

**THE PENINSULA CHITTAGONG LIMITED**  
**HALF YEARLY FINANCIAL STATEMENTS**  
**AS AT AND FOR THE PERIOD ENDED 31 December 2019**

**THE PENINSULA CHITTAGONG LIMITED**

**Statement of Financial Position**

**As at 31 December 2019**

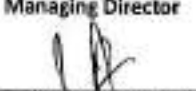
	Note(s)	31 December 2019	30 June 2019
		Taka	Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,491,785,533	2,464,778,629
Capital work in progress	5	563,841,350	446,570,281
Intangible assets	6	1,143,614	1,309,830
Investments	7	6,125,000	6,125,000
<b>Total non-current assets</b>		<b>3,062,895,497</b>	<b>2,918,783,740</b>
<b>Current assets</b>			
Inventories	8	31,072,163	31,045,053
Accounts receivable	9	52,736,156	45,517,934
Interest receivable	10	7,045,503	9,090,063
Advances, deposits and prepayments	11	218,264,936	217,741,457
Short term investments	12	50,007,194	60,045,423
Cash and cash equivalents	13	655,776,468	759,373,872
<b>Total current assets</b>		<b>1,014,902,420</b>	<b>1,122,813,802</b>
<b>Total assets</b>		<b>4,077,797,917</b>	<b>4,041,597,542</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	14	1,186,668,000	1,186,668,000
Retained earnings	15	234,026,350	287,595,711
Share premium		1,050,958,284	1,050,958,284
Revaluation surplus	16	1,228,413,842	1,228,413,842
<b>Total equity</b>		<b>3,700,066,476</b>	<b>3,753,635,837</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	17	29,775,815	21,586,867
<b>Total non-current liabilities</b>		<b>29,775,815</b>	<b>21,586,867</b>
<b>Current liabilities</b>			
Accounts payable	18	54,657,690	39,374,509
Short term borrowings	19	267,899,615	198,330,110
Provision for income tax	20	8,172,274	15,200,646
Unclaimed dividend	21	7,511,746	6,481,165
Provision for WPPF and Welfare Fund	22	9,714,301	6,988,408
<b>Total current liabilities</b>		<b>347,955,626</b>	<b>266,374,838</b>
<b>Total liabilities</b>		<b>377,731,441</b>	<b>287,961,705</b>
<b>Total equity and liabilities</b>		<b>4,077,797,917</b>	<b>4,041,597,542</b>
<b>Net Asset Value Per Share</b>	32	<b>31.18</b>	<b>31.63</b>


*The annexed notes 1 to 34 form an integral part of these financial statements.*

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer

Dated: Chattogram, 15 January 2020

**THE PENINSULA CHITTAGONG LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the period ended 31 December 2019**

	Note(s)	Half Year Ended		Second Quarter Ended	
		01/07/2019 to 31/12/2019	01/07/2018 to 31/12/2018	01/10/2019 to 31/12/2019	01/10/2018 to 31/12/2018
		Taka	Taka	Taka	Taka
Revenue	23	199,710,320	176,760,885	101,081,500	74,010,772
Cost of sales	24	(126,870,791)	(81,085,160)	(65,796,008)	(36,633,137)
<b>Gross profit</b>		<b>72,839,529</b>	<b>95,675,725</b>	<b>35,285,492</b>	<b>37,377,635</b>
Administrative expenses	25	(33,653,861)	(28,732,637)	(17,583,521)	(14,971,826)
Selling and distribution expense	26	(346,205)	(438,717)	(196,956)	(303,770)
<b>Operating Profit</b>		<b>38,839,463</b>	<b>66,504,371</b>	<b>17,505,015</b>	<b>22,102,039</b>
Finance costs	27	(11,768,650)	(4,966,510)	(6,128,548)	(3,873,307)
Finance income	28	31,850,460	45,065,125	15,750,434	21,451,868
Non-operating income/(loss)	29	(4,403,419)	1,975,188	(4,536,491)	(493,242)
<b>Profit before tax and WPPF and Welfare Fund</b>		<b>54,517,854</b>	<b>108,528,174</b>	<b>22,590,410</b>	<b>39,187,358</b>
Contribution to WPPF and Welfare Fund	22	(2,725,893)	(5,426,409)	(1,129,521)	(1,959,368)
<b>Profit before tax</b>		<b>51,791,961</b>	<b>103,101,765</b>	<b>21,460,889</b>	<b>37,227,990</b>
Income tax expenses:					
Current tax					
Current year	20	(8,172,274)	(23,572,742)	(2,674,595)	(8,818,037)
Deferred tax	17	(8,188,948)	(4,063,406)	(3,146,360)	(1,798,330)
		(16,361,222)	(27,636,148)	(5,820,955)	(10,616,367)
<b>Net profit after tax for the year</b>		<b>35,430,739</b>	<b>75,465,617</b>	<b>15,639,934</b>	<b>26,611,623</b>
<b>Other comprehensive income</b>					
Items that will never be reclassified to profit or loss		-	-	-	-
Items that are or may be reclassified to profit or loss		-	-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>35,430,739</b>	<b>75,465,617</b>	<b>15,639,934</b>	<b>26,611,623</b>
<b>Earnings Per Share (Basic)</b>	31	<b>0.30</b>	<b>0.64</b>	<b>0.13</b>	<b>0.23</b>

