

**Hoda Vasi  
Chowdhury & Co**

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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 2012**

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Independent Correspondents 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 2012** 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 2012 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, 3 September 2012

*Hoda Vasi Chowdhury*  
Chartered Accountants

*Hoda*

**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2012**


	Note(s)	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>ASSETS &amp; PROPERTIES</b>			
<b>NON CURRENT ASSETS &amp; PROPERTIES</b>			
Property, Plant & Equipment	4	2,578,877,338	2,542,049,336
Capital Work-in-Progress	5	11,722,435	-
Preliminary Expenses	6	400,945	481,135
Pre-operation Revenue Expenditure	7	3,636,273	4,363,530
		<b>207,155,979</b>	<b>162,755,508</b>
<b>CURRENT ASSETS &amp; PROPERTIES</b>			
Investments	8	81,778,532	66,688,422
Inventory	9	4,043,109	9,091,655
Accounts Receivables	10	33,920,276	35,778,728
Interest Receivables	11	2,403,409	967,296
Advances, Deposits & Prepayments	12	75,956,948	8,589,395
Cash & Bank Balances	13	9,053,705	41,640,012
		<b>2,801,792,970</b>	<b>2,709,649,509</b>
<b>TOTAL ASSETS &amp; PROPERTIES</b>			
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share Capital	14	453,250,000	92,500,000
Revaluation Surplus	15	1,828,374,784	1,877,262,257
Retained Earnings	16	138,878,765	367,579,322
<b>NON CURRENT LIABILITIES</b>			
Long Term Portion of Term Loan	17	149,227,458	177,931,339
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Current Portion of Long Term Loan	17	29,452,452	27,447,137
Short Term Loan	18	-	27,049,500
Accounts Payable	19	38,800,000	38,328,286
Bank Overdraft	20	(19,252)	(5,442,048)
Provision for Taxation	21	163,828,763	106,993,716
		<b>2,801,792,970</b>	<b>2,709,649,509</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
Net Assets Value Per Share With Revaluation	30.2	53.40	51.57
Net Assets Value Per Share Without Revaluation	30.2	13.06	10.15

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

and were approved by the Board of Directors on *2 September* 2012

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, *3 September* 2012


  
Hoda Vasi Chowdhury  
CHARTERED ACCOUNTANTS

**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note(s)	30-Jun-2012 Taka	30-Jun-2011 Taka
Revenue	22	402,928,882	355,156,655
Cost of Sales	23	(30,813,910)	(29,250,057)
<b>Gross Profit/ (Loss)</b>		<b>372,114,972</b>	<b>325,906,598</b>
Operating Expenses	24	(85,831,682)	(73,973,403)
Administrative Expenses	25	(31,752,626)	(29,011,044)
Selling & Distribution Expenses	26	(3,737,770)	(3,211,021)
		<b>(121,322,078)</b>	<b>(106,195,468)</b>
<b>Operating Profit</b>		<b>250,792,894</b>	<b>219,711,130</b>
Financial Expenses	27	(25,655,657)	(19,641,341)
		<b>225,137,237</b>	<b>200,069,789</b>
Other Income	28	6,530,647	13,361,292
		<b>231,667,884</b>	<b>213,431,081</b>
Workers Profit Participation Fund (WPPF)	29	(11,583,394)	(10,671,554)
<b>Profit before Tax</b>		<b>220,084,490</b>	<b>202,759,527</b>
Provision for Tax			
Current	21.1	(82,531,685)	(72,649,018)
Deferred	21.2	(5,503,362)	(1,832,970)
<b>Profit after Tax</b>		<b>132,049,443</b>	<b>128,277,539</b>
<b>Earnings per share</b>	30.1	<b>2.91</b>	<b>2.83</b>

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on *2 September* 2012 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, *3 September* 2012

*Hoda Vasi Chowdhury & Co*  
CHARTERED ACCOUNTANTS  
*Hoda*


**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2012**

Particulars	Amount in Taka				
	Share Capital	Revaluation Reserve	Tax Holiday Reserve	Unappropriated Profit/(Loss)	Total Equity
Balance as on 01 July 2011	92,500,000	1,877,262,257	-	367,579,322	2,337,341,579
Capital Issued	-	-	-	-	-
Revaluation Surplus realised during the year - note 15	-	(48,887,473)	-	-	(48,887,473)
Net Profit after Tax	-	-	-	132,049,443	132,049,443
Issuance of Bonus Share	360,750,000	-	-	(360,750,000)	-
	360,750,000	(48,887,473)	-	(228,700,557)	83,161,970
<b>Balance as at 30 June 2012</b>	<b>453,250,000</b>	<b>1,828,374,784</b>	<b>-</b>	<b>138,878,765</b>	<b>2,420,503,549</b>
Balance as on 01 July 2010	92,500,000	-	101,013,531	138,288,252	331,801,783
Capital Issued	-	-	-	-	-
Revaluation Surplus - note 15	-	1,885,550,226	-	-	1,885,550,226
Revaluation Surplus realised during the year -note 15	-	(8,287,969)	-	-	(8,287,969)
Net Profit after Tax	-	-	-	128,277,539	128,277,539
Transferred to General reserve	-	-	(101,013,531)	101,013,531	-
Issuance of Bonus Share	-	-	-	-	-
	-	1,877,262,257	(101,013,531)	229,291,070	2,005,539,796
<b>Balance as at 30 June 2011</b>	<b>92,500,000</b>	<b>1,877,262,257</b>	<b>-</b>	<b>367,579,322</b>	<b>2,337,341,579</b>

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 2 September 2012 and were signed on its behalf by :

