

**THE PENINSULA CHITTAGONG LIMITED**  
**AUDITORS' REPORT AND FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2018**

**AUDITORS' REPORT**  
TO THE SHAREHOLDERS OF  
**THE PENINSULA CHITTAGONG LIMITED**

**Report on the Financial Statements**

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 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 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.

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, and other applicable laws and regulations.

**Report on Other Legal and Regulatory Requirements**

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

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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 those books;
- the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- the expenditure incurred was for the purposes of the Company's business.

Chattogram, 08 SEP 2018



*Hussain Farhad*  
Hussain Farhad & Co.  
Chartered Accountants

**THE PENINSULA CHITTAGONG LIMITED**  
**Statement of Financial Position**  
**As at 30 June 2018**

	Note(s)	30 June 2018	30 June 2017
		Taka	Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,352,163,174	2,375,120,997
Capital Work in Progress	5	171,364,461	-
Intangible assets	6	1,642,262	1,974,694
Investments	7	6,125,000	6,125,000
<b>Total non-current assets</b>		<b>2,531,294,897</b>	<b>2,383,220,691</b>
<b>Current assets</b>			
Inventories	8	16,814,138	26,935,843
Accounts receivable	9	28,516,945	39,761,375
Interest receivable	10	14,566,055	12,464,049
Advances, deposits and prepayments	11	183,006,803	198,859,693
Short term investments	12	10,590,541	13,090,125
Cash and cash equivalents	13	1,028,581,359	1,172,035,106
<b>Total current assets</b>		<b>1,282,075,841</b>	<b>1,463,146,191</b>
<b>Total assets</b>		<b>3,813,370,738</b>	<b>3,846,366,882</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	14	1,186,668,000	1,186,668,000
Retained earnings	15	189,664,474	174,844,703
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>3,655,704,600</b>	<b>3,640,884,829</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	17	61,272,394	49,495,635
<b>Total non-current liabilities</b>		<b>61,272,394</b>	<b>49,495,635</b>
<b>Current liabilities</b>			
Accounts payable	18	47,764,485	34,280,963
Short term borrowings	19	12,027,067	17,575,284
Current portion of lease finance	20.01	-	583,586
Provision for income tax	21	23,967,423	93,348,411
Unclaimed dividend	22	7,392,796	5,627,026
Provision for WPPF and Welfare Fund	23	5,241,973	4,571,148
<b>Total current liabilities</b>		<b>96,393,744</b>	<b>155,986,418</b>
<b>Total liabilities</b>		<b>157,666,138</b>	<b>205,482,053</b>
<b>Total equity and liabilities</b>		<b>3,813,370,738</b>	<b>3,846,366,882</b>
<b>Net Asset Value Per Share</b>	33	<b>30.81</b>	<b>30.68</b>

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.

Chattogram, 08 SEP 2018



  
Hussain Farhad & Co.  
Chartered Accountants

**THE PENINSULA CHITTAGONG LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2018**

	Note(s)	01 July 2017	01 July 2016
		to 30 June 2018	to 30 June 2017
		Taka	Taka
Revenue	24	264,285,245	268,789,109
VAT expenses	39.01	-	(30,652,108)
Cost of sales	25	(189,133,140)	(172,253,226)
<b>Gross profit</b>		<b>75,152,105</b>	<b>65,883,775</b>
Administrative expenses	26	(54,204,699)	(50,912,458)
Selling and distribution expense	27	(940,120)	(1,130,026)
<b>Operating Profit</b>		<b>20,007,286</b>	<b>13,841,291</b>
Finance costs	28	(7,028,997)	(16,661,887)
Finance income	29	93,641,248	92,514,147
Non-operating income/(loss)	30	(1,780,082)	1,729,404
<b>Profit before tax and WPPF and Welfare Fund</b>		<b>104,839,455</b>	<b>91,422,955</b>
Contribution to WPPF and Welfare Fund	23	(5,241,973)	(4,571,148)
<b>Profit before tax</b>		<b>99,597,482</b>	<b>86,851,807</b>
Income tax expenses:			
Current tax	21	(13,667,552)	(10,299,871)
Deferred tax	17	(11,776,759)	(14,226,299)
		(25,444,311)	(24,526,170)
<b>Net profit after tax for the year</b>		<b>74,153,171</b>	<b>62,325,637</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 comprehensive income</b>		<b>74,153,171</b>	<b>62,325,637</b>
<b>Earnings Per Share (Basic)</b>	32	<b>0.62</b>	<b>0.53</b>

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.

Chattogram, 08 SEP 2018



  
Hussain Farhad & Co.  
Chartered Accountants

**THE PENINSULA CHITTAGONG LIMITED**


**Statement of Changes in Equity**

For the year ended 30 June 2018

	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2016	1,186,668,000	1,050,958,284	1,228,413,842	231,185,866	3,697,225,992
Cash dividend for the year ended 30 June 2016	-	-	-	(118,666,800)	(118,666,800)
Net Profit for the year ended 30 June 2017	-	-	-	62,325,637	62,325,637
<b>Balance as at 30 June 2017</b>	<b>1,186,668,000</b>	<b>1,050,958,284</b>	<b>1,228,413,842</b>	<b>174,844,703</b>	<b>3,640,884,829</b>
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
Cash dividend for the year ended 30 June 2017	-	-	-	(59,333,400)	(59,333,400)
Net Profit for the year ended 30 June 2018	-	-	-	74,153,171	74,153,171
<b>Balance as at 30 June 2018</b>	<b>1,186,668,000</b>	<b>1,050,958,284</b>	<b>1,228,413,842</b>	<b>189,664,474</b>	<b>3,655,704,600</b>