The annexed notes 1 to 34 form an integral part of these financial statements.

 _____ Managing Director	 _____ Director	 _____ Chairman
 _____ Company Secretary	 _____ Chief Financial Officer	

Dated: Chattogram, 15 January 2020

**THE PENINSULA CHITTAGONG LIMITED**  
**Statement of Changes in Equity**  
**For the period ended 31 December 2019**

Amount in Taka

	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2018	1,186,668,000	1,050,958,284	1,228,413,842	189,664,474	3,655,704,600
Cash dividend for the year ended 30 June 2018	-	-	-	(59,333,400)	(59,333,400)
Net Profit for the year ended 31 December 2018	-	-	-	75,465,617	75,465,617
<b>Balance as at 31 December 2018</b>	<b>1,186,668,000</b>	<b>1,050,958,284</b>	<b>1,228,413,842</b>	<b>205,796,691</b>	<b>3,671,836,817</b>
Balance as on 01 July 2019	1,186,668,000	1,050,958,284	1,228,413,842	287,595,711	3,753,635,837
Cash dividend for the year ended 30 June 2019	-	-	-	(89,000,100)	(89,000,100)
Net Profit for the year ended 31 December 2019	-	-	-	35,430,739	35,430,739
<b>Balance as at 31 December 2019</b>	<b>1,186,668,000</b>	<b>1,050,958,284</b>	<b>1,228,413,842</b>	<b>234,026,350</b>	<b>3,700,066,476</b>

  
 \_\_\_\_\_  
 Managing Director

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chairman

  
 \_\_\_\_\_  
 Company Secretary

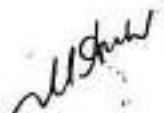
  
 \_\_\_\_\_  
 Chief Financial Officer

**THE PENINSULA CHITTAGONG LIMITED**


**Statement of Cash Flows**

For the period ended 31 December 2019


		01/07/2019 to 31/12/2019	01/07/2018 to 31/12/2018
	Note(s)	Taka	Taka
<b>a. Operating activities</b>			
Receipts from customers against revenue		192,492,098	159,995,913
Receipts from other sources		5,302,326	11,216,517
Cash paid to suppliers		(96,569,293)	(95,619,186)
Cash paid for administrative, selling and distribution expenses		(36,500,279)	(84,465,179)
<b>Cash generated by operations</b>	<b>30.00</b>	<b>64,724,652</b>	<b>(8,872,935)</b>
Receipts from Interest-Net		22,125,215	42,966,663
Income Tax paid		(9,585,674)	(6,381,495)
<b>Net cash flows generated by operating activities</b>		<b>77,264,193</b>	<b>27,712,233</b>
<b>b. Investing activities</b>			
Acquisition of property, plant and equipment		(163,962,737)	(155,046,843)
Proceeds from sale of property, plant and equipment		1,500,000	6,705,000
(Increase)/decrease in investments		-	(59,889,220)
Dividend received (net of tax)		-	814,092
<b>Net cash flows used in investing activities</b>		<b>(162,462,737)</b>	<b>(207,416,971)</b>
<b>c. Financing activities</b>			
Receipts/(repayments) of short term borrowings		69,569,505	123,641,208
Dividend paid		(87,969,519)	(58,773,988)
<b>Net cash flows used in financing activities</b>		<b>(18,400,014)</b>	<b>64,867,220</b>
<b>d. Net increase in cash and cash equivalents (a+b+c)</b>		<b>(103,598,558)</b>	<b>(114,837,518)</b>
e. Opening cash and cash equivalents		759,373,872	1,028,581,359
f. Effect of foreign exchange rate changes		1,155	609
<b>g. Cash and cash equivalents at the end of the year (d+e+f)</b>		<b>655,776,469</b>	<b>913,744,450</b>
<b>Net operating cash flows per share</b>	<b>33.00</b>	<b>0.65</b>	<b>0.23</b>

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer

**THE PENINSULA CHITTAGONG LIMITED**  
**Notes to the Financial Statements**  
**As at and for the year ended at 31 December 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 floated 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/U/LC/2014/5015 & CSE/Listing/TPCL-2014.

