs. Mirka Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mr. Aminur Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mr. Sabedur Rahman	2,266,250	-	634,550	2,900,800	29,008,000
Mrs. Arifa Sultana	2,719,500	-	761,460	3,480,960	34,809,600
Mr. Afzal Bin Tarique	1,813,000	-	507,640	2,320,640	23,206,400
Mrs. Shaheda Sultana	906,500	-	253,820	1,160,320	11,603,200
Total	45,325,000	-	12,691,000	58,016,000	580,160,000

C. A distribution schedule of the shares as at 30 June 2013 is given below as required by listing regulations:

Slabs by number of shares	Number of shareholders	No of Shares	Holding (%)
Less than 500	-	-	-
From 500 to 5,000	-	-	-
From 5,001 to 10,000	-	-	-
From 10,001 to 20,000	-	-	-
From 20,001 to 30,000	-	-	-
From 30,001 to 40,000	-	-	-
From 40,001 to 50,000	-	-	-
From 50,001 to 100,000	-	-	-
From 100,001 to 1,000,000	-	-	-
Above 1,000,000	12	58,016,000	100%
Total	12	58,016,000	100%

14 REVALUATION SURPLUS

Balance as on 01 July
Closing balance

30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
1,228,413,842	1,228,413,842
1,228,413,842	1,228,413,842

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Revaluation

Revaluation of Company's assets were carried out by, an Independent Valuer, Syful Shamsul Alam & Co, Chartered Accountants following Estimated Net Realisable Value Method & Depreciated Replacement cost Method of Valuation based on the nature of the Asset as on 30 April 2011 and submitted their report on 23 June 2011. Revaluation Surplus has been credited to Revaluation Surplus Account and treated as per BAS & BFRS and other applicable laws, regulations & guidelines.

The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012.

	30-Jun-2013 Taka	30-Jun-2012 Taka(Restated)
15 RETAINED EARNINGS		
Opening balance	132,694,246	363,585,306
Add: Addition during the year	144,449,892	132,049,443
	<u>277,144,138</u>	<u>495,634,749</u>
Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	(2,011,727)	(2,190,503)
	<u>275,132,411</u>	<u>493,444,246</u>
Less: Bonus shares issued	(126,910,000)	(360,750,000)
	<u><u>148,222,411</u></u>	<u><u>132,694,246</u></u>
16 LONG TERM BANK LOAN		
Opening Balance	178,679,910	205,378,476
Add: Interest charged during the year	27,674,439	25,481,551
	<u>206,354,349</u>	<u>230,860,027</u>
Less: Payment during the year	44,296,000	52,180,117
	<u>162,058,349</u>	<u>178,679,910</u>
Less: Current portion of term loan	29,085,115	29,452,452
	<u><u>132,973,234</u></u>	<u><u>149,227,458</u></u>

Particulars of the above term loans are given below :

1	Bank	Sonali Bank Limited
	Loan Account	: SBICS Loan-801137006002
	Limit amount	: Tk 160,000,000
	Purpose	: For settle down loan from AB Bank.
	Sanction date	: 8 April 2009 rescheduled at 15 March 2011
	Interest rate	: 15% (floating)
	Security	: Mortgage of Land, Building , Machinery & Equipment related to development of the Project. Bank Guarantee from Directors.
	Tenure	: Five years

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2	Bank	Sonali Bank Limited
	Loan Account	SBICS Loan-37008989
	Limit amount	: Tk 80,000,000
	Purpose	: Buy Back of 2nd floor from Integrtd Service Ltd
	Sanction date	: 15-Mar-2011
	Interest rate	: 15% (floating)
	Security	: Mortgage of Land, Building
	Tenure	: Five years

