

**THE PENINSULA CHITTAGONG LIMITED
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2019**

Chittagong Office:

📍 : Yunusco City Center (9th Floor), 807, CDA Avenue,
Nasirabad, Chittagong, Bangladesh.

☎ : +88 (031) 2859281

✉ : ctg@hfc-bd.com

🌐 : www.hfc-bd.com

INDEPENDENT AUDITORS' REPORT
to the Shareholders of
THE PENINSULA CHITTAGONG LIMITED

Opinion

We have audited the accompanying financial statements of **THE PENINSULA CHITTAGONG LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2018 to 30 June 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2019 and of its financial performance and cash flows for the period from 1 July 2018 to 30 June 2019 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.



Corporate Office:

House # 15, Road # 12, Block # F, Niketon, Gulshan - 1, Dhaka-1212 ☎ +88 (02) 8836015-7 ✉ hfc@hfc-bd.com

Rangpur Office:

Minu Plaza (2nd Floor), Dhap Jail Road, Rangpur-5400 ☎ +88 019 1560 3140 ✉ rangpur@hfc-bd.com

International Affiliations

SL	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</p> <p>As described in the accounting policy note 3.14 to the financial statements, the company recognises revenue upon rendering services as per the newly adopted IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 327 million. Refer to note 24 to the financial statements.</p> <p>There is an inherent risk around the appropriateness of revenue recognition due to complexity in accounting standards and involves number of key judgements and estimates.</p> <p>Given the significance and complexities involved in the accounting of revenue, appropriate recognition of revenue has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> • Undertaken audit procedures over the accuracy of recording of revenue including procedures related to the changes in revenue recognition resulting from the adoption of IFRS 15. • Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. • Assessed manual as well as application controls supporting revenue recognition. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer invoices and receipts of payment on a test basis. • Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether the sufficiency of disclosures as required by the new standard have been met. • Assessed whether any adjustments is required to be made for opening balances due to the adoption of the new standard.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance thereon.

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

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

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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



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

We determine those matters, from the matters communicated with those charged with governance, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 1987, we also report the following:

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

Dated: Chattogram

26 SEP 2019

Hussain Farhad & Co.
Hussain Farhad & Co.
Chartered Accountants



THE PENINSULA CHITTAGONG LIMITED
Statement of Financial Position
As at 30 June 2019

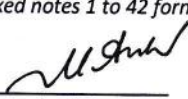
	Note(s)	30 June 2019	30 June 2018*
		Taka	Taka
Assets			
Non-current assets			
Property, plant and equipment	4	2,464,778,629	2,352,163,174
Capital work in progress	5	446,570,281	171,364,461
Intangible assets	6	1,309,830	1,642,262
Investments	7	6,125,000	6,125,000
Total non-current assets		2,918,783,740	2,531,294,897
Current assets			
Inventories	8	31,045,053	16,814,138
Accounts receivable	9	45,517,934	28,516,945
Interest receivable	10	9,090,063	14,566,055
Advances, deposits and prepayments	11	217,741,457	183,006,803
Short term investments	12	60,045,423	10,590,541
Cash and cash equivalents	13	759,373,872	1,028,581,359
Total current assets		1,122,813,802	1,282,075,841
Total assets		4,041,597,542	3,813,370,738
Equity and Liabilities			
Equity			
Share capital	14	1,186,668,000	1,186,668,000
Retained earnings	15	287,595,711	243,372,602
Share premium		1,050,958,284	1,050,958,284
Revaluation surplus	16	1,228,413,842	1,228,413,842
Total equity		3,753,635,837	3,709,412,728
Liabilities			
Non-current liabilities			
Deferred tax liabilities	17	21,586,867	7,564,266
Total non-current liabilities		21,586,867	7,564,266
Current liabilities			
Accounts payable	18	39,374,509	47,764,485
Short term borrowings	19	198,330,110	12,027,067
Provision for income tax	21	15,200,646	23,967,423
Unclaimed dividend	22	6,481,165	7,392,796
Provision for WPPF and Welfare Fund	23	6,988,408	5,241,973
Total current liabilities		266,374,838	96,393,744
Total liabilities		287,961,705	103,958,010
Total equity and liabilities		4,041,597,542	3,813,370,738
Net Asset Value Per Share	33	31.63	31.26

*Please refer to note 2.14 & 17

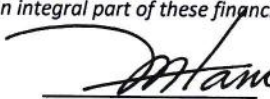
The annexed notes 1 to 42 form an integral part of these financial statements.



Company Secretary



Managing Director



Director

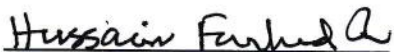


Chairman

As per our annexed report of same date.

Dated: Chattogram

26 SEP 2019



Hussain Farhad & Co.
Chartered Accountants



THE PENINSULA CHITTAGONG LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018* Taka
Revenue	24	316,142,601	264,285,245
Cost of sales	25	(184,132,085)	(189,133,140)
Gross profit		132,010,516	75,152,105
Administrative expenses	26	(59,652,112)	(54,204,699)
Selling and distribution expense	27	(820,858)	(940,120)
Operating Profit		71,537,546	20,007,286
Finance costs	28	(15,042,044)	(7,028,997)
Finance income	29	82,046,886	93,641,248
Non-operating income/(loss)	30	1,225,776	(1,780,082)
Profit before tax and WPPF and Welfare Fund		139,768,164	104,839,455
Contribution to WPPF and Welfare Fund	23	(6,988,408)	(5,241,973)
Profit before tax		132,779,756	99,597,482
Income tax expenses:			
Current tax			
Current year	21	(17,921,129)	(13,667,552)
Previous year	21	2,720,483	-
Deferred tax	17	(14,022,601)	(19,337,254)
		(29,223,247)	(33,004,806)
Net profit after tax for the year		103,556,509	66,592,676
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total other comprehensive income		-	-
Total comprehensive income		103,556,509	66,592,676
Earnings Per Share (Basic)	32	0.87	0.56

*Please refer to note 2.14 & 17

The annexed notes 1 to 42 form an integral part of these financial statements.



Company Secretary



Managing Director



Director



Chairman

As per our annexed report of same date.

Dated: Chattogram
26 SEP 2019



Hussain Farhad & Co.
Chartered Accountants



THE PENINSULA CHITTAGONG LIMITED
Statement of Changes in Equity
For the year ended 30 June 2019

	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2017	1,186,668,000	1,050,958,284	1,228,413,842	174,844,703	3,640,884,829
Adjustment for deferred tax	-	-	-	61,268,623	61,268,623
Balance as on 01 July 2017 as re-stated*	1,186,668,000	1,050,958,284	1,228,413,842	236,113,326	3,702,153,452
Cash dividend for the year ended 30 June 2017		-	-	(59,333,400)	(59,333,400)
Net Profit for the year ended 30 June 2018		-	-	66,592,676	66,592,676
Balance as at 30 June 2018	1,186,668,000	1,050,958,284	1,228,413,842	243,372,602	3,709,412,728
Balance as on 01 July 2018	1,186,668,000	1,050,958,284	1,228,413,842	243,372,602	3,709,412,728
Cash dividend for the year ended 30 June 2018	-	-	-	(59,333,400)	(59,333,400)
Net Profit for the year ended 30 June 2019	-	-	-	103,556,509	103,556,509
Balance as at 30 June 2019	1,186,668,000	1,050,958,284	1,228,413,842	287,595,711	3,753,635,837