**1.02 Registered Office of the Company**

The registered office of the company is located at Bulbul Center, 486/8, 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 (IAS) 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 31 December 2019.
- b) A statement of profit or loss and other comprehensive income for the year ended 31 December 2019.
- c) A statement of changes in equity for the year ended 31 December 2019.
- d) A statement of cash flows for the year ended 31 December 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, 1989
- 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 January 2020.

**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 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: 20 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 Reporting Period**

The financial statements of the company covers half year from 01 July to 31 December 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 period ended on 31 December 2019 are consistent with those policies and methods adopted in preparing the Financial Statements for the period & year ended on 30 June 2019 & 31 December 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.

<u>CATEGORY OF ASSETS</u>	<u>RATE OF DEPRECIATION (%)</u>
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-16.

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

### **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 30 (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 lease 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 & stationery, hard drinks, stores & spares etc.

#### Valuation of the inventories

Inventories are measured at lower of cost and net realisable 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 realised 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, canceled 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 recognized as revenue income as and when realized.

### 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 recognized 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 recognized periodically.

### 3.17 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized 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 capitalized 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 recognized 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							Total
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	
<b>At revalued amount</b>								
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	1,781,115	12,059,740	4,320,000	364,090	-	150,089,395
Disposals/Adjustments during the year	-	-	-	-	(11,626,730)	-	-	(11,626,730)
<b>Balance as at 30 June 2019</b>	<b>1,527,367,698</b>	<b>793,414,868</b>	<b>86,721,692</b>	<b>386,126,750</b>	<b>38,448,145</b>	<b>96,717,454</b>	<b>60,888,195</b>	<b>2,989,685,802</b>
Balance as on 01 July 2019	1,527,367,698	793,414,868	86,721,692	386,126,750	38,448,145	96,717,454	60,888,195	2,989,685,802
Additions during the year	150,000	29,309,807	126,383	3,118,725	4,700,000	773,314	8,513,439	46,691,668
Disposals/Adjustments during the year	-	-	-	-	(2,698,500)	-	-	(2,698,500)
<b>Balance as at 31 December 2019</b>	<b>1,527,517,698</b>	<b>822,724,675</b>	<b>86,849,075</b>	<b>389,245,475</b>	<b>40,449,645</b>	<b>97,490,768</b>	<b>69,401,634</b>	<b>3,033,678,970</b>
<b>Accumulated depreciation</b>								
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%	5%
Charged for the year	-	12,149,155	2,091,235	10,710,022	1,835,838	3,070,445	1,301,857	31,160,352
Adjustment for disposals during the year	-	-	-	-	(5,313,142)	-	-	(5,313,142)
<b>Balance as at 30 June 2019</b>	<b>-</b>	<b>173,319,379</b>	<b>44,545,139</b>	<b>217,309,539</b>	<b>17,547,715</b>	<b>36,630,671</b>	<b>35,554,730</b>	<b>524,907,173</b>
Balance as on 01 July 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173
Depreciation Rate	-	2%	5%	5%-10%	10%	5%	5%	5%
Charged for the year	-	6,073,780	1,053,079	5,469,320	1,308,297	3,847,292	765,680	18,517,448
Adjustment for disposals during year	-	-	-	-	(1,531,184)	-	-	(1,531,184)
<b>Balance as at 31 December 2019</b>	<b>-</b>	<b>179,393,159</b>	<b>45,598,218</b>	<b>222,778,859</b>	<b>17,324,828</b>	<b>40,477,963</b>	<b>36,320,410</b>	<b>541,893,437</b>
<b>Carrying amount</b>								
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
As at 31 December 2019	1,527,517,698	643,331,516	41,250,857	166,466,616	23,124,817	57,012,805	33,081,224	2,491,785,533

Note(s)	01/07/2019 to 31/12/2019		01/07/2018 to 31/12/2018	
	Taka	Taka	Taka	Taka
24.01	15,045,427	12,826,301	-	-
25.00	3,472,022	2,959,916	-	-
	<b>18,517,449</b>	<b>15,786,217</b>		

Depreciation allocated to:

Cost of sales  
Administrative expenses



4.01 Property, plant and equipment - at cost model

	Amount in Taka							
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
<b>At cost</b>								
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	38,445,158	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)
<b>Balance as at 30 June 2019</b>	<b>298,953,856</b>	<b>793,414,868</b>	<b>86,722,692</b>	<b>386,126,750</b>	<b>38,448,145</b>	<b>96,717,454</b>	<b>60,888,195</b>	<b>1,761,271,960</b>
Balance as on 01 July 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
Additions during the year	150,000	29,309,807	126,383	3,118,725	4,700,000	773,314	8,513,439	46,691,668
Disposals/Adjustments during the year	-	-	-	-	(2,698,500)	-	-	(2,698,500)
<b>Balance as at 31 December 2019</b>	<b>299,103,856</b>	<b>822,724,675</b>	<b>86,849,075</b>	<b>389,245,475</b>	<b>40,449,645</b>	<b>97,490,768</b>	<b>69,401,634</b>	<b>1,805,265,128</b>
<b>Accumulated depreciation</b>								
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
<b>Depreciation Rate</b>	-	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)
<b>Balance as at 30 June 2019</b>	<b>-</b>	<b>173,319,379</b>	<b>44,545,139</b>	<b>217,309,539</b>	<b>17,547,715</b>	<b>36,630,671</b>	<b>35,554,730</b>	<b>524,907,173</b>
Balance as on 01 July 2019	-	173,319,379	44,545,139	217,309,539	17,547,715	36,630,671	35,554,730	524,907,173
<b>Depreciation Rate</b>	-	2%	5%	5%-10%	10%	5%	5%	-
Charged for the year	-	6,073,780	1,053,079	5,469,320	1,308,297	3,847,292	765,680	18,517,448
Adjustment for disposals during the year	-	-	-	-	(1,531,184)	-	-	(1,531,184)
<b>Balance as at 31 December 2019</b>	<b>-</b>	<b>179,393,159</b>	<b>45,598,218</b>	<b>222,778,859</b>	<b>17,324,828</b>	<b>40,477,963</b>	<b>36,320,410</b>	<b>541,893,437</b>
<b>Carrying amount</b>								
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
As at 31 December 2019	299,103,856	643,331,516	41,250,857	166,466,616	23,124,817	57,012,805	33,081,224	1,263,371,691

		31 December 2019	30 June 2019
	Note(s)	Taka	Taka
<b>5.00 Capital Work in Progress</b>			
Opening balance		446,570,281	171,364,461
Add: Addition during the year		117,271,069	275,205,820
Less: Capitalized during the year		-	-
<b>Closing balance</b>		<b>563,841,350</b>	<b>446,570,281</b>
Above additions to capital work in progress was made for The Peninsula Chittagong - Airport Garden Hotel.			
		31 December 2019	30 June 2019
	Note(s)	Taka	Taka
<b>6.00 Intangible assets</b>			
Software (ERP Tally)	6.01	14,915	19,891
Hotel Management Software	6.01	1,128,699	1,289,939
		<b>1,143,614</b>	<b>1,309,830</b>
<b>6.01 Intangible assets schedule</b>			
		31 December 2019	30 June 2019
		Taka	Taka
<b>Cost</b>			
Opening balance		3,571,560	3,571,560
Add: Addition during the year		-	-
<b>Closing balance</b>		<b>3,571,560</b>	<b>3,571,560</b>
<b>Accumulated amortisation</b>			
Opening balance		2,261,730	1,929,298
Add: Charged during the year		166,215	332,432
<b>Closing balance</b>		<b>2,427,946</b>	<b>2,261,730</b>
<b>Carrying amount</b>		<b>1,143,614</b>	<b>1,309,830</b>
		31 December 2019	30 June 2019
	Note(s)	Taka	Taka
<b>7.00 Investments</b>			
Investments in non-tradable shares at cost	7.01	6,125,000	6,125,000
		<b>6,125,000</b>	<b>6,125,000</b>
<b>7.01 Investments in non-tradable shares at cost</b>			
		Quantity	
Lanka Bangla Securities Limited		73,370	3,750,000
Energy Prima Limited		25,000	2,375,000
			<b>6,125,000</b>
			<b>6,125,000</b>
<b>8.00 Inventories</b>			
Food	8.01	17,660,699	18,241,905
House keeping materials	8.02	7,376,524	6,116,052
Printing and stationeries	8.03	1,658,309	1,609,736
Beverage	8.04	2,726,530	3,041,958
Stores and spares		1,650,101	2,035,402
		<b>31,072,163</b>	<b>31,045,053</b>