  
Company Secretary

  
Managing Director

  
Director

  
Chairman



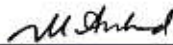
**THE PENINSULA CHITTAGONG LIMITED**

**Statement of Cash Flows  
For the year ended 30 June 2018**

	Note(s)	01 July 2017	01 July 2016
		to 30 June 2018	to 30 June 2017
		Taka	Taka
<b>a. Operating activities</b>			
Receipts from customers against revenue		275,529,675	261,999,663
Receipts from other sources		603,645	293,228
Cash paid to suppliers		(139,190,758)	(151,117,620)
Cash paid for administrative, selling and distribution expenses		(107,478,463)	(60,746,191)
<b>Cash generated by operations</b>	31.00	<b>29,464,099</b>	<b>50,429,080</b>
Receipts from interest-Net		84,503,740	78,108,886
Cash paid for VAT expenses		-	(16,905,435)
Income Tax paid		(12,984,713)	(23,942,771)
<b>Net cash flows generated by operating activities</b>		<b>100,983,126</b>	<b>87,689,760</b>
<b>b. Investing activities</b>			
Acquisition of property, plant and equipment		(180,821,598)	(16,838,503)
Proceeds from sale of property, plant and equipment		-	1,455,000
(Increase)/decrease in investments		(75,163)	(87,820)
Dividend received (net of tax)		152,816	76,832
<b>Net cash flows used in investing activities</b>		<b>(180,743,945)</b>	<b>(15,394,491)</b>
<b>c. Financing activities</b>			
Receipts /(repayments) of short term borrowings		(5,548,217)	(217,223,500)
Receipts /(repayments) of lease finance		(583,586)	(561,896)
Dividend paid		(57,567,630)	(117,794,421)
<b>Net cash flows used in financing activities</b>		<b>(63,699,433)</b>	<b>(335,579,817)</b>
<b>d. Net increase in cash and cash equivalents (a+b+c)</b>		<b>(143,460,252)</b>	<b>(263,284,548)</b>
<b>e. Opening cash and cash equivalents</b>		<b>1,172,035,106</b>	<b>1,435,317,542</b>
<b>f. Effect of foreign exchange rate changes</b>		<b>6,505</b>	<b>2,112</b>
<b>g. Cash and cash equivalents at the end of the year (d+e+f)</b>		<b>1,028,581,359</b>	<b>1,172,035,106</b>
<b>Net operating cash flows per share</b>	34.00	<b>0.85</b>	<b>0.74</b>



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 2018**

**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, Chittagong 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 Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

**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 BAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

- a) A statement of financial position as at 30 June 2018.
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2018.
- c) A statement of changes in equity for the year ended 30 June 2018.
- d) A statement of cash flows for the year ended 30 June 2018.
- 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 06 September 2018.

## 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 BAS-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 BASs and BFRSs are applicable for preparation and reporting of the Financial Statements for the year under review:

- BAS - 1 Presentation of Financial Statements
- BAS - 2 Inventories
- BAS - 7 Statement of Cash Flows
- BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS - 10 Events after the Reporting Period
- BAS - 12 Income Taxes
- BAS - 16 Property, Plant and Equipment
- BAS - 17 Leases
- BAS - 18 Revenue
- BAS - 19 Employee Benefits
- BAS - 21 The Effects of Changes in Foreign Exchange Rates
- BAS - 23 Borrowing Costs
- BAS - 24 Related Party Disclosures
- BAS - 33 Earnings Per Share
- BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS - 38 Intangible Assets
- BAS - 39 Financial Instruments: Recognition and Measurement
- BFRS - 7 Financial Instruments: Disclosures
- BFRS - 13 Fair Value Measurement

## 2.10 Standards Adopted but not Yet Effective

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

- (a) BFRS - 9 Financial Instruments
- (b) BFRS - 15 Revenue from Contracts with Customers

The above standards are effective for annual reporting periods beginning on or after 01 January 2018, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 9 and BFRS 15.

## 2.11 Use of Estimates and Judgments

The preparation of the financial statements in conformity with BFRSs 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

#### **2.12 Change in Accounting Estimates**

For the year ended on 30 June 2017, intangible assets has been amortised using the straight line method so as to write off the assets over their expected useful life. Amortisation on additions of assets during the period is charged from the month (date of service) of addition of the respective asset.

#### **2.13 Comparative Information**

Comparative information has been disclosed in respect of the year ended on 30 June 2017 in accordance with BAS - 1 "Presentation of Financial Statements", for all numeric information in the financial statements.

#### **2.14 Reporting Period**

The financial statements of the company covered the reporting period of one year commencing from 01 July 2017 to 30 June 2018 which 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 BAS-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 BAS-1 "Presentation of Financial Statements". The recommendations of BAS-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 Other 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 2018 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30 June 2017.

### 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 is charged on addition from the month (date of service) of acquisition/addition upto the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The principal annual rates/useful lives are as follows.

<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 charged or credited 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 fixed assets for the 1st time in the year 2010-2011 by Syful Shamsul Alam & Co., Chartered Accountants. Reserve was created by the sum of revaluation surplus as per the provision of BAS-16.

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

### **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 BAS 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 BAS 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.

**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 BAS 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: [BAS 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 BAS-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 BAS 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**

In compliance with the requirements of BAS 18 "Revenue" revenue is recognized when the services delivered/provided net of discounts and applicable duties and taxes, if any. Revenue arises from the provision of services where these activities give rise to economic benefits received and receivable by the company.

### **3.15 Other 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 BAS 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 Bangladesh Accounting Standard BAS-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.





10 Property, plant and equipment - at revalued model

	Amount in Taka							
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliances	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
<b>At revalued amount</b>								
Balance as on 01 July 2016	1,434,250,406	754,610,639	79,328,707	361,415,581	41,470,969	96,101,322	60,461,516	2,827,639,140
Additions during the year	-	206,492	2,702,252	6,730,080	6,995,549	63,530	140,600	16,838,503
Disposals/Adjustments during the year	-	-	-	-	(2,711,643)	-	-	(2,711,643)
<b>Balance as at 30 June 2017</b>	<b>1,434,250,406</b>	<b>754,817,131</b>	<b>82,030,959</b>	<b>368,145,661</b>	<b>45,754,875</b>	<b>96,164,852</b>	<b>60,602,116</b>	<b>2,841,766,000</b>
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	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>1,434,250,406</b>	<b>754,968,710</b>	<b>84,940,577</b>	<b>374,067,010</b>	<b>45,754,875</b>	<b>96,353,364</b>	<b>60,888,195</b>	<b>2,851,223,137</b>
<b>Accumulated depreciation</b>								
Balance as on 01 July 2016	-	136,924,474	38,291,460	184,149,799	16,455,448	26,957,636	31,477,564	434,256,381
<b>Depreciation Rate</b>		<b>2%</b>	<b>5%</b>	<b>5%-10%</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	
Charged for the year	-	12,241,849	2,058,451	11,330,914	2,723,154	3,381,087	1,419,066	33,154,521
Adjustment for disposals during the year	-	-	-	-	(765,899)	-	-	(765,899)
<b>Balance as at 30 June 2017</b>	<b>-</b>	<b>149,166,323</b>	<b>40,349,911</b>	<b>195,480,713</b>	<b>18,412,703</b>	<b>30,338,723</b>	<b>32,896,630</b>	<b>466,645,003</b>
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
<b>Depreciation Rate</b>		<b>2%</b>	<b>5%</b>	<b>5%-10%</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	
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 year	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>-</b>	<b>161,170,224</b>	<b>42,451,904</b>	<b>206,599,517</b>	<b>21,025,019</b>	<b>33,560,226</b>	<b>34,253,073</b>	<b>499,059,963</b>
<b>Carrying amount</b>								
As at 30 June 2017	1,434,250,406	605,650,808	41,681,048	172,664,948	27,942,172	65,826,129	27,705,486	2,375,120,997
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