*Hoda Vasi*

  
COMPANY SECRETARY

  
MANAGING DIRECTOR & CEO

  
CHAIRMAN


**THE PENINSULA CHITTAGONG LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2012**

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>Cash flows from Operating Activities</b>		
Cash Received from Customers	404,787,334	341,679,733
Cash Received from other sources	5,094,534	12,393,996
Cash Paid to suppliers	(79,015,944)	(64,431,710)
Cash Paid for admin & selling expense	(92,483,006)	(23,955,166)
Cash Payment for financial expenses	(25,655,657)	(19,641,341)
Income Tax Paid	(31,200,000)	-
<b>Net cash inflow/(outflow) from operating activities (A)</b>	<b>181,527,261</b>	<b>246,045,512</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(133,552,957)	(297,579,278)
Capital Work in Progress	(11,722,435)	-
Investment	(15,090,110)	(6,376,728)
<b>Net cash inflow/(outflow) from investing activities (B)</b>	<b>(160,365,502)</b>	<b>(303,956,006)</b>
<b>Cash flows from financing activities</b>		
Long term loan (repaid)/received	(26,698,566)	53,211,449
Short term loan(repaid)/ received	(27,049,500)	27,049,500
<b>Net cash inflow/(outflow) from financing activities (C)</b>	<b>(53,748,066)</b>	<b>80,260,949</b>
<b>Net increase of cash and cash equivalents for the year (A+B+C)</b>	<b>(32,586,307)</b>	<b>22,350,455</b>
Cash and cash equivalents at the beginning of the year	41,640,012	19,289,557
<b>Cash and cash equivalents at the end of the year</b>	<b>9,053,705</b>	<b>41,640,012</b>
<b>Net Operating Cash Flows Per Share (NOCFPS) - note 30.3</b>	<b>4.01</b>	<b>5.43</b>

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These financial statements should be read in conjunction with the annexed notes  
and were approved by the Board of Directors on *2 September* 2012  
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 2012**

**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) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly.

The registered office of the company is located at BA, Chandrishila Shuvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205 and Business Project (4 Star Hotel premises) located at Bulbul Center, 468/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 2011 to 30 June 2012 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.

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**2.6 Comparative Information**

Comparative figures and account titles in the financial statements have been rearranged / reclassified and restated where necessary to conform with changes in presentation in the current year.

**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-14	Segment Reporting
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

In the following areas, the recognition and measurement principles of IFRS are significantly different from those of BAS/BFRS and Companies Act 1994. However the estimated resulting differences would not be material for these financial statements. These immaterial differences with BAS/Companies Act 1994 primarily result from non-application of following BAS/IFRS in Bangladesh:

BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

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**3.1 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 Shamjul 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.

**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>
Factory 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. Reserve is created by the sum of revaluation surplus and depreciation is charged on the revalued assets except Land and Land Development as per the respective rate of depreciation and transferred the equal amount of depreciation to the equity as per the provision of BAS-16.

**3.2 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) Hard Drinks	at cost

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**3.3 Revenue Recognition**

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

**3.4 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.

**3.5 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.

**3.6 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 fulfil the current obligation on the reporting date.

**3.7 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.

**3.8 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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**3.9 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 2012.
- ii) Statement of Comprehensive Income for the year ended 30 June 2012.
- iii) Statement of Cash flows for the year ended 30 June 2012.
- iv) Statement of Changes in Equity for year ended 30 June 2012.
- 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:**

No diluted Earnings per share was required to be calculated for the period under review as there was no scope for dilution of Earnings Per Share for the year.

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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 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.

*Hoda Vasi*

## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>		
Detail of fixed assets and depreciation as on 30 June 2012 are shown in the notes 4.1, 4.2 & 4.3		
<b>A. Cost</b>		
Opening Balance as on 01 July	2,718,763,970	543,922,435
Add: Addition during the year	133,552,957	297,579,278
Add: Increase due to Revaluation	-	1,885,550,226
Less: Revaluation surplus realised during the year	48,887,473	8,287,969
Total Cost as on 30 June	<u>2,803,429,454</u>	<u>2,718,763,970</u>
<b>B. Accumulated Depreciation</b>		
Opening Balance as on 01 July	176,714,634	130,987,668
Add : Depreciation for the year	47,837,482	45,726,966
Less : Adjustments during the year	-	-
Total Depreciation as on 30 June	<u>224,552,116</u>	<u>176,714,634</u>
<b>Written Down Value (WDV), (A-B)</b>	<u>2,578,877,338</u>	<u>2,542,049,336</u>

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**PROPERTY, PLANT & EQUIPMENT**

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

(a) Cost

Particulars	Cost (Amount in Taka)			Depreciation Rate (%)	Depreciations (Amount in Taka)			Written Down Value as on 30.06.2012 (Taka)
	Opening Balance as on 01.07.2011	Addition During the year	Closing Balance as on 30.06.2012		Opening Balance as on 01.07.2011	Charge During the year	Closing Balance as on 30.06.2012	
<b>Land and Land Developments:</b>								
Free Hold Land	201,584,158	4,252,476	205,836,564	-	-	-	205,836,564	
<b>Building:</b>								
Hotel Building	307,493,932	102,478,735	409,972,667	5%	45,229,719	18,225,170	63,458,889	346,513,778
<b>Plant &amp; Machinery:</b>								
Plant & Machinery	36,740,321	4,319,658	41,059,979	15%	16,170,893	3,633,943	19,804,856	21,255,143
<b>Equipment &amp; Appliances:</b>								
Office Equipment	4,403,029	1,554,871	5,957,900	15%	1,406,791	661,846	2,068,637	3,889,263
Electrical Equipment	30,146,653	710,005	30,856,658	15%	15,202,105	2,317,108	17,519,213	13,337,445
Air Conditioner	47,275,168	596,160	47,871,328	15%	34,316,865	4,943,745	39,260,610	28,610,718
Kitchen equipment	21,675,029	5,038,702	26,713,731	20%	10,975,117	2,819,240	13,794,357	12,919,374
House Keeping Equipment	9,403,687	201,125	9,604,812	20%	2,703,475	1,355,872	4,059,347	5,545,465
Bar Equipment	2,269,149	2,000	2,271,149	20%	652,733	323,683	976,416	1,294,733
Security Equipment	5,660,854	52,250	5,713,104	20%	3,193,953	503,830	3,697,783	2,015,321
Linen	11,626,705	1,071,120	12,697,825	20%	4,926,874	1,861,420	6,778,294	6,819,531
SPA	18,714,562	1,268,218	19,982,780	5%	1,215,116	938,383	2,153,499	17,829,281
Wooden Floor	46,035,390	-	46,035,390	10%	8,645,608	3,738,738	12,384,366	33,648,024
Tumbler drier	232,200	-	232,200	10%	23,220	20,868	44,118	188,082
	<b>217,440,226</b>	<b>11,394,451</b>	<b>228,834,677</b>		<b>83,261,857</b>	<b>19,474,783</b>	<b>102,736,640</b>	<b>126,098,039</b>
<b>Furniture &amp; Fixtures</b>								
Office Decoration	31,314,183	2,641,117	33,955,300	10%	10,025,492	2,206,825	12,232,315	21,722,985
Motor Vehicles	30,506,368	3,871,170	34,377,538	15%	16,774,722	2,612,719	19,387,441	14,990,097
	16,422,525	4,595,420	21,017,945	15%	5,251,951	1,680,044	6,931,995	14,085,950
<b>30.06.2012</b>	<b>841,591,713</b>	<b>133,832,957</b>	<b>975,051,670</b>		<b>176,714,634</b>	<b>47,837,482</b>	<b>224,552,116</b>	<b>750,502,556</b>
<b>30.06.2011</b>	<b>543,922,435</b>	<b>297,579,278</b>	<b>841,501,713</b>		<b>130,987,668</b>	<b>45,726,966</b>	<b>176,714,634</b>	<b>664,787,079</b>