		31 December 2019	30 June 2019
	Note(s)	Taka	Taka
<b>8.01 Food</b>			
Opening balance		18,241,905	6,850,076
Add: Purchased during the year		50,018,442	76,528,692
<b>Available for consumption</b>		<b>68,260,347</b>	<b>83,378,768</b>
Less: Consumed during the year		(50,599,648)	(65,136,863)
<b>Closing balance</b>		<b>17,660,699</b>	<b>18,241,905</b>
<b>8.02 House keeping materials</b>			
Opening balance		6,116,052	2,030,940
Add: Purchased during the year		7,932,533	13,318,908
<b>Available for consumption</b>		<b>14,048,585</b>	<b>15,349,848</b>
Less: Consumed during the year		(6,672,061)	(9,233,796)
<b>Closing balance</b>		<b>7,376,524</b>	<b>6,116,052</b>
<b>8.03 Printing and stationeries</b>			
Opening balance		1,608,736	1,401,870
Add: Purchased during the year		707,783	1,024,668
<b>Available for consumption</b>		<b>2,317,519</b>	<b>2,426,538</b>
Less: Consumed during the year		(659,210)	(816,800)
<b>Closing balance</b>		<b>1,658,309</b>	<b>1,609,738</b>
<b>8.04 Beverage</b>			
Opening balance		3,041,958	5,121,785
Add: Purchased during the year		-	1,717,413
<b>Available for consumption</b>		<b>3,041,958</b>	<b>6,839,198</b>
Less: Consumed during the year		(315,428)	(3,797,240)
<b>Closing balance</b>		<b>2,726,530</b>	<b>3,041,958</b>
<b>9.00 Accounts receivable</b>			
Opening Balance		45,517,934	28,516,945
Add: Services rendered on credit during the year		110,956,254	152,052,362
Less: Realised during the year		(103,738,032)	(134,460,453)
Less: Bad debt expenses		-	(600,920)
<b>Closing Balance</b>		<b>52,736,156</b>	<b>45,517,934</b>
<b>9.01 Ageing of accounts receivable</b>			
Dues within 6 Months		47,620,647	40,402,425
Dues over 6 months		5,115,509	5,115,509
		<b>52,736,156</b>	<b>45,517,934</b>
<b>10.00 Interest receivable</b>			
Interest receivable on Fixed Deposits Receipts (FDR)		7,045,503	9,090,063
		<b>7,045,503</b>	<b>9,090,063</b>
<b>11.00 Advances, deposits and prepayments</b>			
Advances	11.01	203,720,540	199,124,275
Deposits	11.02	11,726,591	11,726,591
Prepayments	11.03	2,817,805	6,890,591
		<b>218,264,936</b>	<b>217,741,457</b>
<b>11.01 Advances</b>			
Advance income tax	11.01.01	85,965,311	91,580,283
Advance to suppliers		46,639,668	49,667,445
Lankabangla securities Limited		43,061	43,061
ICB Securities Trading Company Limited		68,885	69,335
Advance for Supplementary Duty		68,480	68,480
VAT current account		1,840,317	1,840,317
Advance against salary		1,024,323	1,304,466
L/C in Transit		68,070,495	54,550,888
		<b>203,720,540</b>	<b>199,124,275</b>



	Note(s)	31 December 2019	30 June 2019
		Taka	Taka
<b>13.00 Cash and cash equivalents</b>			
Cash in hand		1,207,453	993,365
Cash at banks	13.01	52,569,015	56,080,507
Fixed Deposit Receipts	13.02	602,000,000	702,300,000
		<b>655,776,468</b>	<b>759,373,872</b>

13.01 Cash at banks	Name of the Banks	Branches	Account Type		
	AB Bank Limited 4110-753162-000	CDA Avenue	CD	325	1,966,095
	AB Bank Limited 4110-761221-430	CDA Avenue	SND	216,151	441,814
	AB Bank Limited 4110-776797-000	CDA Avenue	CD	685	685
	AB Bank Limited 4110-776797-430	CDA Avenue	SND	560,347	4,980,641
	AB Bank Limited 4110-753033-000	CDA Avenue	CD	400	256,025
	Bank Al-falah Limited 03700249	Agrabad	MPA	3,396,362	3,353,249
	Brac Bank Limited	Kazir Dhewri	Credit Card	86,566	127,212
	Brac Bank Limited 02019912560-01	Kazir Dhewri	CD	644,958	1,602,254
	Dutch Bangla Bank Limited 102.110.33675	Agrabad	CD	65,702	65,702
	Eastern Bank Limited	Agrabad	Credit Card	407,016	234,366
	Eastern Bank Limited 0013050813341	Agrabad	FCY	202,670	202,670
	Eastern Bank Limited 0013060813352	Agrabad	FCY	29,904	29,904
	Eastern Bank Limited 0013070813363	Agrabad	FCY	5,447	5,447
	Eastern Bank Limited 0011360813331	Agrabad	HPA	10,745,852	26,725,699
	Eastern Bank Limited 0051350196584	O.R Nizam Road	STD	1,444,987	2,540,585
	Mutual Trust Bank Limited 0009-0320001771	CDA Avenue	SND	2,120,855	2,091,770
	Prime Bank Limited 13411030000449	O.R Nizam Road	CD	6,222	616,321
	Standard Chartered Bank	Nasirabad	CD	420	761
	Standard Bank Limited	CDA Avenue	CD	400	136,415
	The City Bank Limited 1101238038001	O.R Nizam Road	CD	1,366,711	4,300,691
	The City Bank Limited	O.R Nizam Road	Credit Card	1,695,573	527,519
	The Premier Bank Limited 012311100008242	O.R Nizam Road	CD	11,098,553	785,655
	The Premier Bank Limited 012313100000647	O.R Nizam Road	CD	4,508,371	3,009,254
	United Commercial Bank Limited 0023132000004	Jubilee Road	SND	360	360
	United Commercial Bank Limited 0651301000005	Kamal Bazar	SND	13,964,178	2,079,412
				<b>52,569,015</b>	<b>56,080,507</b>