*Please refer to note 2.14 & 17



 Company Secretary



 Managing Director



 Director



 Chairman



THE PENINSULA CHITTAGONG LIMITED

**Statement of Cash Flows
For the year ended 30 June 2019**

	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
a. Operating activities			
Receipts from customers against revenue		299,141,612	275,529,675
Receipts from other sources		10,130,603	603,645
Cash paid to suppliers		(181,435,190)	(139,190,758)
Cash paid for administrative, selling and distribution expenses		(106,354,590)	(107,478,463)
Cash generated by operations	31.00	21,482,435	29,464,099
Receipts from interest-Net		72,478,728	84,503,740
Income Tax paid		(11,632,490)	(12,984,713)
Net cash flows generated by operating activities		82,328,673	100,983,126
b. Investing activities			
Acquisition of property, plant and equipment		(425,295,215)	(180,821,598)
Proceeds from sale of property, plant and equipment		6,705,000	-
(Increase)/decrease in investments		(60,025,833)	(75,163)
Dividend received (net of tax)		1,019,770	152,816
Net cash flows used in investing activities		(477,596,278)	(180,743,945)
c. Financing activities			
Receipts /(repayments) of short term borrowings		186,303,043	(5,548,217)
Receipts /(repayments) of lease finance		-	(583,586)
Dividend paid		(60,245,031)	(57,567,630)
Net cash flows used in financing activities		126,058,012	(63,699,433)
d. Net increase in cash and cash equivalents (a+b+c)		(269,209,593)	(143,460,252)
e. Opening cash and cash equivalents		1,028,581,359	1,172,035,106
f. Effect of foreign exchange rate changes		2,106	6,505
g. Cash and cash equivalents at the end of the year (d+e+f)		759,373,872	1,028,581,359
Net operating cash flows per share	34.00	0.69	0.85



Company Secretary



Managing Director



Director



Chairman



THE PENINSULA CHITTAGONG LIMITED

Notes to the Financial Statements

As at and for the year ended at 30 June 2019

1.00 THE REPORTING ENTITY

1.01 Legal form of Enterprise

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 was 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 obtained approval of Registrar of Joint Stock Companies & Firms accordingly. The company offloaded 55,000,000 shares after getting approval from Bangladesh Securities and Exchange Commission (BSEC) on 19 February 2014 through initial public offering. The company's shares were enlisted in both Dhaka and Chittagong Stock Exchanges on 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/ULC/2014/5035 & CSE/Listing/TPCL-2014.

1.02 Registered Office of the Company

The registered office of the company is located at Bulbul Center, 486/B, O.R. Nizam Road, CDA Avenue, Chattogram 4100, Bangladesh.

1.03 Nature of the 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 Limited" 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 17 February 2006.

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial statements of the company under reporting have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Basis of Reporting

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

- a) A statement of financial position as at 30 June 2019.
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2019.
- c) A statement of changes in equity for the year ended 30 June 2019.
- d) A statement of cash flows for the year ended 30 June 2019.
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax Act, 1991
- iv) The Value Added Tax Rules, 1991
- v) The Securities and Exchange Rules, 1987
- vi) The Securities and Exchange Ordinance, 1969
- vii) The Customs Act, 1969
- viii) Bangladesh Labour Law, 2006 (as amended in 2013)



2.04 Authorization for Issue

These financial statements have been authorized for issue by the Board of Directors on 25 September 2019.

2.05 Basis of Measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for land and land development of property, plant and equipment and investment in quoted shares which are measured at fair value.

2.06 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT) which is the company's functional currency. All the financial information presented in Bangladesh Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.07 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method. A reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals as per requirement of Securities and Exchange Rules 1987.

2.08 Going Concern

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

2.09 Applicable Accounting Standards

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

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-17	Leases
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rate
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
* IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contract with Customers

2.10 Initial application of new standards

The entity has initially applied IFRS 9 (see 3.07) and IFRS 15 (see 3.14) from 01 July 2018. These two new standards do not have a material effect on the financial statements.

Due to the transition methods chosen by the management in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.



2.11 Standards Adopted but not Yet Effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standard and amendment to standard -

IFRS - 16 Leases

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. Instead, there is a single, financial position accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements.

2.12 Use of Estimates and Judgments

The preparation of the financial statements in conformity with IFRSs 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. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note: 4 Property, plant and equipment
- Note: 6 Intangible assets
- Note: 8 Inventories
- Note: 9 Accounts receivable
- Note: 17 Deferred tax liabilities
- Note: 21 Provision for income tax

2.13 Comparative Information and reclassification

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever considered necessary to conform to current periods presentation.

2.14 Restatement of comparative figures

Comparative figures of these financial statements have been restated to give the effect in deferred tax due to change in tax base of property, plant and equipment.

2.15 Reporting Period

The financial statements of the company covers one year from 01 July to 30 June and is followed consistently.

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Set out below is an index of the significant accounting policies, the details of which are available on the following:

- 3.01 Consistency
- 3.02 Property, Plant and Equipment (PPE)



3.03	Intangible Asset
3.04	Capital Work-in-Progress
3.05	Leases
3.06	Inventories
3.07	Financial Instruments
3.08	Impairment
3.09	Transactions with Related Parties
3.10	Share Capital
3.11	Employee Benefit Schemes
3.12	Income Tax Expenses
3.13	Provisions and Contingencies
3.14	Revenue Recognition
3.15	Operating Income
3.16	Finance Income and Expenses
3.17	Borrowing Costs
3.18	Foreign Currency Transactions
3.19	Earnings Per Share (EPS)
3.20	Measurement of Fair Values
3.21	Events After the Reporting Period

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended on 30 June 2019 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30 June 2018.

3.02 Property, Plant and Equipment (PPE)

Items of property, plant and equipment are stated at cost and re-valued amount less accumulated depreciation and accumulated impairment losses, if any.

3.02.01 Recognition and Measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised under other income/expenses in the statement of profit or loss and other comprehensive income.

3.02.02 Subsequent Costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss.

3.02.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited useful life. In respect of all other property, plant and equipment, depreciation is recognised in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of property, plant and equipment. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.



Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. After considering the useful life of assets as per IAS-16 "Property, plant and equipment", the annual depreciation have been applied equal allocation of total cost over useful life of assets which is considered reasonable by the management.

CATEGORY OF ASSETS	RATE OF DEPRECIATION (%)
Hotel Building	2%
Plant and Machineries	5%
Equipment and Appliance	5% - 10%
• Office Equipment	10%
• Electrical Equipment	10%
• Air Conditioner	5%
• Kitchen Equipment	5%
• House Keeping Equipment	10%
• Bar Equipment	10%
• Security Equipment	10%
• Linen	10%
• SPA	5%
• Wooden Floor	5%
• Tumbler Drier	5%
Motor Vehicles	10%
Furniture & Fixtures	5%
Office Decoration	5%

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is credited or charged to statement of profit or loss and other comprehensive income.

3.02.04 Revaluation of Property, Plant and Equipment

Since inception, the company revalued its non-current 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 IAS-

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.

3.03 Intangible Asset

3.03.01 Recognition and Measurement

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38: "Intangible Assets" are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

3.03.02 Subsequent Costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

3.03.03 Amortisation

The intangible assets of the company are ERP (Tally) and Hotel Management software which are amortised every month following straight line method for 10 (ten) years. The amortisation cost is charged in profit or loss.

Amortisation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.