(b) Revaluations:

Particulars	Revaluation (Amount in Taka)				Depreciation Rate (%)	Depreciation (Amount in Taka)			Written Down Value as on 30.06.2012 (Taka)
	Opening Balance as on 01.07.2011	Revaluation During the year	Addition During the year	Deletion During the year		Closing Balance as on 30.06.2012	Charge During the year	Deletion During the year	
Land and Land Development:									
Free Hold Land	1,228,413,842	-	-	-	-	-	-	-	1,228,413,842
Building:									
Hotel Building	486,157,723	-	-	-	5%	4,051,514	24,105,320	28,156,834	458,001,889
Plant & Machinery:									
Plant & Machinery	4,652,826	-	-	-	15%	116,520	686,475	796,795	3,856,031
Equipment & Appliances									
Office/ Building Decoration including wooden work	126,378,746	-	-	-	15%	3,159,416	18,482,599	21,642,015	104,736,729
Office Equipment	(307,681)	-	-	-	15%	(7,692)	(64,997)	(52,691)	(254,990)
Electrical Equipment	329,266	-	-	-	15%	8,232	(8,158)	56,290	272,896
Air Conditioner	25,471,364	-	-	-	15%	636,394	3,725,187	4,361,571	21,099,393
Kitchen Equipment	2,295,538	-	-	-	20%	76,517	443,804	520,321	1,775,217
House Keeping Equipment	84,088	-	-	-	20%	2,802	16,257	19,059	65,029
Bar Equipment	(164,910)	-	-	-	20%	(3,097)	(31,983)	(37,380)	(127,590)
Security Equipment	1,503,979	-	-	-	20%	50,132	290,749	340,301	1,163,678
Linen	500,607	-	-	-	25%	20,859	119,937	140,796	359,811
SPA	(2,079,133)	-	-	-	5%	(17,326)	(103,098)	(120,416)	(1,958,717)
Tumbler Drier	4,620	-	-	-	10%	77	(451)	531	(1,089)
Furniture & Fixtures	158,172,770	-	-	-	10%	3,958,958	23,153,373	27,112,331	131,060,439
Motor Vehicles	5,093,851	-	-	-	10%	61,897	500,995	583,792	4,508,059
	3,059,214	-	-	-	15%	76,840	447,410	523,090	2,535,324
30.06.2012	1,885,550,226	-	-	-		8,287,969	48,897,473	57,175,442	1,828,374,781
30.06.2012	2,727,051,939	-	133,552,957	-		185,602,603	96,724,955	281,727,558	2,575,877,338
30.06.2011	543,923,435	1,885,550,226	297,579,278	-		130,967,668	54,014,335	185,002,603	2,542,049,336

4.2 Depreciation Allocated to:

	2012 Taka	2011 Taka	Basis
Operating Expenses - note 24.3	35,250,986	35,581,573	97%
Administrative Expenses - note 25	9,567,496	5,145,393	20%
	47,837,482	45,726,966	100%

4.3 Revaluation Surplus

Represent revaluation surplus arising in accordance with the report on revaluation of assets carried out by Sydul Shamud Akmi & Co, Chartered Accountants.

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## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>5 Capital Work -in- Progress</b>		
Opening balance	-	-
Expenses incurred during the year	11,722,435	-
<b>Closing Balance</b>	<u>11,722,435</u>	<u>-</u>

Capital work-in-progress includes all the costs of extension of hotel building ( 7 storied 19,950sqft) which is under construction.

<b>6 Preliminary Expenses</b>		
Opening balance	481,135	561,325
Less: Amortized during the year - note 24.3	80,190	80,190
<b>Closing Balance</b>	<u>400,945</u>	<u>481,135</u>

The Company had decided to amortize the total amount of Preliminary Expenses of Tk801,895 from July 01, 2007 to June 17, 2017 of Tk80,190 per year.

<b>7 Pre-operation Revenue Expenditure</b>		
Opening balance	4,363,530	5,090,787
Less: Amortized during the year - note 24.3	727,257	727,257
<b>Closing Balance</b>	<u>3,636,273</u>	<u>4,363,530</u>

The Company had decided to amortize the total amount of Pre-operation Revenue Expenses of Tk7,272,553 from July 01, 2007 to June 17, 2017 of Tk727,257 per year.

<b>8 INVESTMENT</b>		
FDR-note 8.1	45,927,708	30,837,598
Shares-note 8.2	35,850,824	35,850,824
	<u>81,778,532</u>	<u>66,688,422</u>

**8.1 Investment In FDR - note 8**

Bank name	FDR No	Amount
A B Bank	3348601	10,000,000
A B Bank	3348625	10,000,000
A B Bank	3279133	927,708
A B Bank	3348573	10,000,000
UCBL	311433	5,000,000
Lankahangla Finance Ltd.	3279133	10,000,000
		<u>45,927,708</u>

**8.2 Investment In Share in Secondary Market - note 8**

Particulars	Qty	Market Price	Cost Price	Unrealized Gain (Loss)
A B Bank	55,200	2,340,480	6,210,000	(3,869,520)
BRAC Bank	93,000	3,059,700	5,449,800	(2,390,100)
First Securities Bank	7,392	141,479	66,024	75,455
		<u>5,541,659</u>	<u>11,725,824</u>	<u>*(6,184,165)</u>

Investment in placement Share amounting Tk24,125,000.

\* The unrealised loss has not been accounted for in the accounts.