Note(s)	01 July 2017 to 30 June 2018		01 July 2016 to 30 June 2017	
	Taka	Taka	Taka	Taka
25.01	26,337,155	26,938,048		
26.00	6,077,805	6,216,473		
	<b>32,414,960</b>	<b>33,154,521</b>		

**Depreciation allocated to:**

Cost of sales  
Administrative expenses



11. Property, plant and equipment - at cost model

	Amount in Taka							
	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliances	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
<b>At cost</b>								
Balance as on 01 July 2016	205,836,564	754,610,639	79,328,707	361,415,581	41,470,969	96,101,322	60,461,516	1,599,225,298
Additions during the year	-	206,492	2,702,252	6,730,080	6,995,549	63,530	140,600	16,838,503
Disposals/Adjustments during the year	-	-	-	-	(2,711,643)	-	-	(2,711,643)
<b>Balance as at 30 June 2017</b>	<b>205,836,564</b>	<b>754,817,131</b>	<b>82,030,959</b>	<b>368,145,661</b>	<b>45,754,875</b>	<b>96,164,852</b>	<b>60,602,116</b>	<b>1,613,352,158</b>
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	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>205,836,564</b>	<b>754,968,710</b>	<b>84,940,577</b>	<b>374,067,010</b>	<b>45,754,875</b>	<b>96,353,364</b>	<b>60,888,195</b>	<b>1,622,809,295</b>
<b>Accumulated depreciation</b>								
Balance as on 01 July 2016	-	136,924,474	38,291,460	184,149,799	16,455,448	26,957,636	31,477,564	434,256,381
<b>Depreciation Rate</b>	-	<b>2%</b>	<b>5%</b>	<b>5%-10%</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	-
Charged for the year	-	12,241,849	2,058,451	11,330,914	2,723,154	3,381,087	1,419,066	33,154,521
Adjustment for disposals during the year	-	-	-	-	(765,899)	-	-	(765,899)
<b>Balance as at 30 June 2017</b>	<b>-</b>	<b>149,166,323</b>	<b>40,349,911</b>	<b>195,480,713</b>	<b>18,412,703</b>	<b>30,338,723</b>	<b>32,896,630</b>	<b>466,645,003</b>
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
<b>Depreciation Rate</b>	-	<b>2%</b>	<b>5%</b>	<b>5%-10%</b>	<b>10%</b>	<b>5%</b>	<b>5%</b>	-
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 year	-	-	-	-	-	-	-	-
<b>Balance as at 30 June 2018</b>	<b>-</b>	<b>161,170,224</b>	<b>42,451,904</b>	<b>206,599,517</b>	<b>21,025,019</b>	<b>33,560,226</b>	<b>34,253,073</b>	<b>499,059,963</b>
<b>Carrying amount</b>								
As at 30 June 2017	205,836,564	605,650,808	41,681,048	172,664,948	27,342,172	65,826,129	27,705,486	1,146,707,155
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



		30 June 2018	30 June 2017
	Note(s)	Taka	Taka
<b>5.00 Capital Work in Progress</b>			
Opening balance		-	-
Add: Addition during the year	5.01	171,364,461	-
Less: Capitalized during the year		-	-
<b>Closing balance</b>		<b>171,364,461</b>	<b>-</b>

**5.01 Details of capital work-in-progress**

Particulars	Opening Balance	Additions during the year	Capitalized during the Year	Balance as on 30 June 2018	Balance as on 30 June 2017
Civil Works	-	165,683,734	-	165,683,734	-
Lift and Generator	-	650,808	-	650,808	-
Machineries and Equipment	-	5,029,919	-	5,029,919	-
	<b>-</b>	<b>171,364,461</b>	<b>-</b>	<b>171,364,461</b>	<b>-</b>

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

		30 June 2018	30 June 2017
	Note(s)	Taka	Taka
<b>6.00 Intangible assets</b>			
Software (ERP Tally)	6.01	29,843	39,795
Hotel Management Software	6.01	1,612,419	1,934,899
		<b>1,642,262</b>	<b>1,974,694</b>

**6.01 Intangible assets schedule**

	Software (ERP Tally)	Hotel Management Software	30 June 2018	30 June 2017
			Taka	Taka
<b>Cost</b>				
Opening balance	100,000	3,471,560	3,571,560	3,571,560
Add: Addition during the year	-	-	-	-
<b>Closing balance</b>	<b>100,000</b>	<b>3,471,560</b>	<b>3,571,560</b>	<b>3,571,560</b>
<b>Accumulated amortisation</b>				
Opening balance	60,205	1,536,661	1,596,866	1,264,433
Add: Charged during the year	9,952	322,480	332,432	332,433
<b>Closing balance</b>	<b>70,157</b>	<b>1,859,141</b>	<b>1,929,298</b>	<b>1,596,866</b>
<b>Carrying amount</b>	<b>29,843</b>	<b>1,612,419</b>	<b>1,642,262</b>	<b>1,974,694</b>

		30 June 2018	30 June 2017
	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>

**7.01 Investments in non-tradable shares at cost**

	Quantity	30 June 2018	30 June 2017
		Taka	Taka
Lanka Bangla Securities Limited	73,370	3,750,000	3,750,000
Energy Prima Limited	25,000	2,375,000	2,375,000
		<b>6,125,000</b>	<b>6,125,000</b>

		30 June 2018	30 June 2017
	Note(s)	Taka	Taka
<b>8.00 Inventories</b>			
Food	8.01	6,850,076	14,583,810
House keeping materials	8.02	2,030,940	4,555,325
Printing and stationeries	8.03	1,401,870	1,199,780
Beverage	8.04	5,121,785	4,847,937
Stores & Spares	25.03	1,409,467	1,748,991
		<b>16,814,138</b>	<b>26,935,843</b>