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

13.02 Fixed Deposits Receipts (FDR)				31 December 2019	30 June 2019
Name of banks	Purpose	Tenure	Rate of interest	Taka	Taka
The Premier Bank Limited	Investment	3 months	9.50%	602,000,000	702,300,000
				<b>602,000,000</b>	<b>702,300,000</b>

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					
<b>Authorised capital:</b>					
300,000,000 Ordinary Shares of Tk. 10 each				3,000,000,000	3,000,000,000
				<b>3,000,000,000</b>	<b>3,000,000,000</b>
<b>Issued, Subscribed and Paid-up capital:</b>					
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
<b>118,656,800 Ordinary Shares of Tk 10 each</b>				<b>1,186,668,000</b>	<b>1,186,668,000</b>

**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	14,477	1,729,093	2.30%
From 500 to 5,000	2,861	5,377,844	4.53%
From 5,001 to 10,000	514	3,925,117	3.31%
From 10,001 to 20,000	325	4,671,217	3.94%
From 20,001 to 30,000	133	3,320,176	2.80%
From 30,001 to 40,000	49	1,697,588	1.43%
From 40,001 to 50,000	39	1,805,735	1.52%
From 50,001 to 100,000	52	3,768,580	3.18%
From 100,001 to 1,000,000	49	17,663,646	14.89%
From 1,000,001 to above	17	73,705,804	62.11%
	<b>18,516</b>	<b>118,666,800</b>	<b>100%</b>

**14.02 Shareholding position**

<u>Name of shareholders</u>	<u>31 December 2019</u>		<u>30 June 2019</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	7.70%	9,137,520	7.70%	9,137,520
Engineer Mosharrif Hussain	7.04%	8,353,016	6.71%	7,960,016
Mrs. Ayesha Sultana	4.78%	5,673,344	4.78%	5,673,344
Mr. Mahboob Ur Rahman	2.99%	3,545,840	2.99%	3,545,840
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	60.04%	71,245,368	60.37%	71,638,368
	<b>100%</b>	<b>118,666,800</b>	<b>100%</b>	<b>118,666,800</b>

**15.00 Retained earnings**

	<u>31 December 2019</u>	<u>30 June 2019</u>
	<u>Taka</u>	<u>Taka</u>
Opening balance	287,595,711	243,372,602
Add: Net profit after tax for the year	35,430,739	103,556,509
Less: Dividend paid	(80,000,100)	(59,333,400)
	<b>234,026,350</b>	<b>287,595,711</b>

**16.00 Revaluation surplus**

<u>31 December 2019</u>	<u>30 June 2019</u>
<u>Taka</u>	<u>Taka</u>
<b>1,228,413,842</b>	<b>1,228,413,842</b>

**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>31 December 2019</u>	<u>30 June 2019</u>
	<u>Taka</u>	<u>Taka</u>
Opening balance	21,586,867	7,564,266
Add: Provision made during the year	8,188,948	14,022,601
Closing balance	<b>29,775,815</b>	<b>21,586,867</b>

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)	964,267,835	842,230,566	25%	122,037,269	30,509,317
Intangible assets	1,143,614	62,331	25%	1,081,283	270,321
Investment in tradable securities	48,360,627	58,398,856	10%	(10,038,229)	(1,003,823)
<b>Total deferred tax liabilities</b>					<b>29,775,815</b>