3.04 Capital Work-in-Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.05 Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

3.05.01 Finance Lease

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.05.02 Operating Lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the Company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.06 Inventories

Nature of inventories

Inventories comprise of food & beverage, house keeping materials, printing & stationary, hard drinks, stores & spares etc.

Valuation of the inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories include expenditure incurred in acquiring these inventories, and other costs incurred in bringing them to their existing location and condition in accordance with IAS 2 "Inventories".

<u>Category</u>	<u>Valuation</u>
Food	Weighted average cost
Beverage	Weighted average cost
House Keeping Materials	Weighted average cost
Printing & Stationary	Weighted average cost
Store & Spares	Weighted average cost

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

3.07 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.07.01 Financial Assets

The Company initially recognises, loans receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for-sale financial assets.



At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. Attributable transactions costs are recognised in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognised in profit or loss. Investment in equity securities and debt securities are classified under at fair value through profit or loss.

Held to maturity

These assets are initially recognised at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, loans, accounts receivables and deposits.

(a) Account receivable

Account receivable are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognised.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

(b) Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognised in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.07.02 Financial Liabilities

The company initially recognises all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortised cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and accounts payable.



(a) Accounts payable

The company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

b) Interest-bearing borrowings

Interest-bearing borrowings comprise loans and operational overdraft.

3.08 Impairment

3.08.01 Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as at fair value through profit or loss , including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor
- restructuring of an amount due to the company on terms that the company would not consider otherwise
- indications that a debtor or issuer will enter bankruptcy
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security, or
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

3.08.02 Financial Assets Measured at Amortised Cost

The company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Collective assessment is carried out by grouping together assets with similar risks characteristics.

In assessing collective impairment, the company uses historical information on the timing of recoveries and the amount of loss incurred, and makes any adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the company considers that there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.08.03 Available for Sale Financial Assets

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

3.08.04 Non Financial Assets

The carrying amounts of the company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the property, plant and equipment's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss, other comprehensive income and equity as applicable.



3.09 Transactions with Related Parties

The objective of IAS 24 "Related Party Disclosure" 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.

3.10 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognised as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.11 Employee Benefit Schemes

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.11.01 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Provident Fund for all permanent employees at which both the company and employees contribute @ 7% of basic salary. The Employees' Provident Fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in IAS-19.

Obligation for contribution to defined contribution plan is recognised as provident fund (PF) contribution expenses in profit or loss in the year during which services are rendered by employees. Advance against PF is recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3.11.02 Defined Benefit Plan

Workers' Profit Participation and Welfare Funds

The company also recognises a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax in accordance with the provision of Section 234 (Kha), Chapter 15 of Bangladesh Labour Law 2006.

3.12 Income Tax Expenses

Income tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

3.12.01 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

3.12.02 Deferred Tax

Deferred tax is recognised in compliance with IAS 12: Income taxes, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.



A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax on revaluation surplus of land and land development has not been recognised in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.

3.13 Provisions and Contingencies

A provision is recognised in the Statement of Financial Position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognised.

3.14 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises sale of rooms, foods, beverages and allied services relating to hotel operations. Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue recognised is net of indirect taxes, returns and discounts.

Revenue from rendering services shall be recognized in compliance with the requirements of IFRS 15 "Revenue from Contract with Customers".

3.15 Operating Income

Other operating income includes gain / (loss) on sale of non-current assets and miscellaneous receipts. Other operating income is recognised as revenue income as and when realised.

3.16 Finance Income and Expenses

3.16.01 Finance Income

Interest income on Fixed Deposit Receipts (FDR) and Short Term Deposits (STD) account has recognised when received or accrued on a time basis by reference to the principal outstanding at the effective interest applicable.

3.16.02 Finance Expenses

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

Interest income/expenses on amount due to/due from inter companies, if any, has been recognised periodically.

3.17 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognised as expense in the year in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per IAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project has been capitalised under effective interest rate method.

3.18 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

3.19 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with International Accounting Standard IAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders.



3.19.01 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.19.02 Diluted Earnings Per Share:

Diluted earnings per share is required to be calculated for the year when scope for dilution exists.

3.20 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, plant and equipment

The fair value of land and land development of property, plant and equipment has been determined based on Net Realisable Value Method/ Market Value Method depending on the nature and corresponding circumstances.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorised under 'Level 1' of the fair value hierarchy.

3.21 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.



4.00 Property, plant and equipment - at revalued model

	Amount in Taka							
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
At revalued amount								
Balance as on 01 July 2017	1,434,250,406	754,817,131	82,030,959	368,145,661	45,754,875	96,164,852	60,602,116	2,841,766,000
Additions during the year	-	151,579	2,909,618	5,921,349	-	188,512	286,079	9,457,137
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	1,434,250,406	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	2,851,223,137
Balance as on 01 July 2018	1,434,250,406	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	2,851,223,137
Additions during the year	93,117,292	38,446,158	1,782,115	12,059,740	4,320,000	364,090	-	150,089,395
Disposals/Adjustments during the year	-	-	-	-	(11,626,730)	-	-	(11,626,730)
Balance as at 30 June 2019	1,527,367,698	793,414,868	86,722,692	386,126,750	38,448,145	96,717,454	60,888,195	2,989,685,802
Accumulated depreciation								
Balance as on 01 July 2017	-	149,166,323	40,349,911	195,480,713	18,412,703	30,338,723	32,896,630	466,645,003
Depreciation Rate		2%	5%	5%-10%	10%	5%	5%	
Charged for the year	-	12,003,901	2,101,993	11,118,804	2,612,316	3,221,503	1,356,443	32,414,960
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Balance as on 01 July 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Depreciation Rate		2%	5%	5%-10%	10%	5%	5%	
Charged for the year	-	12,149,155	2,093,235	10,710,022	1,835,838	3,070,445	1,301,657	31,160,352
Adjustment for disposals during year	-	-	-	-	(5,313,142)	-	-	(5,313,142)
Balance as at 30 June 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173
Carrying amount								
As at 30 June 2018	1,434,250,406	593,798,486	42,488,673	167,467,493	24,729,856	62,793,138	26,635,122	2,352,163,174
As at 30 June 2019	1,527,367,698	620,095,489	42,177,553	168,817,211	20,900,430	60,086,783	25,333,465	2,464,778,629

Note(s)	01 July 2018 to 30 June 2019		01 July 2017 to 30 June 2018	
	Taka	Taka	Taka	Taka
25.01	25,317,786	26,337,155		
26.00	5,842,566	6,077,805		
	31,160,352	32,414,960		

Depreciation allocated to:

Cost of sales
Administrative expenses



4.01 Property, plant and equipment - at cost model

	Amount in Taka							Total
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	
At cost								
Balance as on 01 July 2017	205,836,564	754,817,131	82,030,959	368,145,661	45,754,875	96,164,852	60,602,116	1,613,352,158
Additions during the year	-	151,579	2,909,618	5,921,349	-	188,512	286,079	9,457,137
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	205,836,564	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	1,622,809,295
Balance as on 01 July 2018	205,836,564	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	1,622,809,295
Additions during the year	93,117,292	38,446,158	1,782,115	12,059,740	4,320,000	364,090	-	150,089,395
Disposals/Adjustments during the year	-	-	-	-	(11,626,730)	-	-	(11,626,730)
Balance as at 30 June 2019	298,953,856	793,414,868	86,722,692	386,126,750	38,448,145	96,717,454	60,888,195	1,761,271,960
Accumulated depreciation								
Balance as on 01 July 2017	-	149,166,323	40,349,911	195,480,713	18,412,703	30,338,723	32,896,630	466,645,003
Depreciation Rate	-	2%	5%	5%-10%	10%	5%	5%	-
Charged for the year	-	12,003,901	2,101,993	11,118,804	2,612,316	3,221,503	1,356,443	32,414,960
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Balance as on 01 July 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Depreciation Rate	-	2%	5%	5%-10%	10%	5%	5%	-
Charged for the year	-	12,149,155	2,093,235	10,710,022	1,835,838	3,070,445	1,301,657	31,160,352
Adjustment for disposals during the year	-	-	-	-	(5,313,142)	-	-	(5,313,142)
Balance as at 30 June 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173
Carrying amount								
As at 30 June 2018	205,836,564	593,798,486	42,488,673	167,467,493	24,729,856	62,793,138	26,635,122	1,123,749,332
As at 30 June 2019	298,953,856	620,095,489	42,177,553	168,817,211	20,900,430	60,086,783	25,333,465	1,236,364,787



	Note(s)	30 June 2019 Taka	30 June 2018 Taka
5.00 Capital Work in Progress			
Opening balance		171,364,461	-
Add: Addition during the year	5.01	275,205,820	171,364,461
Less: Capitalized during the year		-	-
Closing balance		446,570,281	171,364,461

5.01 Details of capital work-in-progress

Particulars	Opening Balance	Additions during the year	Capitalized during the Year	Balance as on 30 June 2019	Balance as on 30 June 2018
Civil Works	165,683,734	247,307,566	-	412,991,300	165,683,734
Lift and Generator	650,808	22,000	-	672,808	650,808
Machineries and Equipment	5,029,919	3,638,470	-	8,668,389	5,029,919
Interior Decoration (Renovation)	-	9,050,776	-	9,050,776	-
Parking	-	15,187,008	-	15,187,008	-
	171,364,461	275,205,820	-	446,570,281	171,364,461

Above additions to capital work in progress was made for The Peninsula Chittagong - Airport Garden Hotel.

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
6.00 Intangible assets			
Software (ERP Tally)	6.01	19,891	29,843
Hotel Management Software	6.01	1,289,939	1,612,419
		1,309,830	1,642,262

6.01 Intangible assets schedule

	Software (ERP Tally)	Hotel Management Software	30 June 2019 Taka	30 June 2018 Taka
Cost				
Opening balance	100,000	3,471,560	3,571,560	3,571,560
Add: Addition during the year	-	-	-	-
Closing balance	100,000	3,471,560	3,571,560	3,571,560
Accumulated amortisation				
Opening balance	70,157	1,859,141	1,929,298	1,596,866
Add: Charged during the year	9,952	322,480	332,432	332,432
Closing balance	80,109	2,181,621	2,261,730	1,929,298
Carrying amount	19,891	1,289,939	1,309,830	1,642,262

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
7.00 Investments			
Investments in non-tradable shares at cost	7.01	6,125,000	6,125,000
		6,125,000	6,125,000

7.01 Investments in non-tradable shares at cost

	Quantity	30 June 2019 Taka	30 June 2018 Taka
Lanka Bangla Securities Limited	73,370	3,750,000	3,750,000
Energy Prima Limited	25,000	2,375,000	2,375,000
		6,125,000	6,125,000

8.00 Inventories

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Food	8.01	18,241,905	6,850,076
House keeping materials	8.02	6,116,052	2,030,940
Printing and stationeries	8.03	1,609,736	1,401,870
Beverage	8.04	3,041,958	5,121,785
Stores and spares	25.03	2,035,402	1,409,467
		31,045,053	16,814,138



	Note(s)	30 June 2019 Taka	30 June 2018 Taka
8.01 Food			
Opening balance		6,850,076	14,583,810
Add: Purchased during the year		76,528,692	64,306,478
Available for consumption		83,378,768	78,890,288
Less: Consumed during the year		(65,136,863)	(72,040,212)
Closing balance		18,241,905	6,850,076
8.02 House keeping materials			
Opening balance		2,030,940	4,555,325
Add: Purchased during the year		13,318,908	8,837,738
Available for consumption		15,349,848	13,393,063
Less: Consumed during the year		(9,233,796)	(11,362,123)
Closing balance		6,116,052	2,030,940
8.03 Printing and stationeries			
Opening balance		1,401,870	1,199,780
Add: Purchased during the year		1,024,666	878,935
Available for consumption		2,426,536	2,078,715
Less: Consumed during the year		(816,800)	(676,845)
Closing balance		1,609,736	1,401,870
8.04 Beverage			
Opening balance		5,121,785	4,847,937
Add: Purchased during the year		1,717,413	3,638,399
Available for consumption		6,839,198	8,486,336
Less: Consumed during the year		(3,797,240)	(3,364,551)
Closing balance		3,041,958	5,121,785
9.00 Accounts receivable			
Opening Balance		28,516,945	39,761,375
Add: Services rendered on credit during the year		152,052,362	123,298,161
Less: Realised during the year		(134,450,453)	(134,542,591)
Less: Bad debt expenses		(600,920)	-
Closing Balance		45,517,934	28,516,945
9.01 Ageing of accounts receivable			
Dues within 6 Months		40,402,425	22,262,107
Dues over 6 months		5,115,509	6,254,838
		45,517,934	28,516,945
10.00 Interest receivable			
Interest receivable on Fixed Deposits Receipts (FDR)		9,090,063	14,566,055
		9,090,063	14,566,055
11.00 Advances, deposits and prepayments			
Advances	11.01	199,124,275	163,324,059
Deposits	11.02	11,726,591	11,726,591
Prepayments	11.03	6,890,591	7,956,153
		217,741,457	183,006,803
11.01 Advances			
Advance income tax	11.01.01	91,580,283	103,915,216
Advance to suppliers		49,667,445	8,272,475
Lankabangla securities Limited		43,061	43,561
ICB Securities Trading Company Limited		69,335	1,000
Advance for Supplementary Duty		68,480	151,305
VAT current account		1,840,317	100,241
Advance against salary		1,304,466	413,008
Advance for land purchase		-	50,427,253
L/C in Transit		54,550,888	-
		199,124,275	163,324,059



	30 June 2019	30 June 2018
	Taka	Taka
11.01.01 Advance income tax		
Opening balance	103,915,216	173,979,043
Add: Paid/deducted during the year	10,949,649	12,984,713
Less: Adjusted during the year	(23,284,582)	(83,048,540)
Closing balance	91,580,283	103,915,216
11.02 Deposits		
Bangladesh Telecommunications Company Limited	140,000	140,000
Karnaphuli Gas Distribution Company Limited	1,069,148	1,069,148
Bangladesh Power Development Board	285,000	285,000
House rent deposit	89,000	89,000
Rainbow CNG service station	25,000	25,000
Chittagong Port Authority	5,000,000	5,000,000
Bangladesh Water Development Board	4,986,225	4,986,225
Shah Amanat International Airport	52,218	52,218
Chittagong WASA	80,000	80,000
	11,726,591	11,726,591
11.03 Prepayments		
Prepaid insurance	960,128	969,805
Prepaid lease rent	5,930,463	6,571,015
Prepaid expense	-	415,333
	6,890,591	7,956,153

The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and for that no provision against them are required at this stage.