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## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>9 INVENTORIES</b>		
Food- note 9.1	765,770	653,130
House Keeping Materials - note 9.2	337,482	1,285,008
Printing & Stationary - note 9.3	900,545	647,392
Store & Spares	272,000	320,400
Beverage - note 9.4	1,767,312	6,185,725
	<u>4,043,109</u>	<u>9,091,655</u>
<b>9.1 Food - note 9</b>		
Opening balance	653,130	388,313
Add: Purchase during the year	26,508,157	25,518,891
	<u>27,161,267</u>	<u>25,907,204</u>
Less: Consumption during the year	26,395,497	25,254,074
Closing balance - note 23.1	<u>765,770</u>	<u>653,130</u>
<b>9.2 House Keeping Materials - note 9</b>		
Opening balance	1,285,008	136,276
Add: Purchase during the year	4,428,243	3,167,359
	<u>5,713,251</u>	<u>3,303,635</u>
Less: Consumption during the year	5,375,769	2,018,627
Closing balance - note 24.1	<u>337,482</u>	<u>1,285,008</u>
<b>9.3 Printing &amp; stationary - note 9</b>		
Opening balance	647,392	455,407
Add: Purchase during the year	1,544,143	1,262,425
	<u>2,191,535</u>	<u>1,717,832</u>
Less: Consumption during the year	1,290,990	1,070,440
Closing balance - note 25.1	<u>900,545</u>	<u>647,392</u>
<b>9.4 Beverage - note 9</b>		
Opening balance	6,185,725	7,544,388
Add: Purchase during the year	-	2,837,320
	<u>6,185,725</u>	<u>10,381,708</u>
Less: Consumption during the year	4,418,413	3,995,983
Closing balance - note 23.2	<u>1,767,312</u>	<u>6,385,725</u>
<b>10 ACCOUNTS RECEIVABLES</b>		
Opening Balance	55,778,728	22,301,806
Add: Addition during the year	139,274,747	112,487,436
	<u>175,053,475</u>	<u>134,789,242</u>
Less: Realized during the year	141,133,199	99,010,514
	<u>33,920,276</u>	<u>35,778,728</u>
There is no related party transaction.		

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## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>10.1 Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994</b>		
Debts exceeding 6 Months	5,220,059	1,600,114
Other debts less provision	28,700,217	34,178,614
	<u>33,920,276</u>	<u>35,778,728</u>
Debts considered Good & secured	33,920,276	35,778,728
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	-	-
	<u>33,920,276</u>	<u>35,778,728</u>
<b>11 INTEREST RECEIVABLES</b>		
Accrued Interest Income on FDR	2,403,409	967,296
	<u>2,403,409</u>	<u>967,296</u>
11.1 The interest was accrued for the FDR of Tk 45,927,708 maintained with The AB Bank Limited, O.R Nizam Road, CDA Avenue Branch, Chittagong, Lanka Bangla Finance, Kemal Ataturk Avenue, Dhaka, UCBL, Muradpur Branch, Chittagong in different date from 01 February 2012.		
<b>11.2 Disclosure as per Schedule-XI, Part-I, of the Companies Act, 1994</b>		
Debts exceeding 6 Months	2,403,409	967,296
Other debts less provision	-	-
	<u>2,403,409</u>	<u>967,296</u>
Debts considered Good & secured	2,403,409	967,296
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	-	-
	<u>2,403,409</u>	<u>967,296</u>
<b>12 ADVANCES, DEPOSITS AND PREPAYMENTS</b>		
Advances - note 12.1	73,112,601	6,046,097
Deposits - note 12.2	1,518,508	1,518,508
Prepayments - note 12.3	1,325,839	1,024,790
	<u>75,956,948</u>	<u>8,589,395</u>
<b>12.1 Advances - note 12</b>		
Advance Income Tax	3,147,145	2,384,475
Lanka Bangla Securities	8,554	9,675
Advances to Others - note 12.1.1	63,676,352	476,882
VAT Current Account	3,543,839	2,581,497
SD Account	327,686	330,484
IDS Software	2,409,025	263,084
	<u>73,112,601</u>	<u>6,046,097</u>

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## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>12.1.1 Advances to Others - note 12.1</b>		
Rainbow CNG Service Station	25,000	-
Kuwait Airways	41,882	41,882
Advance against Land	60,550,000	-
Fly Dubai Advance Allowance	888,000	-
EMI Engineering	-	435,000
Advance Salary & Others	2,171,470	-
	<u>63,676,352</u>	<u>476,882</u>
<b>12.2 Deposits - note 12</b>		
T&T	140,000	140,000
Bangladesh Gas System Limited	1,069,148	1,069,148
Power Development Board Chittagong	285,000	285,000
Shah Amanat International Airport( Security Deposit)	24,360	24,360
	<u>1,518,508</u>	<u>1,518,508</u>
<b>12.3 Prepayments - note 12</b>		
Prepaid Expense	200,000	-
Prepaid Insurance	1,125,839	1,024,790
	<u>1,325,839</u>	<u>1,024,790</u>
All are security deposits against contractual services to be provided by the respective institutions.		
<b>Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994</b>		
Advance, deposits and pre-payments exceeding 6 Months	1,518,508	1,518,508
Other advance, deposits & pre-payments less provision	74,438,440	7,070,887
	<u>Taka 75,956,948</u>	<u>8,589,395</u>
Advance, deposits and pre-payments considered Good & secured	75,956,948	8,589,395
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>75,956,948</u>	<u>8,589,395</u>
<b>13 CASH AND BANK BALANCES</b>		
Cash in Hand	1,268,521	329,985
Cash at Banks - note 13.1	7,785,184	41,310,027
	<u>9,053,705</u>	<u>41,640,012</u>
<b>13.1 Cash at Bank : Balances with Schedule Banks - note 13</b>		
Prime Bank Ltd, IBB O.R Nizam Road, CD-13411030000449	686,448	201,949
Standard Bank Ltd, CD-33000324	149,925	149,925
Standard Chartered Bank Ltd	1,075,408	(2,528,698)
AB Bank Ltd, CD-4110-753162-000	16,991	597
AB Bank Ltd, Notice-4110-761221-430	197,154	8,714,035
Social Islami Bank Ltd, CD-13300025306	3,965	3,965
AB Bank Ltd, STD-4110-776797-430	2,670,963	32,508,319
Brac Bank Ltd, CD-02019912560-01	393,223	735,096
City Bank Ltd, CD-1101238038001	5,609	661,472
Sonali Bank Ltd, CD-33023975	5,699	11,849
AB Bank Ltd, STD-4110-776797-000	25,124	-
Prime Bank Ltd- Card Balance	49,504	100,696
Brac Bank Ltd- Card Balance	237,831	550,342
City Bank Ltd- Card Balance	2,267,340	200,480
	<u>7,785,184</u>	<u>41,310,027</u>