	Note(s)	30 June 2018	30 June 2017
		Taka	Taka
<b>8.01 Food</b>			
Opening balance		14,583,810	13,607,112
Add: Purchased during the year		64,306,478	62,002,049
<b>Available for consumption</b>		<b>78,890,288</b>	<b>75,609,161</b>
Less: Consumed during the year		(72,040,212)	(61,025,351)
<b>Closing balance</b>		<b>6,850,076</b>	<b>14,583,810</b>
<b>8.02 House keeping materials</b>			
Opening balance		4,555,325	2,543,800
Add: Purchased during the year		8,837,738	10,411,262
<b>Available for consumption</b>		<b>13,393,063</b>	<b>12,955,062</b>
Less: Consumed during the year		(11,362,123)	(8,399,737)
<b>Closing balance</b>		<b>2,030,940</b>	<b>4,555,325</b>
<b>8.03 Printing and stationeries</b>			
Opening balance		1,199,780	1,171,538
Add: Purchased during the year		878,935	832,881
<b>Available for consumption</b>		<b>2,078,715</b>	<b>2,004,419</b>
Less: Consumed during the year		(676,845)	(804,639)
<b>Closing balance</b>		<b>1,401,870</b>	<b>1,199,780</b>
<b>8.04 Beverage</b>			
Opening balance		4,847,937	5,861,268
Add: Purchased during the year		3,638,399	-
<b>Available for consumption</b>		<b>8,486,336</b>	<b>5,861,268</b>
Less: Consumed during the year		(3,364,551)	(1,013,331)
<b>Closing balance</b>		<b>5,121,785</b>	<b>4,847,937</b>
<b>9.00 Accounts receivable</b>			
Opening Balance		39,761,375	32,971,929
Add: Services rendered on credit during the year		123,298,161	161,908,059
Less: Realised during the Year		(134,542,591)	(155,118,613)
<b>Closing Balance</b>		<b>28,516,945</b>	<b>39,761,375</b>
<b>9.01 Ageing of accounts receivable</b>			
Dues within 6 Months		22,262,107	36,440,553
Dues over 6 months		6,254,838	3,320,822
		<b>28,516,945</b>	<b>39,761,375</b>
<b>9.02 Accounts receivable - Classification by security and related party:</b>			
Receivable considered good and secured		-	-
Receivable considered good without security		28,516,945	39,761,375
Receivable considered doubtful or bad		-	-
Receivable due by directors or other officers		-	-
Receivable due from companies under same management		-	-
Maximum receivable due by directors or officers at any time		-	-
<b>10.00 Interest receivable</b>			
Interest receivable on Fixed Deposits (FDR)		14,566,055	12,464,049
		<b>14,566,055</b>	<b>12,464,049</b>
<b>11.00 Advances, deposits and prepayments</b>			
Advances	11.01	163,324,059	178,335,296
Deposits	11.02	11,726,591	14,997,022
Prepayments	11.03	7,956,153	5,527,375
		<b>183,006,803</b>	<b>198,859,693</b>



	Note(s)	30 June 2018 Taka	30 June 2017 Taka
<b>11.01 Advances</b>			
Advance income tax	11.01.01	103,915,216	173,979,043
Advance to suppliers		8,272,475	1,154,168
The Peninsula Chittagong Airport Garden Hotel		2,160,733	2,376,465
Lankabangla securities Limited		43,561	47,267
ICB Securities Trading Company Limited		1,000	-
Advance for Supplementary Duty		151,305	197,530
VAT current account		100,241	29,157
Advance against salary		413,008	551,666
Advance to Khulna Development Authority		48,266,520	-
		<b>163,324,059</b>	<b>178,335,296</b>
<b>11.01.01 Advance income tax</b>			
Opening balance		173,979,043	150,036,272
Add: Paid) deducted during the year		12,984,713	23,942,771
Less: Adjusted during the year		(83,048,540)	-
Closing balance		<b>103,915,216</b>	<b>173,979,043</b>
<b>11.02 Deposits</b>			
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
Khulna Development Authority		-	8,266,520
Bangladesh Water Development Board		4,986,225	-
Shah Amanat International Airport		52,218	42,354
Chittagong WASA		80,000	80,000
		<b>11,726,591</b>	<b>14,997,022</b>
<b>11.03 Prepayments</b>			
Prepaid insurance		969,805	611,125
Prepaid lease rent		6,571,015	4,916,250
Prepaid rent for car parking stall		65,333	-
Prepaid expense		350,000	-
		<b>7,956,153</b>	<b>5,527,375</b>

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.

		30 June 2018 Taka	30 June 2017 Taka
<b>12.00 Short term investments</b>			
Investment in Fixed Deposit Receipts (FDR)	12.01	1,531,878	1,456,715
Investment in tradable securities at fair value	12.02	9,058,663	11,633,410
		<b>10,590,541</b>	<b>13,090,125</b>
<b>12.01 Investment in Fixed Deposit Receipts (FDR)</b>			
<b>Name of banks</b>	<b>Purpose</b>	<b>Tenure</b>	<b>Rate of interest</b>
AB Bank Limited	Investment	12 Months	8.50%
		<b>1,531,878</b>	<b>1,456,715</b>
		<b>1,531,878</b>	<b>1,456,715</b>
<b>12.02 Investment in tradable securities at fair value</b>			
Opening balance		11,633,410	9,802,530
Add/(less): Changes in fair value of tradable securities		(2,574,747)	1,830,880
Closing balance		<b>9,058,663</b>	<b>11,633,410</b>



Particulars	30 June 2018			30 June 2017
	Quantity	Fair value	Increase/ (Decrease) in Fair value	Fair value
ACI Limited	18,150	6,312,570	(2,209,680)	8,522,250
Beximco pharma Limited	15,750	1,478,925	(300,825)	1,779,750
First Security Bank Limited	4,750	56,128	(6,242)	62,370
Unique Hotel & Resort Limited	23,200	1,211,040	(58,000)	1,269,040
		<u>9,058,663</u>	<u>(2,574,747)</u>	<u>11,633,410</u>

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

13.00 Cash and cash equivalents	Note(s)	30 June 2018	30 June 2017
		Taka	Taka
Cash in hand		721,067	955,738
Cash at banks	13.01	27,860,292	21,079,368
Fixed Deposit Receipts	13.02	1,000,000,000	1,150,000,000
		<u>1,028,581,359</u>	<u>1,172,035,106</u>

#### 13.01 Cash at banks

Name of the Banks	Branches	Account Type		
AB Bank Limited	CDA Avenue	CD	1,039,570	1,043,220
AB Bank Limited	CDA Avenue	SND	1,175,570	11,240
AB Bank Limited	CDA Avenue	CD	150	775
AB Bank Limited	CDA Avenue	SND	1,494,740	1,202,908
AB Bank Limited	CDA Avenue	CD	43,761	28,562
Bank Al-falah Limited	Agrabad	MPA	3,267,579	3,191,958
Brac Bank Limited	Kazir Dhewri	Credit Card	172,263	357,735
Brac Bank Limited	Kazir Dhewri	CD	697,478	631,630
Dutch Bangla Bank Limited	Agrabad	FCY	66,853	-
Eastern Bank Limited	Agrabad	Credit Card	229,541	-
Eastern Bank Limited	Agrabad	FCY	200,871	230,946
Eastern Bank Limited	Agrabad	FCY	29,655	29,267
Eastern Bank Limited	Agrabad	FCY	5,387	5,219
Eastern Bank Limited	Agrabad	HPA	8,182,309	12,158,144
Eastern Bank Limited	O.R Nizam Road	STD	510,930	434,412
Mutual Trust Bank Limited	CDA Avenue	SND	2,044,713	2,045,130
National Bank Limited	CDA Avenue	CD	5	-
Prime Bank Limited	O.R Nizam Road	CD	617,971	619,621
Standard Chartered Bank	Nasirabad	CD	761	1,911
Standard Bank Limited	CDA Avenue	CD	137,945	139,475
The City Bank Limited	O.R Nizam Road	CD	1,752,343	2,056,312
The City Bank Limited	O.R Nizam Road	Credit Card	429,829	495,623
The Premier Bank Limited	O.R Nizam Road	CD	(1,338,965)	(4,667,103)
The Premier Bank Limited	O.R Nizam Road	CD	4,173,235	-
United Commercial Bank Limited	Jubilee Road	SND	1,482	2,581
United Commercial Bank Limited	Kamal Bazar	SND	2,924,316	1,059,802
			<u>27,860,292</u>	<u>21,079,368</u>