18.00 Accounts payable	Note(s)	31 December 2019	30 June 2019
		Taka	Taka
Opening balance		39,374,509	47,764,485
Add: Addition during the year		318,996,744	530,888,848
Less: Paid during the year		(303,713,563)	(539,278,824)
<b>Closing balance</b>		<b>54,657,690</b>	<b>39,374,509</b>

19.00 Short term borrowings		31 December 2019	30 June 2019
Cash credit (Hypo) and overdraft	19.01	267,899,615	198,330,110
		<b>267,899,615</b>	<b>198,330,110</b>

19.01 Borrowings against CC (Hypo) and overdraft

Name of the Banks	Branches	Types		
IFC Bank Limited	Agrabad	OD	197,255	152,458
The Premier Bank Limited	O.R Nizam Road	OD	267,702,360	198,177,652
			<b>267,899,615</b>	<b>198,330,110</b>

20.00 Provision for income tax		31 December 2019	30 June 2019
Opening balance		15,200,646	23,967,423
Provided during the year			
Against current year		8,172,274	17,921,129
Against previous years		-	(2,720,483)
		<b>8,172,274</b>	<b>15,200,646</b>
Less: Paid/adjusted during the year		(15,200,646)	(23,967,423)
<b>Closing balance</b>		<b>8,172,274</b>	<b>15,200,646</b>

21.00 Unclaimed dividend		31 December 2019	30 June 2019
Opening balance		6,481,165	7,392,796
Add: Provision made during the year		89,000,100	59,333,400
Less: Paid during the year		(87,969,519)	(60,245,031)
		<b>7,511,746</b>	<b>6,481,165</b>

Year	Balance as on				
	01 July 2019	Provision	Payment		
2013-2014	2,806,730	-	-	2,806,730	2,806,730
2014-2015	1,853,852	-	-	1,853,852	1,853,852
2015-2016	732,249	-	-	732,249	732,249
2016-2017	448,309	-	-	448,309	448,309
2017-2018	640,025	-	-	640,025	640,025
2017-2018	-	89,000,100	(87,969,519)	1,030,581	
	<b>6,481,165</b>	<b>89,000,100</b>	<b>(87,969,519)</b>	<b>7,511,746</b>	<b>6,481,165</b>

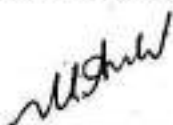
		<u>31 December 2019</u>	<u>30 June 2019</u>
	Note(s)	Taka	Taka
<b>22.00 Provision for WPPF and Welfare Fund</b>			
Opening Balance		6,988,408	5,241,973
Add: Provision made for the year		2,725,893	6,988,408
		<u>9,714,301</u>	<u>12,230,381</u>
Less: Paid during the year		-	(5,241,973)
Closing Balance		<u>9,714,301</u>	<u>6,988,408</u>
		<u>01 July 2019 to</u>	<u>01 July 2018 to</u>
		<u>31 December 2019</u>	<u>31 December 2018</u>
		Taka	Taka
<b>23.00 Revenue</b>			
Rooms		84,591,660	79,429,806
Food & beverages		106,715,777	82,209,638
Minor operating departments		7,387,358	13,546,146
Space rent		1,015,525	1,575,295
		<u>199,710,320</u>	<u>176,760,885</u>
<b>24.00 Cost of sales</b>			
Cost of sales	24.01	126,870,791	81,085,160
		<u>126,870,791</u>	<u>81,085,160</u>
<b>24.01 Cost of sales</b>			
Cost of materials		50,915,076	26,141,925
Complementary guest service		2,614,208	1,847,725
Depreciation	4.00	15,045,427	12,826,301
Function and amenities		1,021,522	462,421
House keeping expenses		6,672,061	4,068,218
Packet and packing materials		441,057	154,731
Purchased services		345,895	263,229
Repair and maintenance		4,215,901	1,212,209
Salary, wages, bonus and benefits		30,744,834	23,947,072
Staff uniform		972,370	709,648
Utility and fuel expenses		13,882,440	9,451,680
		<u>126,870,791</u>	<u>81,085,160</u>