	30-Jun-2013 Taka	30-Jun-2012 Taka
17 ACCOUNTS PAYABLES		
Opening Balance	38,800,000	35,402,403
Add: Addition during the year	226,733,239	148,490,871
	<u>265,533,239</u>	<u>183,893,274</u>
Less: Paid during the year	228,219,605	145,093,274
	<u>37,313,634</u>	<u>38,800,000</u>
There is no Related party transaction.		
18 SHORT TERM LOAN		
AB Bank Ltd, STD-4110-776797-000	9,275,098	-
	<u>9,275,098</u>	<u>-</u>
The loan was taken against FDR on AB Bank Ltd.		
19 PROVISION FOR TAXATION		
Current Tax - note 19.1	225,767,600	156,492,431
Deferred Tax - note 19.2	12,694,023	7,336,332
	<u>238,461,623</u>	<u>163,828,763</u>
19.1 Provision for Current Tax - note 19		
Opening Balance	156,492,431	105,160,746
Add: Provision made for the year	89,884,550	82,531,685
	<u>246,376,981</u>	<u>187,692,431</u>
Less: Income Tax paid	20,609,381	31,200,000
	<u>225,767,600</u>	<u>156,492,431</u>
Total Tax liability includes the liability for the assessment year 2011-2012 and 2012-2013 on which final assessment is under process.		
19.2 Provision for Deferred Tax - note 19		
Opening Balance	7,336,332	1,832,970
Add: Provision made for the year	5,357,691	5,503,362
	<u>12,694,023</u>	<u>7,336,332</u>
Less: Provision realized during the year	-	-
Closing balance	<u>12,694,023</u>	<u>7,336,332</u>

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	30-Jun-2013 Taka	30-Jun-2012 Taka
20 REVENUE		
Rooms	329,386,912	313,468,111
Food & Beverages	66,429,421	66,205,899
Minor Operating Departments	16,626,376	15,954,886
Rental and Others	7,821,554	7,299,986
	420,264,263	402,928,882
<p>Unit price of Food & Beverages has increased during the year comparing to the previous year. Foreign currency exchange rate has also increased in the reporting period.</p>		
21 COST OF SALE		
Opening stock	2,533,082	6,838,855
Purchase during the year- note 21.1 & 21.2	30,976,629	26,508,137
Cost of goods available for sale	33,509,711	33,346,992
Operating Expense note - 22	86,992,867	85,831,682
	120,502,578	119,178,674
Closing inventory - note 8.1 & 8.4	(9,077,953)	(2,533,082)
	111,424,625	116,645,592
21.1 Food consumed - note 21		
Opening inventory	765,770	653,130
Purchase during the year	22,152,018	26,508,137
Total materials available	22,917,788	27,161,267
Closing inventory - note 8.1	(1,351,285)	(765,770)
	21,566,503	26,395,497
21.2 Beverage consumed - note 21		
Opening balance	1,767,312	6,185,725
Purchase during the year	8,824,611	-
Total beverage available	10,591,923	6,185,725
Closing inventory - note 8.4	(7,726,668)	(1,767,312)
	2,865,255	4,418,413
22 Operating Expense - note 21		
Salary & Allowance	19,766,903	19,393,552
Festival Bonus	1,023,056	897,436
House Keeping - note 22.1	4,178,794	5,375,769
Repair & Maintenance - note 22.2	3,804,786	2,900,354
Depreciation & Amortization - note 22.3	38,757,183	39,077,433
Fuel & Power - note 22.4	18,276,376	15,637,749
Function Expense	671,223	2,023,037
Others-note 22.5	514,546	526,352
	86,992,867	85,831,682