	Note(s)	30 June 2019	30 June 2018	
		Taka	Taka	
12.00 Short term investments				
Investment in Fixed Deposit Receipts (FDR)	12.01	1,646,567	1,531,878	
Investment in tradable securities at fair value	12.02	58,398,856	9,058,663	
		60,045,423	10,590,541	
12.01 Investment in Fixed Deposit Receipts (FDR)				
Name of banks	Purpose	Tenure	Rate of interest	
AB Bank Limited	Investment	12 Months	9.00%	
			1,646,567	
			1,646,567	
12.02 Investment in tradable securities at fair value				
Opening balance		9,058,663	11,633,410	
Add : Purchase of tradable securities		71,127,038	-	
less: Sale of tradable securities		(11,215,894)	-	
Add: Gain on sales during the year		544,196	-	
Net purchase during the year		60,455,340	-	
Add/(less): Changes in fair value of tradable securities	12.02.01	(11,115,147)	(2,574,747)	
Closing balance		58,398,856	9,058,663	
12.02.01				
Particulars	30 June 2019			30 June 2018
	Quantity	Purchase/ (Sales)	Increase/ (Decrease) in Fair value	Fair value
				Fair value
AC Limited	18,785	-	(1,152,330)	5,160,240
Beximco Pharma Limited	15,750	(1,478,924)	(1)	6,312,570
Fas Finance Limited	157,500	1,921,883	(488,633)	1,478,925
First Security Bank Limited	4,750	(56,128)	-	-
Premier Bank Limited	231,000	2,985,960	(306,360)	56,128
Rangpur Foundry Limited	329,263	57,082,549	(9,174,783)	2,679,600
Unique Hotel & Resort Limited	23,200	-	6,960	47,907,766
				1,218,000
		60,455,340	(11,115,147)	58,398,856
				9,058,663

Investments in tradable securities have been classified as held for trading and changes in fair value of these tradable securities has been charged to the statement of profit or loss and other comprehensive income.



	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
13.00 Cash and cash equivalents			
Cash in hand		993,365	721,067
Cash at banks	13.01	56,080,507	27,860,292
Fixed Deposit Receipts	13.02	702,300,000	1,000,000,000
		759,373,872	1,028,581,359

13.01 Cash at banks					
Name of the Banks	Branches	Account Type			
AB Bank Limited	CDA Avenue	CD	1,966,095	1,039,570	
AB Bank Limited	CDA Avenue	SND	441,814	1,175,570	
AB Bank Limited	CDA Avenue	CD	685	150	
AB Bank Limited	CDA Avenue	SND	4,980,642	1,494,740	
AB Bank Limited	CDA Avenue	CD	256,025	43,761	
Bank Al-falah Limited	Agrabad	MPA	3,353,249	3,267,579	
Brac Bank Limited	Kazir Dhewri	Credit Card	127,212	172,263	
Brac Bank Limited	Kazir Dhewri	CD	1,602,254	697,478	
Dutch Bangla Bank Limited	Agrabad	CD	65,702	66,853	
Eastern Bank Limited	Agrabad	Credit Card	234,366	229,541	
Eastern Bank Limited	Agrabad	FCY	202,670	200,871	
Eastern Bank Limited	Agrabad	FCY	29,904	29,655	
Eastern Bank Limited	Agrabad	FCY	5,447	5,387	
Eastern Bank Limited	Agrabad	HPA	26,725,699	8,182,309	
Eastern Bank Limited	O.R Nizam Road	STD	2,540,585	510,930	
Mutual Trust Bank Limited	CDA Avenue	SND	2,091,770	2,044,713	
National Bank Limited	CDA Avenue	CD	-	5	
Prime Bank Limited	O.R Nizam Road	CD	616,321	617,971	
Standard Chartered Bank	Nasirabad	CD	761	761	
Standard Bank Limited	CDA Avenue	CD	136,415	137,945	
The City Bank Limited	O.R Nizam Road	CD	4,300,691	1,752,343	
The City Bank Limited	O.R Nizam Road	Credit Card	527,519	429,829	
The Premier Bank Limited	O.R Nizam Road	CD	785,655	(1,338,965)	
The Premier Bank Limited	O.R Nizam Road	CD	3,009,254	4,173,235	
United Commercial Bank Limited	Jubilee Road	SND	360	1,482	
United Commercial Bank Limited	Kamal Bazar	SND	2,079,412	2,924,316	
			56,080,507	27,860,292	

All bank balances are reconciled with bank statements and negative balance shown in the bank book represent book overdraft.

13.02 Fixed Deposits Receipts (FDR)				30 June 2019	30 June 2018
Name of banks	Purpose	Tenure	Rate of interest	Taka	Taka
The Premier Bank Limited	Investment	3 months	9.50%	702,300,000	1,000,000,000
				702,300,000	1,000,000,000

Fixed Deposits of Tk. 280,000,000 at The Premier Bank Limited, O.R. Nizam Road Branch has been kept as lien against overdraft facility provided by the same bank.

14.00 Share capital					
Authorised capital:					
300,000,000 Ordinary Shares of Tk. 10 each				3,000,000,000	3,000,000,000
				3,000,000,000	3,000,000,000
Issued, Subscribed and Paid-up capital:					
250,000	Ordinary Shares of Tk.10 each as at 25 July 2002			2,500,000	2,500,000
9,000,000	Ordinary Shares of Tk.10 each as at 20 June 2010			90,000,000	90,000,000
23,125,000	Ordinary Shares of Tk.10 each as at 10 October 2011			231,250,000	231,250,000
12,950,000	Ordinary Shares of Tk.10 each as at 31 December 2011			129,500,000	129,500,000
12,691,000	Ordinary Shares of Tk.10 each as at 31 January 2013			126,910,000	126,910,000
55,000,000	Ordinary Shares of Tk.10 each as at 30 April 2014			550,000,000	550,000,000
5,650,800	Ordinary Shares of Tk.10 each as at 08 December 2015			56,508,000	56,508,000
118,666,800	Ordinary Shares of Tk 10 each			1,186,668,000	1,186,668,000



14.01 Classification of shares by holding

<u>Class by number of shares</u>	<u>No. of Holders</u>	<u>No. of Shares</u>	<u>Holding (%)</u>
Less than 500	14,856	2,859,796	2.41%
From 500 to 5,000	3,074	5,893,808	4.96%
From 5,001 to 10,000	604	4,578,381	3.86%
From 10,001 to 20,000	336	4,921,428	4.15%
From 20,001 to 30,000	138	3,427,265	2.89%
From 30,001 to 40,000	49	1,713,360	1.44%
From 40,001 to 50,000	34	1,573,269	1.33%
From 50,001 to 100,000	72	5,163,107	4.35%
From 100,001 to 1,000,000	46	15,222,582	12.83%
From 1,000,001 to above	17	73,313,804	61.78%
	19,226	118,666,800	100%

14.02 Shareholding position

<u>Name of shareholders</u>	<u>30 June 2019</u>		<u>30 June 2018</u>	
	<u>Percentage of holding</u>	<u>Number of shares</u>	<u>Percentage of holding</u>	<u>Number of shares</u>
Mr. Mustafa Tahseen Arshad	12.32%	14,620,032	12.32%	14,620,032
Mrs. Bilkis Arshad	7.69%	9,137,520	7.70%	9,137,520
Engineer Mosharrif Hossain	6.71%	7,960,016	6.62%	7,860,016
Mrs. Ayesha Sultana	4.78%	5,673,344	4.70%	5,573,344
Mr. Mahboob Ur Rahman	2.99%	3,545,840	2.57%	3,045,840
Mrs. Mirka Rahman	2.57%	3,045,840	2.57%	3,045,840
Mr. Aminur Rahman	2.57%	3,045,840	2.57%	3,045,840
Institute, NRB, General Shareholders	60.37%	71,638,368	60.95%	72,338,368
	100%	118,666,800	100%	118,666,800