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## Hoda Vasi Chowdhury & Co

### 14 SHARE CAPITAL

#### 14.1 Authorized Capital

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

30-Jun-2012 Taka	30-Jun-2011 Taka
---------------------	---------------------

3,000,000,000	3,000,000,000
<u>3,000,000,000</u>	<u>3,000,000,000</u>

#### 14.2 Issued, Subscribed and Paid-up Capital

9,250,000 Ordinary Shares of Tk 10 (2011: Tk 10) each  
36,075,000 Ordinary Shares of Tk 10 each as Bonus Share  
45,325,000 Ordinary Shares of Tk 10 each

92,500,000	92,500,000
360,750,000	-
<u>453,250,000</u>	<u>92,500,000</u>

#### 14.3 A. Position of Shares holding as on 30 June 2012

Name of the Shareholders	Nature of Shareholding	Nationality	Percentage (%)	Taka	Taka
Engineer Mosharraf Hossain	Individual	Bangladeshi	12.00	54,390,000	11,100,000
Mrs. Ayesha Sultana	Individual	Bangladeshi	8.00	36,260,000	7,400,000
Mr. Mustafa Tahseen Arshad	Individual	American	24.00	108,780,000	22,200,000
Mrs. Bilkis Arshad	Individual	American	15.00	67,987,500	13,875,000
Mr. Mustafa Tahir Arshad	Individual	American	9.00	40,792,500	8,325,000
Mr. Mahboob- Ur-Rahman	Individual	Bangladeshi	5.00	22,662,500	4,625,000
Mrs. Mirka Rahman	Individual	Finland	5.00	22,662,500	4,625,000
Mr. Amimur Rahman	Individual	Bangladeshi	5.00	22,662,500	4,625,000
Mr. Sabeedur Rahman	Individual	Bangladeshi	5.00	22,662,500	4,625,000
Mrs. Arifa Sultana	Individual	Bangladeshi	6.00	27,195,000	5,550,000
Mr. Afzal Bin Tarique	Individual	Bangladeshi	4.00	18,130,000	3,700,000
Mrs. Shaheda Sultana	Individual	Bangladeshi	2.00	9,065,000	1,850,000
<b>Total</b>			<b>100</b>	<b><u>453,250,000</u></b>	<b><u>92,500,000</u></b>

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

Name of the shareholders	No. of shares as at 01 July 2011	Movement of shares issued during the year		No. of shares as at 30 June 2012	Share capital in Taka as at 30 June 2012
		In cash	Bonus shares		
Engineer Mosharraf Hossain	1,110,000	-	4,329,000	5,439,000	54,390,000
Mrs. Ayesha Sultana	740,000	-	2,886,000	3,626,000	36,260,000
Mr. Mustafa Tahseen Arshad	2,220,000	-	8,658,000	10,878,000	108,780,000
Mrs. Bilkis Arshad	1,387,500	-	5,411,250	6,798,750	67,987,500
Mr. Mustafa Tahir Arshad	832,500	-	3,246,750	4,079,250	40,792,500
Mr. Mahboob- Ur-Rahman	462,500	-	1,803,750	2,266,250	22,662,500
Mrs. Mirka Rahman	462,500	-	1,803,750	2,266,250	22,662,500
Mr. Amimur Rahman	462,500	-	1,803,750	2,266,250	22,662,500
Mr. Sabeedur Rahman	462,500	-	1,803,750	2,266,250	22,662,500
Mrs. Arifa Sultana	555,000	-	2,164,500	2,719,500	27,195,000
Mr. Afzal Bin Tarique	370,000	-	1,443,000	1,813,000	18,130,000
Mrs. Shaheda Sultana	185,000	-	721,500	906,500	9,065,000
<b>9,250,000</b>		<b>-</b>	<b><u>36,075,000</u></b>	<b><u>45,325,000</u></b>	<b><u>453,250,000</u></b>

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C. A distribution schedule of the shares as at 30 June 2012 is given below as required by listing regulations:

<u>Slabs by number of shares</u>	<u>Number of shareholders</u>	<u>No of Shares</u>	<u>Holding (%)</u>
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	1	906,500	2
Above 1,000,000	11	44,418,500	98
	<b>12</b>	<b>45,325,000</b>	<b>100</b>

	<u>30-Jun-2012</u> <u>Taka</u>	<u>30-Jun-2011</u> <u>Taka</u>
<b>15 REVALUATION SURPLUS</b>		
Balance as on 01 July 2011	1,877,262,257	1,885,550,226
Revaluation surplus realised during the year	(48,887,473)	(8,287,969)
Closing balance	<b>1,828,374,784</b>	<b>1,877,262,257</b>

**Revaluation**

Revaluation of Company's assets were carried out by 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 Reserve Account.

	<u>30-Jun-2012</u>	<u>30-Jun-2011</u>
<b>16 RETAINED EARNINGS</b>		
Opening balance	367,579,322	138,288,252
Add: Addition during the year	132,049,443	128,277,539
Add: Transferred from Tax Holiday Reserve	-	101,013,531
	499,628,765	367,579,322
Less: Bonus shares issued	360,750,000	-
	<b>138,878,765</b>	<b>367,579,322</b>

<b>17 LONG TERM BANK LOAN</b>		
Opening Balance	205,378,476	152,167,026
Add: Loan taken during the year	-	70,000,000
Add: Interest charged during the year	25,481,551	18,907,013
	230,860,027	241,074,039
Less: Payment during the year	52,180,117	35,695,563
	178,679,910	205,378,476
Less: Current portion of term loan	29,452,452	27,447,137
	<b>149,227,458</b>	<b>177,931,339</b>

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## Hoda Vasi Chowdhury & Co

Particulars of the above term loans are given below :