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)

Name of banks	Purpose	Tenure	Rate of interest	30 June 2018	30 June 2017
				Taka	Taka
The Premier Bank Limited	Investment	3 months	9.50%	1,000,000,000	1,150,000,000
				<u>1,000,000,000</u>	<u>1,150,000,000</u>

Fixed Deposits of Tk. 150,000,000 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

3,000,000,0003,000,000,000**Issued, Subscribed and Paid-up capital:**

250,000 Ordinary Shares of Tk.10 each issued in cash	2,500,000	2,500,000
9,000,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	90,000,000	90,000,000
23,125,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	231,250,000	231,250,000
12,950,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	129,500,000	129,500,000
12,691,000 Ordinary Shares of Tk.10 each issued as Bonus Shares	126,910,000	126,910,000
55,000,000 Ordinary Shares of Tk.10 each issued in cash issued through Initial Public Offering (IPO)	550,000,000	550,000,000
5,650,800 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	56,508,000	56,508,000
<b>118,666,800</b> Ordinary Shares of Tk 10 each	<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	19,814	3,930,917	3.31%
From 500 to 5,000	3,765	7,227,350	6.09%
From 5,001 to 10,000	660	5,006,461	4.22%
From 10,001 to 20,000	326	4,709,871	3.97%
From 20,001 to 30,000	103	2,572,717	2.17%
From 30,001 to 40,000	63	2,227,916	1.88%
From 40,001 to 50,000	36	1,675,526	1.41%
From 50,001 to 100,000	67	4,781,761	4.03%
From 100,001 to 1,000,000	55	15,602,502	13.15%
From 1,000,001 to above	15	70,931,779	59.77%
	<b>24,904</b>	<b>118,666,800</b>	<b>100%</b>

**14.02 Shareholding position**

<u>Name of shareholders</u>	<u>30 June 2018</u>		<u>30 June 2017</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 Hossain	6.62%	7,860,016	6.41%	7,610,016
Mrs. Ayesha Sultana	4.70%	5,573,344	4.36%	5,173,344
Mr. Mahboob Ur Rahman	2.57%	3,045,840	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 Public	60.95%	72,338,368	61.50%	72,988,368
	<b>100.00%</b>	<b>118,666,800</b>	<b>100.00%</b>	<b>118,666,800</b>

**15.00 Retained earnings**

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
Opening balance	174,844,703	231,185,866
Add: Net profit after tax for the year	74,153,171	62,325,637
Less: Dividend paid	(59,333,400)	(118,666,800)
	<b>189,664,474</b>	<b>174,844,703</b>

**16.00 Revaluation surplus**

<u>30 June 2018</u>	<u>30 June 2017</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>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
Opening balance	49,495,635	35,269,336
Add: Provision made during the year	11,776,759	14,226,299
Closing balance	<u>61,272,394</u>	<u>49,495,635</u>

**17.01 Reconciliation of deferred tax liabilities/ (assets)**

	<u>Carrying amount</u>	<u>Tax base</u>	<u>Tax rate</u>	<u>Taxable/ (Deductible) temporary difference</u>	<u>Deferred tax liabilities/ (assets)</u>
	<u>Taka</u>	<u>Taka</u>	<u>Percentage</u>	<u>Taka</u>	<u>Taka</u>
Property, plant and equipment (except land)	917,912,768	672,260,297	25%	245,652,471	61,413,118
Intangible assets	1,642,262	1,777,224	25%	(134,962)	(33,741)
Investment in tradable securities	9,058,663	10,128,492	10%	(1,069,829)	(106,983)
<b>Total deferred tax liabilities</b>					<u>61,272,394</u>

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>18.00 Accounts payable</b>		
Opening balance	34,280,963	38,689,723
Add: Goods/services purchased on credit during the year	364,745,965	221,079,394
Less: Paid during the year	(351,262,443)	(225,488,154)
Closing balance	<u>47,764,485</u>	<u>34,280,963</u>

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>19.00 Short term borrowings</b>		
Cash credit (Hypo) and Overdraft	12,027,067	17,575,284
	<u>12,027,067</u>	<u>17,575,284</u>

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>19.01 Borrowings against CC (Hypo) and Overdraft</b>		
	1,965,597	819,038
	10,061,470	16,756,246
	<u>12,027,067</u>	<u>17,575,284</u>

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>20.00 Lease finance</b>		
Opening balance	583,586	1,145,482
Add: Interest and other charges during the year	48,917	141,804
Less: Paid during the year	(632,503)	(703,700)
Closing balance	<u>-</u>	<u>583,586</u>

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>20.01 Lease finance - Maturity analysis</b>		
Due within one year	-	583,586
Due after one year	-	-
	<u>-</u>	<u>583,586</u>

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>20.02 Details of lease finance</b>		
The Premier Bank Limited	-	583,586
	<u>-</u>	<u>583,586</u>





**The Premier Bank Limited, O. R. Nizam Road Branch**

Total sanctioned amount : Tk. 21 Lac  
 Purpose : Lease for Motor Vehicle  
 Interest rate : 15% (Revised from time to time)  
 Payment method : The loan is repayable in 48 (Forty Eight) equal monthly installments.  
 Tenure : Four years  
 Securities : i) 48 MICR cheques covering the total payment through monthly rental payment.  
 ii) Personal guarantee from the Director