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	30-Jun-2013 Taka	30-Jun-2012 Taka
22.1 House Keeping Expense - note 22		
Opening balance	337,482	1,285,008
Add: Purchase during the year	4,181,586	4,428,243
	<u>4,519,068</u>	<u>5,713,251</u>
Less: Closing Balance- note 8.2	340,274	337,482
Consumption during the year	<u><u>4,178,794</u></u>	<u><u>5,375,769</u></u>
22.2 Repair & Maintenance - note 22		
Repair & Maintenance - Building	556,858	388,452
Repair & Maintenance - Machinery	623,881	644,966
Repair & Maintenance - General	1,072,699	701,115
Repair & Maintenance - Kitchen Equipment	56,047	123,600
Repair & Maintenance - Vehicle	497,413	456,893
Repair & Maintenance - Lift	508,110	208,813
Repair & Maintenance - Computer	184,124	141,290
Repair & Maintenance- Electrical Goods	305,654	235,225
	<u>3,804,786</u>	<u>2,900,354</u>
22.3 Depreciation & Amortization - note 22		
Depreciation Expense - note 4.2	37,949,736	38,269,986
Amortization Expense- note 6	807,447	807,447
	<u>38,757,183</u>	<u>39,077,433</u>
22.4 Fuel & Power - note 22		
Electricity Bill	11,836,298	9,779,609
Generator Fuel	2,176,877	1,889,459
Gas Bill	3,287,642	3,604,337
Fuel & Power	975,559	364,344
	<u>18,276,376</u>	<u>15,637,749</u>
22.5 Others - note 22		
Tobacco Expense	407,248	378,100
Carriage Inward	53,898	92,285
Dish Washing	1,363	4,800
Packet & Packing	52,037	51,167
	<u>514,546</u>	<u>526,352</u>

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	30-Jun-2013 Taka	30-Jun-2012 Taka
23 ADMINISTRATIVE EXPENSES		
Salaries & Allowances	7,311,046	7,172,958
House Rent Allowance	934,765	593,860
Festival Bonus	378,390	331,928
Director Remuneration	5,635,000	5,520,000
Insurance Expense	2,162,299	1,697,363
Printing & Stationery - note 23.1	1,613,541	1,290,990
Dish Line Rent	240,000	240,000
Telephone & Communication	970,978	976,520
Fees & Renewals	388,945	328,565
Rent, Rates & Taxes	1,127,114	259,427
Staff Uniform	844,757	849,740
Office Expenses	96,898	26,682
Paper & Periodicals	153,536	286,960
Postage & Courier	11,033	20,248
Conveyance	60,535	50,360
Tours & Travel Expense	285,566	239,705
Audit fee - note 23.2	345,000	300,000
Legal Fees & other professional charges	522,276	903,150
Medical Expense	11,298	8,698
Entertainment Expense	77,749	149,975
Gift & Donation	185,495	666,350
Depreciation Expense - note 4.2	9,487,433	9,567,496
Staff Hajj Expense	342,300	271,650
	33,185,954	31,752,626
23.1 Printing & stationary - note 23		
Opening balance	900,545	647,392
Add: Purchase during the year	1,593,103	1,544,143
	2,493,648	2,191,535
Less: Closing Balance - note 8.3	880,107	900,545
Consumption during the year	1,613,541	1,290,990
23.2 Audit Fee- note 23		
Audit fee	345,000	300,000
	345,000	300,000
24 SELLING AND DISTRIBUTION EXPENSE		
Advertisement	457,339	291,718
Card Charges	3,525,236	3,446,052
	3,982,575	3,737,770
25 FINANCIAL EXPENSES		
Bank Interest - note 25.1, 25.2 & 25.3	27,661,922	25,565,716
Bank Charges & Commission	161,856	89,941
	27,823,778	25,655,657

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	30-Jun-2013 Taka	30-Jun-2012 Taka
This is arrived as follows:		
25.1 Sonali Bank Limited		
Interest:		
Interest on Loan (801137006002)	19,620,205	16,284,687
Interest on ISL Loan	8,033,994	9,196,864
	27,654,199	25,481,551
25.2 AB Bank Limited		
Interest on Long Term Loan (4110-753033-340)	-	31,019
Interest on Short Term Loan (Time Loan 4110-753162-500)	-	49,591
Interest on Short Term Loan (CC Hypo)	7,723	1,055
	7,723	81,665
25.3 Infrastructure Development Leasing Company (IDLC)		
Interest:		
Interest on Long Term Loan		2,500
	-	2,500
26 OTHER INCOME		
Gain on Sale of Non Current Assets	851,311	-
Interest on FDR	7,303,334	3,823,721
Bank Interest	57,406	798,866
Dividend Income	60,000	320,901
Sale of Wastages	188,127	1,587,159
	8,460,178	6,530,647
27 WORKERS' PROFIT PARTICIPATION FUND (WPPF)		
Net profit before distribution of WPPF	252,307,509	231,667,883
Workers' Profit Participation Fund (WPPF) @ 5%	12,615,376	11,583,394