15.00 Retained earnings

	<u>30 June 2019</u>	<u>30 June 2018</u>
	<u>Taka</u>	<u>Taka</u>
Opening balance	243,372,602	236,113,326
Add: Net profit after tax for the year	103,556,509	66,592,676
Less: Dividend paid	(59,333,400)	(59,333,400)
	287,595,711	243,372,602

16.00 Revaluation surplus

<u>30 June 2019</u>	<u>30 June 2018</u>
<u>Taka</u>	<u>Taka</u>
1,228,413,842	1,228,413,842

16.01 Revaluation of company's assets were carried out by, an independent valuer, Syful Shamsul Alam & Co., Chartered Accountants, following Estimated Net Realisable Value Method of Valuation based on the nature of the assets 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 and BFRS and other applicable laws, regulations and 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 and instructed the management to consider the proper accounting policies for it.

17.00 Deferred tax liabilities

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment and intangible assets as per financial statements and tax written down value and financial position method for investment in tradable securities.

	<u>30 June 2019</u>	<u>30 June 2018</u>
	<u>Taka</u>	<u>Taka</u>
Opening balance	7,564,266	(11,772,988)
Add: Provision made during the year	14,022,601	19,337,254
Closing balance	21,586,867	7,564,266



17.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant and equipment (except land)	937,410,931	845,850,043	25%	91,560,888	22,890,222
Intangible assets	1,309,830	83,108	25%	1,226,722	306,681
Investment in tradable securities	58,398,856	74,499,220	10%	(16,100,364)	(1,610,036)
Total deferred tax liabilities					21,586,867

Comparative figures have been restated to give the effect in deferred tax due to change in tax base of property, plant and equipment.

18.00 Accounts payable	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
Opening balance		47,764,485	34,280,963
Add: Addition during the year		530,888,848	364,745,965
Less: Paid during the year		(539,278,824)	(351,262,443)
Closing balance		39,374,509	47,764,485

19.00 Short term borrowings		30 June 2019	30 June 2018
Cash credit (Hypo) and overdraft	19.01	198,330,110	12,027,067
		198,330,110	12,027,067

19.01 Borrowings against CC (Hypo) and overdraft

Name of the Banks	Branches	Types		
IFIC Bank Limited	Agrabad	OD	152,458	1,965,597
The Premier Bank Limited	O.R Nizam Road	OD	198,177,652	10,061,470
			198,330,110	12,027,067

20.00 Lease finance		30 June 2019	30 June 2018
Opening balance		-	583,586
Add: Interest and other charges during the year	28.00	-	48,917
Less: Paid during the year		-	(632,503)
Closing balance		-	-

21.00 Provision for income tax		30 June 2019	30 June 2018
Opening balance		23,967,423	93,348,411
Provided during the year			
Against current year		17,921,129	13,667,552
Against previous years		(2,720,483)	-
		15,200,646	13,667,552
Less: Paid/adjusted during the year		(23,967,423)	(83,048,540)
Closing balance		15,200,646	23,967,423

22.00 Unclaimed dividend		30 June 2019	30 June 2018
Opening balance		7,392,796	5,627,026
Add: Provision made during the year		59,333,400	59,333,400
Less: Paid during the year		(60,245,031)	(57,567,630)
		6,481,165	7,392,796

Year	Balance as on 01 July 2018	Provision	Payment	30 June 2019	30 June 2018
2013-2014	2,807,920	-	(1,190)	2,806,730	2,807,920
2014-2015	1,854,022	-	(170)	1,853,852	1,854,022
2015-2016	906,371	-	(174,122)	732,249	906,371
2016-2017	1,824,483	-	(1,376,174)	448,309	-
2017-2018		59,333,400	(58,693,375)	640,025	1,824,483
	7,392,796	59,333,400	(60,245,031)	6,481,165	7,392,796



	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
23.00 Provision for WPPF and Welfare Fund			
Opening Balance		5,241,973	4,571,148
Add: Provision made for the year		6,988,408	5,241,973
		12,230,381	9,813,121
Less: Paid during the year		(5,241,973)	(4,571,148)
Closing Balance		6,988,408	5,241,973
		01 July 2018	01 July 2017
		to 30 June 2019	to 30 June 2018
		Taka	Taka
24.00 Revenue			
Rooms		152,773,587	108,012,456
Food & beverages		141,928,715	136,052,775
Minor operating departments		19,275,025	18,425,664
Space rent		2,165,274	1,794,350
		316,142,601	264,285,245
25.00 Cost of sales			
Cost of sales	25.01	184,132,085	189,133,140
		184,132,085	189,133,140
25.01 Cost of sales			
Cost of materials		68,934,103	75,404,763
Complementary guest service		2,062,571	2,609,694
Depreciation	4.00	25,317,786	26,337,155
Function and amenities		1,403,670	2,302,297
House keeping expenses		9,233,796	11,362,123
Packet and packing materials		659,620	423,984
Purchased services		550,253	515,744
Repair and maintenance	25.04	4,249,007	5,393,535
Salary, wages, bonus and benefits		49,669,753	44,457,950
Staff uniform		2,987,652	1,845,006
Utility and fuel expenses		19,063,874	18,480,889
		184,132,085	189,133,140



25.02 Cost of sales

Particulars	Note(s)	30 June 2019					Total	30 June 2018
		Room	Food & Beverage	Minor Operating Department	Rental	Total		
		Taka	Taka	Taka	Taka	Taka		
Cost of materials		-	67,210,750	1,723,353	-	68,934,103	75,404,763	
Complementary guest service		1,443,800	618,771	-	-	2,062,571	2,609,694	
Depreciation		18,501,459	5,063,557	1,752,770	-	25,317,786	26,337,155	
Function and amenities		-	1,403,670	-	-	1,403,670	2,302,297	
House keeping expenses		6,392,628	2,308,449	532,719	-	9,233,796	11,362,123	
Packet and packing materials		659,620	-	-	-	659,620	423,984	
Purchased services		550,253	-	-	-	550,253	515,744	
Repair and maintenance	25.04	2,614,774	653,693	163,423	817,117	4,249,007	5,393,535	
Salary, wages, bonus and benefits		27,318,364	20,861,296	1,490,093	-	49,669,753	44,457,950	
Staff uniform		1,613,332	1,075,555	298,765	-	2,987,652	1,845,006	
Utility and fuel expenses		13,916,628	1,906,387	3,240,859	-	19,063,874	18,480,889	
		73,010,858	101,102,128	9,201,982	817,117	184,132,085	189,133,140	

25.03 Repair and maintenance

Particulars	30 June 2019					30 June 2018
	Opening Inventory of Stores & Spares	Purchase	Closing inventory of Stores & Spares	Expenses	Total	
	Taka	Taka	Taka	Taka	Taka	
Building	609,126	427,791	581,524	455,393	747,544	747,544
Machineries	441,350	1,488,292	834,877	1,094,765	1,244,490	1,244,490
General	278,991	1,176,445	439,001	1,016,435	1,918,881	1,918,881
Kitchen equipment	-	337,875	-	337,875	242,442	242,442
Vehicles	80,000	839,095	180,000	739,095	799,190	799,190
Lifts	-	171,418	-	171,418	132,664	132,664
Computers	-	657,814	-	657,814	598,829	598,829
Electrical goods	-	145,128	-	145,128	178,498	178,498
	1,409,467	5,243,858	2,035,402	4,617,923	5,862,538	5,862,538