	Note(s)	01 July 2019 to	01 July 2018 to
		31 December 2019	31 December 2018
		Taka	Taka
<b>25.00 Administrative expenses</b>			
Salaries and allowances		11,371,377	8,857,136
Directors' remuneration	25.01	3,402,500	3,422,500
Annual general meeting expenses		486,625	1,174,560
Association and membership fees		13,200	13,200
Audit fee		172,500	172,500
Lease rental of Peninsula Airport Garden Hotel		3,597,778	3,597,776
Conveyance expenses		78,270	117,052
Depreciation	4.00	3,472,022	2,959,916
Amortisation	6.01	166,216	166,216
Dhaka office expenses		690,000	690,000
Entertainment expenses		809,547	406,788
Fees and renewals		471,870	140,111
Gift and donation		-	58,400
Insurance expenses		448,615	752,978
Legal fees and other professional charges		857,230	357,700
Medical expenses		5,614	13,010
Office expenses		789,376	743,370
Printing and stationery		659,210	545,539
Rating fee		-	200,000
Rent, rate and taxes		970,356	914,928
Repair and maintenance		366,600	105,410
Staff uniform		108,041	78,850
Telephone and communication		529,771	388,067
Tours and travel expenses		716,533	493,711
Utility and fuel expenses		3,470,610	2,362,920
		<b>33,653,861</b>	<b>28,732,637</b>
		01 July 2019 to	01 July 2018 to
		31 December 2019	31 December 2018
		Taka	Taka
<b>25.00 Selling and distribution expense</b>			
Advertisement		346,205	438,717
		<b>346,205</b>	<b>438,717</b>
<b>27.00 Finance costs</b>			
Interest on overdraft		10,365,238	3,445,156
Foreign currency exchange (gain)/loss	27.01	(1,155)	(609)
Bank charges		1,404,567	1,521,963
		<b>11,768,650</b>	<b>4,966,510</b>
<b>27.01 Foreign currency exchange (gain)/ loss</b>			
Unrealized foreign currency translation (gain)/ loss		(1,155)	(609)
		<b>(1,155)</b>	<b>(609)</b>
<b>28.00 Finance income</b>			
Interest on fixed deposit receipts		31,361,228	44,675,955
Interest on bank deposits		489,232	389,170
		<b>31,850,460</b>	<b>45,065,125</b>
<b>29.00 Non-operating income / (loss)</b>			
Dividend income on tradable securities		-	1,017,615
Sale of wastage		5,302,126	11,321,549
Gain (loss) on sale of tradable securities		-	(105,032)
Gain (loss) on sale of property, plant and equipment		332,684	391,412
Changes in fair value of tradable securities		(10,038,229)	(10,700,356)
		<b>(4,403,419)</b>	<b>1,925,188</b>

	01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018
	Taka	Taka
<b>30.00 Reconciliation of cash generated by operations</b>		
Profit before income tax	51,791,961	103,101,765
Depreciation charged	18,517,449	15,786,217
Amortization charged	166,216	166,216
Gain on sale of property, plant and equipment	(332,684)	(391,412)
Changes in fair value of tradable securities	10,038,229	10,700,356
Dividend income	-	(1,017,615)
Finance Cost	11,768,650	4,966,510
Interest income on bank deposits	(489,232)	(389,170)
Interest income on Fixed Deposits Receipts (FDR)	(31,361,228)	(44,675,955)
(Increase)/ decrease in Inventory	(27,110)	(28,666,452)
(Increase)/ decrease in Accounts receivable	(7,218,222)	(16,764,972)
Increase in Advances, Deposits and Pre-payments	(6,138,451)	(58,420,957)
Increase / (decrease) in Accounts payables	15,283,181	1,306,125
Increase in provision of WPPF and WF	2,725,893	5,426,409
	<b>64,724,652</b>	<b>(8,872,935)</b>
<b>31.00 Earnings per share</b>		
<b>31.01 Basic earnings per share (EPS)</b>		
Profit attributable to the ordinary shareholders	35,430,739	75,465,617
Weighted average number of shares outstanding during the year	118,666,800	118,666,800
<b>Basic earnings per share (EPS)</b>	<b>0.30</b>	<b>0.64</b>
<b>32.00 Net asset value per share (NAV)</b>		
Total Assets	4,077,797,917	4,041,597,542
Less: Liabilities	(377,731,441)	(287,961,705)
Net asset value (NAV)	3,700,066,476	3,753,635,837
Number of ordinary shares outstanding during the year	118,666,800	118,666,800
<b>Net Asset Value (NAV) per share</b>	<b>31.18</b>	<b>31.63</b>
<b>33.00 Net operating cash flow per share</b>		
Net operating cash flows (from statement of cash flows)	77,264,193	27,712,233
Number of ordinary shares outstanding during the year	118,666,800	118,666,800
<b>Net operating cash flow per share</b>	<b>0.65</b>	<b>0.23</b>
	01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018
	Taka	Taka
<b>34.00 Employees</b>		
Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	332	293
	<b>332</b>	<b>293</b>

During December 2019, total 217 number of employees were in the permanent payroll of the company.

  
\_\_\_\_\_  
Managing Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Chief Financial Officer