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	30-Jun-2013 Taka	30-Jun-2012 Taka
28 Related Notes for Statement of Cash Flows		
28.1 Cash Receive from Customers		
Revenue	420,264,263	402,928,882
Add: Opening balance of accounts receivables	33,920,276	35,778,728
Less: Closing balance of accounts receivables	(33,868,421)	(33,920,276)
	420,316,118	404,787,334
28.2 Cash Received from other sources		
Other income	7,608,867	6,530,647
Add: Opening balance of interest receivables	2,403,409	967,296
Less: Closing balance of interest receivables	(2,579,716)	(2,403,409)
Add: cash receive back from advance land deposit	60,550,000	-
	67,982,560	5,094,534
28.3 Cash Paid to suppliers		
Cost of sales	111,424,625	116,645,592
Changes in inventories	6,486,425	5,048,546
	117,911,050	111,597,046
Changes in accounts payable increase (decrease)	14,101,742	(5,669,632)
	132,012,792	117,266,678
Less: Depreciation expenses	37,949,736	38,269,986
	94,063,056	78,996,692
28.4 Cash Paid for Admin & Selling Expense		
Admin & selling expense	37,168,529	35,490,396
Add: Decrease in preliminary expenses	(807,447)	(807,447)
	36,361,082	34,682,949
Changes in advance deposit & prepayment	4,854,300	67,367,553
	41,215,382	102,050,502
Less: Depreciation Expense	(9,487,433)	(9,567,496)
	31,727,949	92,483,006
28.5 Deletion of Property, Plant and Equipment		
Cost of property, plant and equipment	3,802,302	-
Less: Accumulated depreciation of property, plant and equipment	(1,123,093)	-
Add: Profit on sale of property, plant and equipment	851,311	-
	3,530,520	-

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29 INFORMATION BASED ON PER SHARE

29.1 Earnings Per Share (EPS)

(a) Basic Earnings per share

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders from core business
Number of ordinary shares outstanding during the year

30-Jun-2013 Taka	30-Jun-2012 Taka
135,989,714	125,518,796
58,016,000	58,016,000

Earnings Per Share (From Core Operation)

2.34	2.16
------	------

Earnings attributable to the ordinary shareholders from extraordinary income
Number of ordinary shares outstanding during the year

8,460,178	6,530,647
58,016,000	58,016,000

Earnings Per Share (From Extra-ordinary Income)

0.15	0.11
------	------

Basic Earnings Per Share

2.49	2.28
------	------

Diluted Earnings Per Share

2.49	2.28
------	------

Weighted Average Number of Shares Outstanding

58,016,000	58,016,000
------------	------------

Opening Balance (1 Year)

45,325,000	9,250,000
------------	-----------

Bonus Share Issue 2011

-	36,075,000
---	------------

Bonus Share Issue in the year 2012 (Restated)

12,691,000	12,691,000
------------	------------

58,016,000	58,016,000
------------	------------

(b) Diluted Earnings per share

Net profit after tax

144,449,892	132,049,443
-------------	-------------

Weighted Average Number of Shares Outstanding

58,016,000	58,016,000
------------	------------

Diluted Earnings Per Share

2.49	2.28
------	------

29.2 NET ASSET VALUE PER SHARE (NAV)

A. Net Assets Value Per Share With Revaluation

Total Assets

2,403,904,957	2,195,666,761
---------------	---------------

Less: Intangible Assets

-	-
---	---

Less: Liabilities

447,108,704	381,308,673
-------------	-------------

Net Asset Value (NAV)

1,956,796,253	1,814,358,088
---------------	---------------

Number of ordinary shares outstanding (Restated)

58,016,000	58,016,000
------------	------------

Net Assets Value Per Share

33.73	31.27
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B. Net Assets Value Per Share Without Revaluation