				Note(s)	30 June 2018 Taka	30 June 2017 Taka
<b>21.00 Provision for income tax</b>						
Opening balance					93,348,411	83,048,540
Add: Provision made during the year					13,667,552	10,299,871
					<u>107,015,963</u>	<u>93,348,411</u>
Less: Paid/adjusted during the year					(83,048,540)	-
<b>Closing balance</b>					<u><b>23,967,423</b></u>	<u><b>93,348,411</b></u>
<b>22.00 Unclaimed dividend</b>						
Opening balance					5,627,026	4,754,647
Add: Provision made during the year					59,333,400	118,666,800
Less: Paid during the year					(57,567,630)	(117,794,421)
					<u>7,392,796</u>	<u>5,627,026</u>
	<b>Year</b>	<b>Balance as on 01 July 2017</b>	<b>Provision</b>	<b>Payment</b>		
	2013-2014	2,816,930	-	(9,010)	2,807,920	2,816,930
	2014-2015	1,883,911	-	(29,889)	1,854,022	1,883,911
	2015-2016	926,185	-	(19,814)	906,371	926,185
	2016-2017	-	59,333,400	(57,508,917)	1,824,483	-
		<u>5,627,026</u>	<u>59,333,400</u>	<u>(57,567,630)</u>	<u>7,392,796</u>	<u>5,627,026</u>
<b>23.00 Provision for WPPF and Welfare Fund</b>						
Opening Balance					4,571,148	8,090,308
Add: Provision made for the year					5,241,973	4,571,148
					<u>9,813,121</u>	<u>12,661,456</u>
Less: Paid during the year					(4,571,148)	(8,090,308)
<b>Closing Balance</b>					<u><b>5,241,973</b></u>	<u><b>4,571,148</b></u>
					<b>01 July 2017 to 30 June 2018</b>	<b>01 July 2016 to 30 June 2017</b>
				Note(s)	Taka	Taka
<b>24.00 Revenue</b>						
Rooms					108,012,456	112,414,646
Food & Beverages					136,052,775	123,967,129
Minor Operating Department					18,425,664	22,786,716
Space Rent					1,794,350	9,620,618
					<u>264,285,245</u>	<u>268,789,109</u>
<b>25.00 Cost of sales</b>						
Cost of sales				25.01	189,133,140	172,253,226
					<u>189,133,140</u>	<u>172,253,226</u>
<b>25.01 Cost of sales</b>						
Cost of materials					75,404,763	62,038,682
Complementary guest service					2,609,694	2,370,760
Depreciation				4.00	26,337,155	26,938,048
Function and amenities					2,302,297	2,569,420
House keeping expenses					11,362,123	9,399,737
Packet and packing materials					423,984	864,381
Purchased services					515,744	599,797
Repair and maintenance				25.04	5,393,535	5,504,358
Salary, wages, bonus and benefits					44,457,950	42,489,128
Staff uniform					1,845,006	2,060,986
Utility and fuel expenses					18,480,889	17,417,929
					<u>189,133,140</u>	<u>172,253,226</u>



25.02 Cost of sales

Particulars	Note(s)	30 June 2018					30 June 2017	
		Room	Food & Beverage	Minor Operating Department	Rental	Total	Total	
		Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost of materials		-	73,579,129	1,825,634	-	75,404,763	62,038,682	
Complementary guest service		1,826,786	782,908	-	-	2,609,694	2,370,760	
Depreciation		19,338,193	4,820,512	1,704,301	474,149	26,337,155	26,938,048	
Function and amenities		-	2,302,297	-	-	2,302,297	2,569,420	
House keeping expenses		7,996,792	2,692,265	673,066	-	11,362,123	9,399,737	
Packet and packing materials		211,992	211,992	-	-	423,984	864,381	
Purchased services		515,744	-	-	-	515,744	599,797	
Repair and maintenance	25.04	3,775,475	1,348,384	215,741	53,935	5,393,535	5,504,358	
Salary, wages, bonus and benefits		24,451,872	18,672,339	1,333,739	-	44,457,950	42,489,128	
Staff uniform		996,303	664,202	184,501	-	1,845,006	2,060,986	
Utility and fuel expenses		13,491,049	1,848,089	3,141,751	-	18,480,889	17,417,929	
		<b>72,604,206</b>	<b>106,922,117</b>	<b>9,078,733</b>	<b>528,084</b>	<b>189,133,140</b>	<b>172,253,226</b>	

25.03 Repair and maintenance

Particulars	30 June 2018				30 June 2017	
	Opening Inventory of Stores & Spares	Purchase	Closing Inventory of Stores & Spares	Expenses	Total	
	Taka	Taka	Taka	Taka	Taka	Taka
Building	850,000	506,670	609,126	747,544	572,316	1,078,682
Machineries	-	1,685,840	441,350	1,244,490	1,995,309	227,724
General	898,991	1,298,881	278,991	1,918,881	862,496	337,536
Kitchen equipment	-	242,442	-	242,442	598,829	178,498
Vehicles	-	879,190	80,000	799,190	1,409,467	5,862,538
Lifts	-	132,664	-	132,664	-	-
Computers	-	598,829	-	598,829	-	-
Electrical goods	-	178,498	-	178,498	-	-
	<b>1,748,991</b>	<b>5,523,014</b>	<b>1,409,467</b>	<b>5,862,538</b>	<b>1,409,467</b>	<b>5,982,998</b>

25.04 Allocation of Repair and Maintenance Expense

Note(s)	30 June 2018	30 June 2017	
	Taka	Taka	Taka
Cost of sales	5,393,535	5,504,358	478,640
Administrative expenses	469,003	478,640	5,982,998
	<b>5,862,538</b>	<b>5,982,998</b>	<b>5,982,998</b>