<b>1</b>	<b>Bank</b>	<b>Sonali Bank Limited</b>
	Loan Account	SBICS Project Loan-801137006002
	Limit amount	Tk 160,000,000
	Purpose	For settle down loan from AB Bank & for completion of the project
	Sanction date	4-Aug-2009
	Interest rate	12.5% (floating)
	Security	Mortgage of Land, Building, Machinery & Equipment related to development of the Project, Bank Guarantee from Directors
	Tenure	Five years
<b>2</b>	<b>Bank</b>	<b>Sonali Bank Limited</b>
	Loan Account	SBICS Project Loan-37008989
	Limit amount	Tk 80,000,000
	Purpose	Buy Back of 2nd floor from Integrated Service Ltd
	Sanction date	15-Mar-2011
	Interest rate	12.5% (floating)
	Security	Mortgage of Land, Building
	Tenure	Five years

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>18 SHORT TERM BANK LOAN</b>		
AB Bank Time Loan	-	27,000,000
Add: Interest applied	-	49,500
	-	27,049,500
<b>19 ACCOUNTS PAYABLES</b>		
Opening Balance	35,402,403	15,304,501
Add: Addition during the year	143,719,619	146,688,529
	179,122,022	161,993,030
Less: Paid during the year	145,093,274	126,590,627
	34,028,748	35,402,403
Add: Provision for VAT	4,771,252	2,925,883
	38,800,000	38,328,286
There is no Related party transaction.		
<b>20 BANK OVERDRAFT</b>		
AB Bank( Current A/C-4110-753033-000)	(19,252)	(5,442,048)
	(19,252)	(5,442,048)

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## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>21 PROVISION FOR INCOME TAX</b>		
Current Tax - note 21.1	156,492,430	105,160,746
Deferred Tax - note 21.2	7,336,332	1,832,970
	<u>163,828,762.1</u>	<u>106,993,716</u>
<b>21.1 Provision for Current Tax - note 21</b>		
Opening Balance	105,160,746	32,511,728
Add: Provision made for the year	82,531,684	72,649,018
	187,692,430	105,160,746
Less: Income Tax paid	31,200,000	
	<u>156,492,430</u>	<u>105,160,746</u>
<b>21.2 Provision for Deferred Tax - note 21</b>		
Opening Balance	1,832,970	-
Add: Provision made for the year	5,503,362	1,832,970
	7,336,332	1,832,970
Less: Provision realized during the year		
Closing balance	<u>7,336,332</u>	<u>1,832,970</u>
<b>20.3 Tax Holiday Reserve</b>		
Opening Balance		
Add: Provision made for the year	-	-
	-	101,013,621
Less: Transferred to general reserve		101,013,621
Closing balance	<u>-</u>	<u>-</u>
The Company was enjoying tax holiday facilities for four years from 01 February 2006 to 31 January 2010 as per letter no.11(60) anu/1-2006 dated 04 September 2006 issued by NBR under section 46 A and 46A (1) (a) .		
<b>22 REVENUE</b>		
Rooms	313,468,111	263,923,278
Food & Beverages	66,205,899	65,154,583
Minor Operating Departments	15,954,886	19,318,553
Rental and Others	7,299,986	6,760,241
	<u>402,928,882</u>	<u>355,156,655</u>
<b>23 COST OF SALE</b>		
Opening stock	6,838,855	7,732,701
Purchase during the year- note 23.1 & 23.2	26,508,137	28,356,211
Cost of goods available for sale	33,346,992	36,088,912
Closing finished goods - note 9.1, 9.2, 9.3 & 9.4	(2,533,082)	(6,838,855)
	<u>30,813,910</u>	<u>29,250,057</u>
<b>23.1 Food consumed - note 23</b>		
Opening inventory	653,130	388,313
Purchase during the year	26,508,137	25,518,891
Total materials available	27,161,267	25,907,204
Closing inventory - note 9.1	(765,770)	(653,130)
	<u>26,395,497</u>	<u>25,254,074</u>

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## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>23.2 Beverage consumed - note 23</b>		
Opening balance	6,185,725	7,344,388
Purchase during the year	-	2,837,320
<b>Total beverage available</b>	<b>6,185,725</b>	<b>10,181,708</b>
Closing inventory - note 9.4	(1,767,312)	(6,185,725)
	<b>4,418,413</b>	<b>3,995,983</b>
<b>24 Operating Expense</b>		
Salary & Allowance	19,393,552	15,407,468
Festival Bonus	897,436	743,482
House Keeping - note 24.1	5,375,769	2,181,377
Repair & Maintenance - note 24.2	2,900,354	2,289,111
Depreciation & Amortization - note 24.3	39,077,433	37,389,020
Fuel & Power - note 24.4	15,637,749	14,124,611
Function Expense	2,023,037	1,266,900
Others-note 24.5	526,352	571,434
	<b>85,831,682</b>	<b>73,973,403</b>
<b>24.1 House Keeping Expense - note 24</b>		
Opening balance	1,285,008	136,276
Add: Purchase during the year	4,428,243	3,330,109
	<b>5,713,251</b>	<b>3,466,385</b>
Less: Closing Balance- note 9.2	337,482	1,285,008
<b>Consumption during the year</b>	<b>5,375,769</b>	<b>2,181,377</b>
<b>24.2 Repair &amp; Maintenance - note 24</b>		
Repair & Maintenance - Building	388,452	421,261
Repair & Maintenance - Machinery	644,966	408,931
Repair & Maintenance - General	701,115	535,252
Repair & Maintenance - Kitchen Equipment	123,600	75,561
Repair & Maintenance - Vehicle	456,893	369,461
Repair & Maintenance - Lift	208,813	113,730
Repair & Maintenance - Computer	141,290	40,541
Repair & Maintenance- Electrical Goods	235,225	324,374
	<b>2,900,354</b>	<b>2,289,111</b>
<b>24.3 Depreciation &amp; Amortization - note 24</b>		
Depreciation Expense - note 4.2	38,269,986	36,581,573
Amortization Expense- note 6 & 7	807,447	807,447
	<b>39,077,433</b>	<b>37,389,020</b>

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## Hoda Vasi Chowdhury & Co

### 24.4 Fuel & Power - note 24

Electricity Bill  
Generator Fuel  
Gas Bill  
Fuel & Power

30-Jun-2012 Taka	30-Jun-2011 Taka
9,779,609	8,424,462
1,889,459	1,858,800
3,604,337	3,614,130
364,344	227,219
<u>15,637,749</u>	<u>14,124,611</u>