Total Assets

1,175,491,115	967,252,919
---------------	-------------

Less: Intangible Assets

-	-
---	---

Less: Liabilities

447,108,704	381,308,673
-------------	-------------

Net Asset Value (NAV)

728,382,411	585,944,246
-------------	-------------

Number of ordinary shares outstanding (Restated)

58,016,000	58,016,000
------------	------------

Net Assets Value Per Share

12.55	10.10
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29.3 NET OPERATING CASH FLOW PER SHARE (NOCFPS)

Net Operating Cash Flows
Number of ordinary shares outstanding (Restated)

Net Operating Cash Flows per share

	30-Jun-2013 Taka	30-Jun-2012 Taka
	314,074,514	181,546,513
	58,016,000	58,016,000
	<u>5.41</u>	<u>3.13</u>

30 CONTINGENT LIABILITIES AND COMMITMENTS

30.1 Contingencies

There is no contingent event that may require recognition of contingent liabilities for the period ended 30 June 2013.

30.2 Capital expenditure commitment

There was no capital expenditure commitment with the any company on the reporting period.

30.3 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

30.4 Segment reporting

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.

30.5 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2013 other than trade credit available in the ordinary course of business.

30.6 Events after the reporting period

The Board of directors at their board meeting held on August 10, 2013 recommended to the shareholders 10% Cash Dividend for the year ended June 30, 2013. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

Except the fact stated above, no circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the financial statement or notes thereto.

31 Related Party Disclosures

- i) The Company has no parents, entities with joint control or significant influence over the entity, subsidiaries, joint ventures in which the entity is a venture and associates to which the related party transactions to occur which would require adjustment to or disclosure in the financial statement or notes thereto.
- ii) The details of key management personnel of the entity or its partner's transactions during the year along with the relationship is illustrated below in accordance of BAS 24

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			30-Jun-2013 Taka	30-Jun-2012 Taka
Particulars			Transacted Amount	Transacted Amount
Name of the party	Relationship	Nature of Transaction		
Md. Mustafa Tahseen Arshad	MD & Shareholder	Board Meeting fee	20,000	-
		Remuneration	4,020,000	4,020,000
Engineer Mosharraf Hossain	Chairman & Shareholder	Board Meeting fee	20,000	-
		Remuneration	1,200,000	1,200,000
Mr. Mahboob-Ur-Rahman	Director & Shareholder	Board Meeting fee	17,500	-
		Remuneration	300,000	300,000
Md. Mustafa Tahir Arshad	Director & Shareholder	Board Meeting fee	20,000	-
		Remuneration	-	-
Mrs Ayesha Sultana	Director & Shareholder	Board Meeting fee	17,500	-
		Remuneration	-	-
Mrs. Bilkis Arshad	Director & Shareholder	Board Meeting fee	20,000	-
		Remuneration	-	-
			5,635,000	5,520,000

iii) Particulars of Directors of The Peninsula Chittagong Ltd as at 30 June 2013

SL No	Name of Directors	BOD of The Peninsula Chittagong Ltd.	Entities where they have interests
1	Engineer Mosharraf Hossain	Chairman	Rahman Enterprise Limited, Trams Oriental Limited, Pioneer Concrete Block Limited, Sayeman Feed & Hatchery Limited, The Peninsula Holdings Limited, Sayeman Holdings Limited, Sayeman Beach Resort Limited.
2	Mr. Mustafa Tahseen Arshad	Managing Director	The Peninsula Holdings Limited.
3	Mrs. Ayesha Sultana	Director	Gasmin Limited, The Peninsula Holdings Limited, Re-Public Insurance Company Limited, Sayeman Holdings Limited, Rahman Enterprise Limited.
4	Mrs. Bilkis Arshad	Director	The Peninsula Holdings Limited.
5	Mr. Mustafa Tahir Arshad	Overseas Director	The Peninsula Holdings Limited.
6	Mr. Mahboob- Ur-Rahman	Executive Director	Rahman Enterprise Limited, Pioneer Concrete Block Limited, Sayeman Feed & Hatchery Limited, The Peninsula Holdings Limited, Gasmin Limited, Sayeman Holdings Limited, Sayeman Beach Resort Limited, Orient Poultry & Hatchery Limited, Wave Technology Limited, Base Limited, Show-motion Limited, Re-public Insurance Company Limited.