	Note(s)	01 July 2017	01 July 2016	
		to 30 June 2018	to 30 June 2017	
		Taka	Taka	
<b>26.00 Administrative expenses</b>				
Salaries and allowances		16,443,352	14,810,363	
Director's remuneration	26.01	6,815,000	6,810,000	
Annual general meeting expenses		1,303,240	1,408,367	
Association and membership fees		84,200	121,750	
Audit fee		345,000	345,000	
Lease rental of The Peninsula Chittagong - Airport Garden Hotel		6,821,898	1,638,750	
Conveyance expenses		123,060	130,711	
Depreciation	4.00	6,077,805	6,216,473	
Amortisation	6.01	332,432	332,433	
Dhaka office expenses		1,474,870	1,515,845	
Entertainment expenses		734,000	930,563	
Fees and renewals		486,060	1,170,055	
Gift and donation		31,675	126,000	
Insurance expenses		1,234,752	2,096,005	
Legal fees and other professional charges		902,575	953,400	
Medical expenses		36,249	22,965	
Office expenses		182,595	1,537,679	
Printing and stationery		676,845	804,639	
Rating fee		200,000	200,000	
Regulatory fees		1,180,668	1,286,668	
Rent, rate and taxes		1,750,141	1,908,181	
Repair and maintenance	25.04	469,003	478,640	
Staff uniform		205,000	258,821	
Telephone and communication		806,181	883,423	
Tours and travel expenses		867,876	571,245	
Utility and fuel expenses		4,620,222	4,354,482	
		<b>54,204,699</b>	<b>50,912,458</b>	
<b>26.01 Directors' Remuneration</b>				
<u>Details of Directors' remuneration paid during the period are as follows:</u>				
Director's Name	Relationship	Remuneration	Board Meeting	Gross
		Taka	Fee	Remuneration
Mr. Mahboob Ur Rahman	Chairman	2,400,000	22,500	2,422,500
Mr. Mustafa Tahseen Arshad	Managing Director	4,020,000	15,000	4,035,000
Mrs. Ayesha Sultana	Director	300,000	12,500	312,500
Mrs. Bilkis Arshad	Director	-	7,500	7,500
Dr. Md. Fashiul Alam	Independent Director	-	22,500	22,500
Dr. Sheikh Md. Shafiul Azam	Independent Director	-	10,000	10,000
Mr. Kazi Sanaul Hoq	Nominated Director	-	5,000	5,000
		<b>6,720,000</b>	<b>95,000</b>	<b>6,815,000</b>
			<b>01 July 2017</b>	<b>01 July 2016</b>
			<b>to 30 June 2018</b>	<b>to 30 June 2017</b>
	Note(s)	Taka	Taka	Taka
<b>27.00 Selling and distribution expense</b>				
Advertisement			940,120	1,130,026
			<b>940,120</b>	<b>1,130,026</b>
<b>28.00 Finance costs</b>				
Interest on overdraft			4,259,264	14,431,506
Interest and other charges on lease finance	20.00		48,917	141,804
Foreign currency exchange (gain)/loss	28.01		(6,505)	(2,112)
Bank charges			2,727,321	2,090,689
			<b>7,028,997</b>	<b>16,661,887</b>



	01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
<b>28.01 Foreign currency exchange (gain)/ loss</b>		
Unrealized foreign currency translation (gain)/ loss	(6,505)	(2,112)
	<b>(6,505)</b>	<b>(2,112)</b>

This represents net (gain)/loss on translation of foreign currencies denominated assets/ liabilities into Bangladeshi Taka at the rate prevailing on reporting date.

	01 July 2017 to 30 June 2018 Taka	01 July 2016 to 30 June 2017 Taka
<b>29.00 Finance income</b>		
Interest on fixed deposit receipts	92,608,852	91,860,262
Interest on bank deposits	1,032,396	653,885
	<b>93,641,248</b>	<b>92,514,147</b>
<b>30.00 Non-operating income / (loss)</b>		
Dividend income on non-tradable securities	144,620	45,000
Dividend income on tradable securities	46,400	51,040
Sale of wastage	603,645	293,228
Loss on sale of property, plant and equipment	-	(490,744)
Changes in fair value of tradable securities	(2,574,747)	1,830,880
	<b>(1,780,082)</b>	<b>1,729,404</b>
<b>31.00 Reconciliation of cash generated by operations</b>		
Profit before income tax	99,597,482	86,851,807
Depreciation charged	32,414,960	33,154,521
Amortization charged	332,432	332,433
VAT Expenses	-	30,652,108
Loss on sale of property, plant and equipment	-	490,744
Changes in fair value of tradable securities	2,574,747	(1,830,880)
Dividend income	(191,020)	(96,040)
Finance Cost	7,028,997	16,661,887
Interest income on bank deposits	(1,032,396)	(653,885)
Interest income on Fixed Deposits (FDR)	(92,608,852)	(91,860,262)
(Increase)/ decrease in Inventory	10,121,705	(1,393,682)
(Increase)/ decrease in Accounts receivable	11,244,430	(6,789,446)
(Increase) / decrease in Advances, Deposits and Pre-payments	(54,172,733)	(7,162,305)
Increase / (decrease) in Accounts payables	13,483,522	(4,408,760)
Increase / (decrease) in provision of WPPF and WF	670,825	(3,519,160)
	<b>29,464,099</b>	<b>50,429,080</b>
<b>32.00 Earnings per share</b>		
<b>32.01 Basic earnings per share (EPS)</b>		
Profit attributable to the ordinary shareholders	74,153,171	62,325,637
Weighted Average number of shares outstanding during the year	118,666,800	118,666,800
<b>Basic earnings per share (EPS)</b>	<b>0.62</b>	<b>0.53</b>



	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>33.00 Net Asset Value Per Share (NAV)</b>		
Total Assets	3,813,370,738	3,846,366,882
Less: Liabilities	(157,666,138)	(205,482,053)
Net Asset Value (NAV)	<u>3,655,704,600</u>	<u>3,640,884,829</u>
Number of ordinary shares outstanding during the year	<u>118,666,800</u>	<u>118,666,800</u>
<b>Net Asset Value (NAV) per share</b>	<u><b>30.81</b></u>	<u><b>30.68</b></u>

	<u>01 July 2017</u>	<u>01 July 2016</u>
	<u>to 30 June 2018</u>	<u>to 30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>34.00 Net operating cash flow per share</b>		
Net operating cash flows (from statement of cash flows)	100,983,126	87,689,760
Number of ordinary shares outstanding during the year	<u>118,666,800</u>	<u>118,666,800</u>
<b>Net operating cash flow per share</b>	<u><b>0.85</b></u>	<u><b>0.74</b></u>

Net operating cash flows of comparative period has been reduced by Tk. 2,112 due to presenting effect of foreign exchange rate changes on cash and cash equivalents as separate line item as per para 28 of BAS 7.

	<u>30 June 2018</u>	<u>30 June 2017</u>
<b>35.00 Employees</b>		
Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	<u>253</u>	<u>244</u>
	<u><b>253</b></u>	<u><b>244</b></u>

During June 2018, total 219 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 party in the normal course of business and on arms length basis. The name of the related party, nature of transactions and balances on reporting date have been set in accordance with the provisions of BAS 24.

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

Name of party	Relationship	Nature of Transactions	Outstanding as on 30 June 2018		Mode of Transaction
Sayeman Beach Resort Limited	Common Directorship	Revenue	3,881,440	Dr.	Market price /Negotiated price

**37.00 Service rendering capacity and current utilization**

Description	01 July 2017 to 30 June 2018			01 July 2016 to 30 June 2017		
	Capacity (Room per year)	Utilization during the year	Utilization (%)	Capacity (Room per year)	Utilization during the year	Utilization (%)
Guest Room	52,560	27,580	52.47%	52,560	28,182	53.62%

**38.00 Attendance status of Directors in Board Meetings**

During the year ended 30 June 2018, nine (09) 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	09	09
Mr. Mustafa Tahseen Arshad	Managing Director	09	06
Mrs. Ayesha Sultana	Director	09	05
Mrs. Bilkis Arshad	Director	09	03
Dr. Md. Fashiul Alam	Independent Director	09	09
Dr. Sheikh Md. Shafiul Azam	Independent Director	09	04
Mr. Kazi Sanaul Hoq	Nominated Director	09	02

**39.00 Contingent liabilities and Commitments****39.01 Contingencies**

A writ petition (no. 8924 of 2014) was filed before the High Court Division (HCD) of the Honorable Supreme Court of Bangladesh (SCB) challenging the order dated 25 August 2014 (issued on 03 September 2014) passed by the Customs, Excise and VAT Appellate Tribunal in file no. CEVT.Case(VAT)-74/2014 demanding payment of Tk. 137,466,731. While filing the writ petition the company had to deposit Tk. 13,746,673 with government treasury being 10% of the demand amount. The Honorable HCD after hearing the case referred back to the Commissioner of VAT for a negotiated settlement with the company. Subsequently the Commissioner of VAT has settled the claim at Tk. 30,652,108 vide order no: 83/2016 on 08 September 2016 under section 55(3) of Value added tax law 1991. The claim amount has duly been paid and charged in the profit or loss during at the year ended on 30 June 2017.