25.04 Allocation of Repair and Maintenance Expense

Note(s)	30 June 2019	30 June 2018
	Taka	Taka
25.01	4,249,007	5,393,535
26.00	368,916	469,003
	4,617,923	5,862,538

Cost of sales
Administrative expenses



	Note(s)	01 July 2018	01 July 2017
		to 30 June 2019	to 30 June 2018
		Taka	Taka
26.00 Administrative expenses			
Salaries and allowances		18,371,005	16,443,352
Directors' remuneration	26.01	6,805,000	6,815,000
Annual general meeting expenses		1,174,560	1,303,240
Association and membership fees		106,400	84,200
Audit fee		345,000	345,000
Lease rental of The Peninsula Chittagong - Airport Garden Hotel		7,195,556	6,821,898
Conveyance expenses		158,349	123,060
Depreciation	4.00	5,842,566	6,077,805
Amortisation	6.01	332,432	332,432
Bad debt expenses	9.00	600,920	-
Dhaka office expenses		1,380,000	1,474,870
Entertainment expenses		1,281,671	734,000
Fees and renewals		610,021	486,060
Gift and donation		181,454	31,675
Insurance expenses		2,801,135	1,234,752
Legal fees and other professional charges		801,400	902,575
Medical expenses		57,934	36,249
Office expenses		269,880	182,595
Printing and stationery		816,800	676,845
Rating fee		200,000	200,000
Regulatory fees		1,185,668	1,180,668
Rent, rate and taxes		1,303,414	1,750,141
Repair and maintenance	25.04	368,916	469,003
Staff uniform		331,961	205,000
Telephone and communication		909,225	806,181
Tours and travel expenses		1,454,876	867,876
Utility and fuel expenses		4,765,969	4,620,222
		59,652,112	54,204,699

26.01 Directors' remuneration

Details of Directors' remuneration paid during the period are as follows:

Directors' Name	Relationship	Remuneration	Board Meeting	Gross
		Taka	Fee	Remuneration
		Taka	Taka	Taka
Mr. Mahboob Ur Rahman	Chairman	2,400,000	12,500	2,412,500
Mr. Mustafa Tahseen Arshad	Managing Director	4,020,000	15,000	4,035,000
Mrs. Ayesha Sultana	Director	300,000	7,500	307,500
Mrs. Bilkis Arshad	Director	-	10,000	10,000
Dr. Md. Fashiul Alam	Independent Director	-	15,000	15,000
Dr. Sheikh Md. Shafiul Azam	Independent Director	-	15,000	15,000
Mr. Kazi Sanaul Hoq	Nominated Director	-	10,000	10,000
		6,720,000	85,000	6,805,000

	Note(s)	01 July 2018	01 July 2017
		to 30 June 2019	to 30 June 2018
		Taka	Taka
27.00 Selling and distribution expense			
Advertisement		820,858	940,120
		820,858	940,120
28.00 Finance costs			
Interest on overdraft		12,137,593	4,259,264
Interest and other charges on lease finance	20.00	-	48,917
Foreign currency exchange (gain)/loss	28.01	(2,106)	(6,505)
Bank charges		2,906,557	2,727,321
		15,042,044	7,028,997



	<u>01 July 2018 to 30 June 2019</u> Taka	<u>01 July 2017 to 30 June 2018</u> Taka
28.01 Foreign currency exchange (gain)/ loss		
Unrealized foreign currency translation (gain)/ loss	(2,106)	(6,505)
	<u>(2,106)</u>	<u>(6,505)</u>
This represents net (gain)/loss on translation of foreign currencies denominated assets/ liabilities into Bangladeshi Taka at the rate prevailing on reporting date.		
	<u>01 July 2018 to 30 June 2019</u> Taka	<u>01 July 2017 to 30 June 2018</u> Taka
29.00 Finance income		
Interest on fixed deposit receipts	81,036,761	92,608,852
Interest on bank deposits	1,010,125	1,032,396
	<u>82,046,886</u>	<u>93,641,248</u>
30.00 Non-operating income / (loss)		
Dividend income on non-tradable securities	257,097	144,620
Dividend income on tradable securities	1,017,615	46,400
Sale of wastage	10,130,603	603,645
Gain on sale of tradable securities	544,196	-
Gain on sale of property, plant and equipment	391,412	-
Changes in fair value of tradable securities	(11,115,147)	(2,574,747)
	<u>1,225,776</u>	<u>(1,780,082)</u>
31.00 Reconciliation of cash generated by operations		
Profit before income tax	132,779,756	99,597,482
Depreciation charged	31,160,352	32,414,960
Amortization charged	332,432	332,432
Gain on sale of property, plant and equipment	(391,412)	-
Gain on sale of tradable securities	(544,196)	-
Changes in fair value of tradable securities	11,115,147	2,574,747
Dividend income	(1,274,712)	(191,020)
Finance Cost	15,042,044	7,028,997
Interest income on bank deposits	(1,010,125)	(1,032,396)
Interest income on Fixed Deposits Receipts (FDR)	(81,036,761)	(92,608,852)
(Increase)/ decrease in Inventory	(14,230,915)	10,121,705
(Increase)/ decrease in Accounts receivable	(17,000,989)	11,244,430
Increase in Advances, Deposits and Pre-payments	(46,814,645)	(54,172,733)
Increase / (decrease) in Accounts payables	(8,389,976)	13,483,522
Increase in provision of WPPF and WF	1,746,435	670,825
	<u>21,482,435</u>	<u>29,464,099</u>
32.00 Earnings per share		
32.01 Basic earnings per share (EPS)		
Profit attributable to the ordinary shareholders	103,556,509	66,592,676
Weighted average number of shares outstanding during the year	118,666,800	118,666,800
Basic earnings per share (EPS)*	<u>0.87</u>	<u>0.56</u>
*Please refer to note 2.14 & 17		
33.00 Net asset value per share (NAV)		
Total Assets	4,041,597,542	3,813,370,738
Less: Liabilities	(287,961,705)	(103,958,010)
Net asset value (NAV)	<u>3,753,635,837</u>	<u>3,709,412,728</u>
Number of ordinary shares outstanding during the year	<u>118,666,800</u>	<u>118,666,800</u>
Net Asset Value (NAV) per share*	<u>31.63</u>	<u>31.26</u>
*Please refer to note 2.14 & 17		
34.00 Net operating cash flow per share		
Net operating cash flows (from statement of cash flows)	82,328,673	100,983,126
Number of ordinary shares outstanding during the year	<u>118,666,800</u>	<u>118,666,800</u>
Net operating cash flow per share	<u>0.69</u>	<u>0.85</u>



35.00 Employees

Number of employees whose monthly salary was below Tk. 3,000
 Number of employees whose monthly salary was above Tk. 3,000

01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Taka	Taka
-	-
328	253
328	253

During June 2019, total 228 number of employees were in the permanent payroll of the company.

36.00 Related party transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

Related party comprises of company under common ownership and common management control.