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32 Disclosure as per requirement of Schedule XI, Part II of The Company Act 1994

32.1 Employee Position of The Peninsula Chittagong Limited as per requirement of schedule XI, part II, Para 3

Salary Range (Monthly)	Total Employee	Officer & Staff	Worker & Employee
		Head Office	Head Office
For the year ended	249	41	208
Below 3,000	-	-	0
Above 3,000	249	41	208
For the year ended	264	75	189

During the year 2013, 209 no of employees were in the permanent payroll of the Company.

32.2 Payment information to Directors as per requirement of schedule XI, part II, Para 4

a)	Name	Designation	Remuneration	
			30-Jun-2013 Taka	30-Jun-2012 Taka
	Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
	Engineer Mosharraf Hossain	Executive Chairperson	1,200,000	1,200,000
	Mr. Mahboob-Ur-Rahman	Executive Director	300,000	300,000
			5,520,000	5,520,000

b)	Name	Designation	Board Meeting Fee	
			30-Jun-2013 Taka	30-Jun-2012 Taka
	Md. Mustafa Tahseen Arshad	Managing Director	20,000	-
	Engineer Mosharraf Hossain	Executive Chairperson	20,000	-
	Mr. Mahboob-Ur-Rahman	Executive Director	17,500	-
	Md. Mustafa Tahir Arshad	Director	20,000	-
	Mrs Ayesha Sultana	Director	17,500	-
	Mrs. Bilkis Arshad	Director	20,000	-
			115,000	-

32.3 Service rendering capacity and current utilization as per Companies Act 1994, Schedule-XI para-7

Description	Capacity (Room Per Year)	Utilization during the year	Utilization in Percentage during the year ended June 30, 2013	Utilization in Percentage during the year ended June 30, 2012
Guest Room	44,652	36,179	81.02%	76.77%

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32.4 Managerial Remuneration as per Para-4(i)(b), Part-2 of the Securities and Exchanges Commission Rules, 1987.

a) Remuneration paid to top five Salaried Officers

Name	Designation	Remuneration	
		30-Jun-2013 Taka	30-Jun-2012 Taka
Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
Mr. Mustak Luhar	Asst. General Manager	2,028,000	2,028,000
Engineer Mosharraf Hossain	Chairman	1,200,000	1,200,000
Mr. Mohammad Nurul Azim	Chief Financial Officer	813,660	777,876
Mr. Edward Gomes	Executive Chef	780,000	745,500
		8,841,660	8,771,376

b) Aggregate Amount of Remuneration Paid to all Directors & Employees

Particulars	Payment Type	30-Jun-2013 Taka	30-Jun-2012 Taka
Director's	Board Meeting Fees	115,000	-
Director's	Remuneration	5,520,000	5,520,000
Officers & Others	Salary & Allowances	29,414,160	28,389,734
		35,049,160	33,909,734

33 Attendance Status of Board Meeting of Directors

During the year ended 30 June 2013, there were eight Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting held	Attendance
Engineer Mosharraf Hossain	Chairman	8	8
Mr. Mustafa Tahseen Arshad	Managing Director	8	8
Mrs. Ayesha Sultana	Director	8	7
Mrs. Bilkis Arshad	Director	8	8
Mr. Mustafa Tahir Arshad	Director	8	8
Mr. Mahboob- Ur-Rahman	Director	8	7

The directors of the Company were paid TK2,500 per meeting for fee for attending board meeting during the year.

34 GENERAL

34.1 Figures appearing in these accounts have been rounded off to the nearest taka.

34.2 Previous year's phrases & amounts have been restated and re-arranged, wherever considered necessary, to conform to the presentation for the year under review.

These financial statements should be read in conjunction with the annexed Notes

and were approved by the Board of Directors on **26.8. 2013**

and were signed on its behalf by :


COMPANY SECRETARY


MANAGING DIRECTOR & CEO


CHAIRMAN