**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 2018 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 06 September 2018 has recommended 5% cash dividend for the year ended 30 June 2018.



#### 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.	Carrying amount						Total
		Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	
		Taka	Taka	Taka	Taka	Taka	Taka	
<b>30 June 2018</b>								
<b>Financial assets measured at fair value</b>								
Investment in tradable securities at fair value	12.02	9,058,663	-	-	-	-	9,058,663	
<b>Financial assets not measured at fair value</b>								
Investments in non-tradable shares at cost	7.01	-	-	-	6,125,000	-	6,125,000	
Accounts and other receivables	9 & 10	-	-	43,083,000	-	-	43,083,000	
Deposits	11.02	-	-	11,726,591	-	-	11,726,591	
Investments in FDRs	12.01 & 13.02	-	-	-	1,001,531,878	-	1,001,531,878	
Cash at banks	13.01	-	-	27,860,292	-	-	27,860,292	
		-	-	<b>82,669,883</b>	<b>1,007,656,878</b>	-	<b>1,090,326,761</b>	
<b>Financial liabilities not measured at fair value</b>								
Lease finance	20	-	-	-	-	-	-	
Accounts payables	18	-	-	-	-	47,764,485	47,764,485	
Short term borrowings	19	-	-	-	-	12,027,067	12,027,067	
		-	-	-	-	<b>59,791,552</b>	<b>59,791,552</b>	
		-	-	-	-	-	-	
		11,633,410	-	-	-	-	11,633,410	
<b>30 June 2017</b>								
<b>Financial assets measured at fair value</b>								
Investment in tradable securities at fair value	12.02	-	-	-	-	-	-	
<b>Financial assets not measured at fair value</b>								
Investments in non-tradable shares at cost	7.01	-	-	-	6,125,000	-	6,125,000	
Accounts and other receivables	9 & 10	-	-	52,225,424	-	-	52,225,424	
Deposits	11.02	-	-	14,997,022	-	-	14,997,022	
Investments in EDRs	12.01 & 13.02	-	-	-	1,151,456,715	-	1,151,456,715	
Cash at banks	13.01	-	-	21,079,368	-	-	21,079,368	
		-	-	<b>88,301,814</b>	<b>1,157,581,715</b>	-	<b>1,245,883,529</b>	
<b>Financial liabilities not measured at fair value</b>								
Lease finance	20	-	-	-	-	583,586	583,586	
Accounts payables	18	-	-	-	-	34,280,963	34,280,963	
Short term borrowings	19	-	-	-	-	17,575,284	17,575,284	
		-	-	-	-	<b>52,439,833</b>	<b>52,439,833</b>	



#### 42.00 Financial instruments- Financial risk management

Bangladesh Financial Reporting Standard BFRS 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 2018 Taka	30 June 2017 Taka
Investments in FDRs	12.01 & 13.02	1,001,531,878	1,151,456,715
Advances and deposits	11.01 & 11.02	175,050,650	193,332,318
Accounts and other receivables	9 & 10	43,083,000	52,225,424
Cash at banks	13.01	27,860,292	21,079,368
		<u>1,247,525,820</u>	<u>1,418,093,825</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 2018 Taka	30 June 2017 Taka
Dues within 6 Months	22,262,107	36,440,553
Dues over 6 months	6,254,838	3,320,822
	<u>28,516,945</u>	<u>39,761,375</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. 27,860,292 at 30 June 2018 ( 30 June 2017: Tk. 21,079,368), 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.

30 June 2018 Taka	30 June 2017 Taka
Nil	Nil
-	-

##### 42.01.02 Impairment losses

Impairment loss at the reporting date





#### 40.01.03 Credit exposure by credit rating

	As at 30 June 2018		
	Credit rating	Amount	(%)
Accounts receivable	NR	28,516,945	11.20%
Other receivables	NR	14,566,055	5.72%
Advances, deposits and prepayment	NR	183,006,803	71.86%
Cash and cash equivalents			
Cash in hand		721,067	0.28%
Cash at banks		27,860,292	10.94%
AB Bank Limited	A1	3,753,791	13.47%
Bank Al Falah Limited	AA	3,267,579	11.73%
Brac Bank Limited	AA1	869,741	3.12%
Eastern Bank Limited	AA+	8,929,152	32.05%
Mutual Trust Bank Limited	AA	2,044,713	7.34%
Prime Bank Limited	AA2	617,971	2.22%
Standard Chartered Bank	AAA	761	0.00%
Standard Bank Limited	AA	137,945	0.50%
The City Bank Limited	AA2	2,182,172	7.83%
The Premier Bank Limited	AA+	(1,338,965)	-4.81%
United Commercial Bank Limited	AA	2,925,798	10.50%

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

#### 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	
<b>As at 30 June 2018</b>	<b>Taka</b>		<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
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
	<b>67,184,348</b>		<b>67,184,348</b>	-	-	<b>67,184,348</b>

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			Total
			Within 12 months	1 to 5 years	More than 5 years	
<b>As at 30 June 2017</b>	<b>Taka</b>		<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
Lease finance	583,586	15%	583,586	-	-	583,586
Accounts payable	34,280,963	N/A	34,280,963	-	-	34,280,963
Short term borrowings	17,575,284	8.25%-11%	17,575,284	-	-	17,575,284
Unclaimed dividend	5,627,026	N/A	5,627,026	-	-	5,627,026
	<b>58,066,859</b>		<b>58,066,859</b>	-	-	<b>58,066,859</b>

#### 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. 229,409 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 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
<b>Fixed- rate instruments</b>		
Financial assets	1,001,531,878	1,151,456,715
Financial liabilities	12,027,067	18,158,870
	<u>1,013,558,945</u>	<u>1,169,615,585</u>
<b>Variable- rate instruments</b>		
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