### 24.5 Others - note 24

Cigarette Expense  
Carnage Inward  
Dish Washing  
Tooth Pick  
Packet & Packing

378,100	285,676
92,285	38,946
4,800	84,987
-	2,849
51,167	158,976
<u>526,352</u>	<u>571,434</u>

### 25 ADMINISTRATIVE EXPENSES

Salaries & Allowances  
House Rent Allowance  
Festival Bonus  
Director Remuneration  
Insurance Expense  
Printing & Stationery - note 25.1  
Dish Line Rent  
Telephone & Communication  
Fees & Renewals  
Rent, Rates & Taxes  
Staff Uniform  
Office Expenses  
Paper & Periodicals  
Postage & Courier  
Conveyance  
Tours & Travel Expense  
Audit fee - note 25.2  
Legal Fees & other professional charges  
Medical Expense  
Entertainment Expense  
Gift & Donation  
Car Rent  
Depreciation Expense - note 4.2  
Staff Hajj Expense  
RJSC Expense  
Shah Amanst Airport-Rent Expense

7,172,958	5,810,902
593,860	290,482
331,928	308,806
5,520,000	5,250,000
1,697,363	679,586
1,290,990	1,070,440
240,000	240,000
976,520	919,679
328,565	340,467
175,864	976,140
849,740	276,435
26,682	41,296
286,960	204,461
20,248	32,344
50,360	70,242
239,705	347,370
300,000	300,000
150,000	430,000
8,698	97,880
149,975	74,522
666,350	103,933
27,535	131,860
9,567,496	9,145,393
271,650	261,750
753,150	1,495,000
56,028	112,056
<u>31,752,626</u>	<u>29,011,044</u>

### 25.1 Printing & stationary - note 25

Opening balance  
Add: Purchase during the year  
  
Less: Closing Balance - note 9.3  
Consumption during the year

647,392	455,407
1,544,143	1,262,425
<u>2,191,535</u>	<u>1,717,832</u>
900,545	647,392
<u>1,290,990</u>	<u>1,070,440</u>

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## Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>25.2 Audit Fee- note 25</b>		
Audit fee	300,000	300,000
	<u>300,000</u>	<u>300,000</u>
<b>26 SELLING AND DISTRIBUTION EXPENSE</b>		
Advertisement	291,718	321,070
Card Charges	3,446,052	2,889,951
	<u>3,737,770</u>	<u>3,211,021</u>
<b>27 FINANCIAL EXPENSES</b>		
Bank Interest	25,565,716	19,394,757
Bank Charges & Commission	89,941	246,584
	<u>25,655,657</u>	<u>19,641,341</u>
<b>This is arrived as follows:</b>		
<b>i) Sonali Bank Limited</b>		
Interest:		
Interest on Project Loan(801157006002)	16,284,687	16,500,414
Interest on ISL Project Loan	9,196,864	1,993,056
	<u>25,481,551</u>	<u>18,493,470</u>
<b>ii) AB Bank Limited</b>		
Interest on Long Term Loan (4110-753033-340)	31,019	112,341
Interest on Long Term Loan (4110-753033-342)	-	57,782
Interest on Long Term Loan (4110-753033-343)	-	29,088
Interest on Long Term Loan (4110-753033-344)	-	150,745
Interest on Short Term Loan (Time Loan 4110-753162-500)	49,591	49,500
Interest on Short Term Loan (Time Loan 38)	-	39,095
Interest on Short Term Loan (CC Hypo)	1,055	399,149
	<u>81,665</u>	<u>837,700</u>
<b>iii) Infrastructure Development Leasing Company (IDLC)</b>		
Interest:		
Interest on Long Term Loan	2,500	63,587
	<u>2,500</u>	<u>63,587</u>
<b>28 OTHER INCOME</b>		
Gain on Sale of Share	-	9,028,811
Interest on FDR	3,823,721	3,746,331
Bank Interest	798,866	38,498
Dividend Income	320,901	-
Others	1,587,159	547,652
	<u>6,530,647</u>	<u>13,361,292</u>
<b>29 WORKERS' PROFIT PARTICIPATION FUND (WPPF)</b>		
Net profit before distribution of WPPF	231,667,885	213,431,081
	<u>231,667,885</u>	<u>213,431,081</u>
Workers' Profit Participation Fund (WPPF) @ 5%	11,583,394	10,671,554
	<u>11,583,394</u>	<u>10,671,554</u>

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# Hoda Vasi Chowdhury & Co

	30-Jun-2012 Taka	30-Jun-2011 Taka
<b>30 INFORMATION BASED ON PER SHARE</b>		
<b>30.1 Earnings Per Share (EPS)</b>		
The computation of EPS is given below:		
Earnings attributable to the ordinary shareholders from core business	125,518,796	114,916,247
Number of ordinary shares outstanding during the year	45,325,000	45,325,000
<b>Earnings Per Share (From Core Operation)</b>	<b>2.77</b>	<b>2.54</b>
Earnings attributable to the ordinary shareholders from extraordinary income	6,530,647	13,361,292
Number of ordinary shares outstanding during the year	45,325,000	45,325,000
<b>Earnings Per Share (From Extra-ordinary Income)</b>	<b>0.14</b>	<b>0.29</b>
<b>Basic Earnings Per Share</b>	<b>2.91</b>	<b>2.83</b>
<b>Weighted Average Number of Shares Outstanding</b>		
Opening Balance : 9250000 (1 Year)	9,250,000	9,250,000
Bonus Share Issue (Considered full year)	36,075,000	
Bonus Share Issue (Previous year Restated)		36,075,000
	45,325,000	45,325,000
<b>30.2 NET ASSET VALUE PER SHARE (NAV)</b>		
<b>A. Net Assets Value Per Share Without Revaluation</b>		
Total Assets	973,418,186	832,387,252
Less: Intangible Assets		
Less: Liabilities	381,289,421	372,307,930
Net Asset Value (NAV)	592,128,765	460,079,322
Number of ordinary shares outstanding during the year	45,325,000	45,325,000
<b>Net Assets Value Per Share</b>	<b>13.06</b>	<b>10.15</b>
<b>B. Net Assets Value Per Share With Revaluation</b>		
Total Assets	2,801,792,970	2,709,649,509
Less: Intangible Assets		
Less: Liabilities	381,289,421	372,307,930
Net Asset Value (NAV)	2,420,503,549	2,337,341,579
Number of ordinary shares outstanding during the year	45,325,000	45,325,000
<b>Net Assets Value Per Share</b>	<b>53.40</b>	<b>51.57</b>
<b>30.3 NET OPERATING CASH FLOW PER SHARE (NOCFPS)</b>		
Net Operating Cash Flows	181,527,261	246,045,512
Number of ordinary shares outstanding during the year	45,325,000	45,325,000
<b>Net Operating Cash Flows per share (Basic)</b>	<b>4.01</b>	<b>5.43</b>

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**31 OTHER COMMITMENTS, CONTINGENCIES AND RELEVANT INFORMATION**

**31.1 Contingencies**

There is no contingent event that may require recognition of contingent liabilities for the period ended 30 June 2011.