Name of party	Relationship	Nature of Transactions	Outstanding as on 30 June 2019	Mode of Transaction
Sayeman Beach Resort Limited	Common Directorship	Revenue	3,881,440	Dr. / Market price / Negotiated price
Gesmin Limited	Common Directorship	Expense	16,900	Cr. / Market price / Negotiated price

37.00 Service rendering capacity and current utilization

Description	01 July 2018 to 30 June 2019			01 July 2017 to 30 June 2018		
	Capacity (Room per year)	Utilization during the year	Utilization (%)	Capacity (Room per year)	Utilization during the year	Utilization (%)
Guest Room	52,560	33,949	64.59%	52,560	27,580	52.47%

38.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2019, 06 (Six) board meetings were held. The attendance status of all the meetings are as follows:

Name of the Director	Position	Meetings Held	Attendance
Mr. Mahboob Ur Rahman	Chairman	06	05
Mr. Mustafa Tahseen Arshad	Managing Director	06	06
Mrs. Ayesha Sultana	Director	06	03
Mrs. Bilkis Arshad	Director	06	04
Dr. Md. Fashiul Alam	Independent Director	06	06
Dr. Sheikh Md. Shafiul Azam	Independent Director	06	06
Mr. Kazi Sanaul Hoq	Nominated Director	06	04

39.00 Contingent liabilities and Commitments**39.01 Contingencies**

An Appellee (no. VAT-177/2019) was filed before the Customs, Excise and VAT Appellate Tribunal against the Demand No. 102/2019 dated 15 May 2019 for Tk. 2,992,725.00.

39.02 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

39.03 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.

39.04 Segment reporting

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

39.05 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2019 other than trade credit available in the ordinary course of business.

40.00 Events after reporting period

The Board of Directors at the meeting held on 25 September 2019 has recommended 7.50% cash dividend for the year ended 30 June 2019.



41.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Note ref.	Fair value through profit or loss	Carrying amount					Total
		Held to maturity	Loans and receivables	Available for sale	Other financial liabilities		
		Taka	Taka	Taka	Taka	Taka	
30 June 2019							
Financial assets measured at fair value							
12.02	58,398,856	-	-	-	-	58,398,856	
Financial assets not measured at fair value							
7.01	-	-	-	6,125,000	-	6,125,000	
9 & 10	-	-	54,607,997	-	-	54,607,997	
11.02	-	-	11,726,591	-	-	11,726,591	
12.01 & 13.02	-	-	-	703,946,567	-	703,946,567	
13.01	-	-	56,080,507	-	-	56,080,507	
	-	-	122,415,095	710,071,567	-	832,486,662	
Financial liabilities not measured at fair value							
18	-	-	-	-	39,374,509	39,374,509	
19	-	-	-	-	198,330,110	198,330,110	
22	-	-	-	-	6,481,165	6,481,165	
23	-	-	-	-	6,988,408	6,988,408	
	-	-	-	-	251,174,192	251,174,192	
30 June 2018							
Financial assets measured at fair value							
12.02	9,058,663	-	-	-	-	9,058,663	
Financial assets not measured at fair value							
7.01	-	-	-	6,125,000	-	6,125,000	
9 & 10	-	-	43,083,000	-	-	43,083,000	
11.02	-	-	11,726,591	-	-	11,726,591	
12.01 & 13.02	-	-	-	1,001,531,878	-	1,001,531,878	
13.01	-	-	27,860,292	-	-	27,860,292	
	-	-	82,669,883	1,007,656,878	-	1,090,326,761	
Financial liabilities not measured at fair value							
18	-	-	-	-	47,764,485	47,764,485	
19	-	-	-	-	12,027,067	12,027,067	
22	-	-	-	-	7,392,796	7,392,796	
23	-	-	-	-	5,241,973	5,241,973	
	-	-	-	-	72,426,321	72,426,321	



42.00 Financial instruments- Financial risk management

International Financial Reporting Standard IFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

- a) Credit risk
- b) Liquidity risk
- c) Market risk

42.01 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

42.01.01 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Investments in FDRs	12.01 & 13.02	703,946,567	1,001,531,878
Advances and deposits	11.01 & 11.02	210,850,866	175,050,650
Accounts and other receivables	9 & 10	54,607,997	43,083,000
Cash at banks	13.01	56,080,507	27,860,292
		<u>1,025,485,937</u>	<u>1,247,525,820</u>

(i) Accounts receivable

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate.

Ageing of accounts receivable

The ageing of gross value at the reporting date that was not impaired was as follows:

	30 June 2019 Taka	30 June 2018 Taka
Dues within 6 Months	40,402,425	22,262,107
Dues over 6 months	5,115,509	6,254,838
	<u>45,517,934</u>	<u>28,516,945</u>

The management believes that the amounts are collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(ii) Cash at banks

The company held cash at banks of Tk. 56,080,507 at 30 June 2019 (30 June 2018: Tk. 27,860,292), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.

42.01.02 Impairment losses

Impairment loss at the reporting date

	30 June 2019 Taka	30 June 2018 Taka
	Nil	Nil
	<u>-</u>	<u>-</u>



42.01.03 Credit exposure by credit rating

	As at 30 June 2019		
	Credit rating	Amount	(%)
Accounts receivable	NR	45,517,934	13.82%
Other receivables	NR	9,090,063	2.76%
Advances, deposits and prepayment	NR	217,741,457	66.10%
Cash and cash equivalents			
Cash in hand		993,365	0.30%
Cash at banks		56,080,507	17.02%
AB Bank Limited	A2	7,645,261	13.63%
Bank Al Falah Limited	AA	3,353,249	5.98%
Brac Bank Limited	AA+	1,729,466	3.08%
Dutch Bangla Bank Limited	AA+	65,702	0.12%
Eastern Bank Limited	AA+	29,738,671	53.03%
Mutual Trust Bank Limited	AA	2,091,770	3.73%
Prime Bank Limited	AA2	616,321	1.10%
Standard Chartered Bank	AAA	761	0.00%
Standard Bank Limited	AA	136,415	0.24%
The City Bank Limited	AA2	4,828,210	8.61%
The Premier Bank Limited	AA+	3,794,909	6.77%
United Commercial Bank Limited	AA	2,079,772	3.71%

All bank balances are reconciled with bank statements.

42.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
As at 30 June 2019	Taka		Taka	Taka	Taka	Taka
Accounts payable	39,374,509	N/A	39,374,509	-	-	39,374,509
Short term borrowings	198,330,110	9.5%-11%	198,330,110	-	-	198,330,110
Unclaimed dividend	6,481,165	N/A	6,481,165	-	-	6,481,165
	244,185,784		244,185,784	-	-	244,185,784

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
As at 30 June 2018	Taka		Taka	Taka	Taka	Taka
Accounts payable	47,764,485	N/A	47,764,485	-	-	47,764,485
Short term borrowings	12,027,067	8%-12%	12,027,067	-	-	12,027,067
Unclaimed dividend	7,392,796	N/A	7,392,796	-	-	7,392,796
	67,184,348		67,184,348	-	-	67,184,348

42.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk exposure and its management

The company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is only exposed to in foreign currency risk relating to Tk. 238,021 in its Foreign Currency Account relating IPO applications.



(b) Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

(d) Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

	<u>30 June 2019</u>	<u>30 June 2018</u>
	<u>Taka</u>	<u>Taka</u>
Fixed- rate instruments		
Financial assets	703,946,567	1,001,531,878
Financial liabilities	(198,330,110)	(12,027,067)
	<u>505,616,457</u>	<u>989,504,811</u>
Variable- rate instruments		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	<u>-</u>	<u>-</u>

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.



Company Secretary



Managing Director



Director



Chairman