**31.2 Capital expenditure commitment**

The Company has gone into an agreement to purchase with M/S Hotel Sayman, Cox Bazar for a(1.20 acre 120 shotok) free hold land as mentioned in note - 12.1.1

**31.3 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.

**31.4 Segment Reporting**

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

**31.5 Credit Facility Not Availed**

There was no credit facility available to the company under any contract, but not availed as on 30 June 2012 other than trade credit available in the ordinary course of business.

**31.6 Attendance Status of Board Meeting of Directors**

- i) During the year ended 30 June 2012, there were six Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting held	Attendance
Engineer Mosharruf Hossain	Chairman	6	5
Mr. Mustafa Tahseen Arshad	Director	6	6
Mrs. Ayesha Sultana	Director	6	6
Mrs. Bilkis Arshad	Director	6	6
Mr. Mustafa Tahir Arshad	Director	6	6
Mr. Mabbub- Ur-Rahman	Director	6	6

The directors of the Company were not paid any fee for attending board meeting during the year.

- ii) Particulars of Directors of The Peninsula Chittagong Ltd as at 30 June 2012

SL No.	Name of Directors	BOD of The Peninsula Chittagong	Entities where they have interests
1	Engineer Mosharruf Hossain	Chairman	Rahman Enterprise Limited, Trams Oriental Limited, Pioneer Concrete Block Limited, Sayeman Feed & Hatchery Limited, The Peninsula Holdings Limited, Sayeman Holdings Limited
2	Mr. Mustafa Tahseen Arshad	Managing Director	Voyager Trading , The Peninsula Holdings Limited

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SL No.	Name of Directors	BOD of The Peninsula Chittagong	Entities where they have interests
3	Mrs. Ayesha Sultana	Director	Gasmin Limited, Sayeman Beach Resort 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.

**31.7 EVENTS AFTER THE REPORTING PERIOD**

The Board of directors at their board meeting held on September 02, 2012 Recommended to the shareholders 28% Stock Dividend of 12,691,000 no of Shares at Tk10 per Share for the year ended June 30, 2012. 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.

**31.8 Disclosure as per requirement of Schedule XI, Part II of The Company Act 1984**

**31.8.1 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 30 June 2012	264	75	189
Below 3,000	1	1	-
Above 3,000	263	74	189
For the year ended 30 June 2011	260	72	188

During the year 2012, all the employees were in the permanent payroll of the Company.

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

<u>Name</u>	<u>Designation</u>	<u>Remuneration</u>	
		<u>30-Jun-2012 Taka</u>	<u>30-Jun-2011 Taka</u>
Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
Engineer Mosharraf Hossain	Chairman	1,200,000	-
Mr. Mahboob-Ur-Rahman	Executive Director	300,000	-
Md. Mustafa Tahir Arshad	Director	-	960,000
Ms. Bilkis Arshad	Director	-	270,000
		<u>5,520,000</u>	<u>5,250,000</u>

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

<u>Particulars</u>	<u>Payment Type</u>		
Director's	Board Meeting Fees	-	-
Director's	Remuneration	5,520,000	5,250,000
Officers & Others	Salary & Allowances	28,389,734	22,561,140
		<u>33,909,734</u>	<u>27,811,140</u>

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

<u>Description</u>	<u>Capacity (Room Per Year)</u>	<u>Utilization during the year</u>	<u>Utilization in Percentage during the year ended June 30, 2012</u>
Guest Room	44,652	34,278	76.77%

**31.8.4 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**

<u>Name</u>	<u>Designation</u>	<u>Remuneration</u>	
Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
Mr. Mustak Lohar	Asst. General Manager	2,028,000	1,440,000
Engineer Mosharraf Hossain	Chairman	1,200,000	-
Mr. Mohammad Nurul Azim	Chief Financial Officer	777,876	757,968
Mr. Edward Gomes	Executive Chef	745,500	709,992
		<u>8,771,376</u>	<u>6,927,960</u>

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- 32 The details of related party transactions during the year alongwith the relationship is illustrated below in accordance of BAS 24

Particulars			30-Jun-2012 Taka	30-Jun-2011 Taka
Name of the party	Relationship	Nature of Transaction	Transacted Amount	Transacted Amount
Md. Mustafa Tahseen Arshad	MD & Shareholder	Board Meeting fee	-	-
		Remuneration	4,020,000	4,020,000
Engineer Mostarraf Hossain	Chairman & Shareholder	Board Meeting fee	-	-
		Remuneration	1,200,000	-
Mr. Mahboob-Ur-Rahman	Director & Shareholder	Board Meeting fee	-	-
		Remuneration	300,000	-
Md. Mustafa Tahir Arshad	Director & Shareholder	Board Meeting fee	-	-
		Remuneration	-	960,000
Ms. Bilkis Arshad	Director & Shareholder	Board Meeting fee	-	-
		Remuneration	-	270,000
			<u>5,520,000</u>	<u>5,250,000</u>

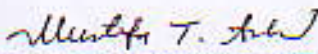
33 GENERAL

- 33.1 Figures appearing in these accounts have been rounded off to the nearest taka.  
33.2 Previous year's phrases & amounts have been re-arranged, wherever considered necessary, to conform to the presentation for the year under review.

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These financial statements should be read in conjunction with the annexed Notes and were approved by the Board of Directors on 2.9. 2012 and were signed on its behalf by :

  
COMPANY SECRETARY

  
MANAGING DIRECTOR & CEO

  
CHAIRMAN

