THE PENINSULA CHITTAGONG LIMITED

FIRST QUARTER (Q1) FINANCIAL STATEMENTS
AS AT AND FOR THE QUARTER ENDED 30 SEPTEMBER 2018

AMAR STOCK

THE PENINSULA CHITTAGONG LIMITED

Statement of Financial Position

As at 30 September 2018

	Note(s)	30 September 2018 Taka	30 June 2018 Taka
Assets			
Non-current assets			
Property, plant and equipment	4	2,348,431,900	2,352,163,174
Capital Work in Progress	5	235,838,421	171,364,461
Intangible assets	6	1,559,154	1,642,262
Investments	7	6,125,000	6,125,000
Total non-current assets		**2,591,954,475**	**2,531,294,897**
Current assets			
Inventories	8	37,385,319	16,814,138
Accounts receivable	9	39,539,966	28,516,945
Interest receivable	10	12,535,526	14,566,055
Advances, deposits and prepayments	11	219,456,365	183,006,803
Short term investments	12	57,001,938	10,590,541
Cash and cash equivalents	13	975,725,589	1,028,581,359
Total current assets		**1,341,644,703**	**1,282,075,841**
Total assets		**3,933,599,178**	**3,813,370,738**
Equity and Liabilities			
Equity			
Share capital	14	1,186,668,000	1,186,668,000
Retained earnings	15	238,518,468	189,664,474
Share premium		1,050,958,284	1,050,958,284
Revaluation surplus	16	1,228,413,842	1,228,413,842
Total equity		**3,704,558,594**	**3,655,704,600**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	17	63,537,470	61,272,394
Total non-current liabilities		**63,537,470**	**61,272,394**
Current liabilities			
Accounts payable	18	36,772,368	47,764,485
Short term borrowings	19	73,912,443	12,027,067
Provision for income tax	20	38,722,128	23,967,423
Unclaimed dividend	21	7,387,161	7,392,796
Provision for WPPF and Welfare Fund	22	8,709,014	5,241,973
Total current liabilities		**165,503,114**	**96,393,744**
Total liabilities		**229,040,584**	**157,666,138**
Total equity and liabilities		**3,933,599,178**	**3,813,370,738**
Net Asset Value Per Share	32	**31.22**	**30.81**

The annexed notes 1 to 35 form an integral part of these financial statements.

Managing Director | Director | Chairman

Company Secretary | Chief Financial Officer

Chattogram, 28 October 2018

THE PENINSULA CHITTAGONG LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the quarter ended 30 September 2018

	Note(s)	01 July 2018 to 30 September 2018 Taka	01 July 2017 to 30 September 2017 Taka
Revenue	23	102,750,113	63,588,570
Cost of sales	24	(44,452,023)	(43,728,699)
Gross profit		**58,298,090**	**19,859,871**
Administrative expenses	25	(13,760,811)	(15,042,280)
Selling and distribution expense	26	(134,947)	(257,458)
Operating Profit		**44,402,332**	**4,560,133**
Finance costs	27	(1,093,203)	(1,744,820)
Finance income	28	23,613,257	21,613,436
Non-operating income/(loss)	29	2,418,430	1,078,368
Profit before tax and WPPF and Welfare Fund		**69,340,816**	**25,507,117**
Contribution to WPPF and Welfare Fund	22	(3,467,041)	(1,275,356)
Profit before tax		**65,873,775**	**24,231,761**
Income tax expenses:			
Current tax	20	(14,754,705)	(2,998,978)
Deferred tax	17	(2,265,076)	(2,583,141)
		(17,019,781)	(5,582,119)
Net profit after tax for the year		**48,853,994**	**18,649,642**
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
		-	-
Total comprehensive income		**48,853,994**	**18,649,642**
Earnings Per Share (Basic)	31	**0.41**	**0.16**

The annexed notes 1 to 35 form an integral part of these financial statements.

Managing Director | Director | Chairman

Company Secretary | Chief Financial Officer

Chattogram, 28 October 2018

THE PENINSULA CHITTAGONG LIMITED
Statement of Changes in Equity
For the quarter ended 30 September 2018

Amount in Taka

	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2017	1,186,668,000	1,050,958,284	1,228,413,842	174,844,703	3,640,884,829
Net Profit for the year ended 30 September 2017	-	-	-	18,649,642	18,649,642
Balance as at 30 September 2017	**1,186,668,000**	**1,050,958,284**	**1,228,413,842**	**193,494,345**	**3,659,534,471**
Balance as on 01 July 2018	1,186,668,000	1,050,958,284	1,228,413,842	189,664,474	3,655,704,600
Net Profit for the year ended 30 September 2018	-	-	-	48,853,994	48,853,994
Balance as at 30 September 2018	**1,186,668,000**	**1,050,958,284**	**1,228,413,842**	**238,518,468**	**3,704,558,594**

Managing Director | Director | Chairman

Company Secretary | Chief Financial Officer

Chattogram, 28 October 2018

AMARSTOCK

THE PENINSULA CHITTAGONG LIMITED

Statement of Cash Flows

For the quarter ended 30 September 2018

	Note(s)	01 July 2018 to 30 September 2018 Taka	01 July 2017 to 30 September 2017 Taka
a. Operating activities			
Receipts from customers against revenue		91,727,092	57,180,988
Receipts from other sources		6,208,334	33,973
Cash paid to suppliers		(69,569,293)	(38,565,563)
Cash paid for administrative, selling and distribution expenses		(45,375,014)	(57,922,364)
Cash generated by operations	30.00	**(17,008,881)**	**(39,272,966)**
Receipts from interest-Net		24,549,681	19,842,204
Income Tax paid		(3,399,653)	(4,230,480)
Net cash flows generated by operating activities		**4,141,147**	**(23,661,242)**
b. Investing activities			
Acquisition of property, plant and equipment		(70,659,617)	(1,835,496)
Proceeds from sale of property, plant and equipment		1,555,000	-
(Increase)/decrease in investments		(49,772,943)	-
Dividend received (net of tax)		-	79,696
Net cash flows used in investing activities		**(118,877,560)**	**(1,755,800)**
c. Financing activities			
Receipts /(repayments) of short term borrowings		61,885,376	37,773,958
Receipts /(repayments) of lease finance		-	(154,300)
Dividend paid		(5,635)	(37,630)
Net cash flows used in financing activities		**61,879,741**	**37,582,028**
d. Net increase in cash and cash equivalents (a+b+c)		**(52,856,672)**	**12,164,986**
e. Opening cash and cash equivalents		1,028,581,359	1,172,035,106
f. Effect of foreign exchange rate changes		902	-
g. Cash and cash equivalents at the end of the year (d+e+f)		**975,725,589**	**1,184,200,092**
Net operating cash flows per share	33.00	**0.03**	**(0.20)**

Managing Director | Director | Chairman

Company Secretary | Chief Financial Officer

Chattogram, 28 October 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 September 2018.
b) A statement of profit or loss and other comprehensive income for the year ended 30 September 2018.
c) A statement of changes in equity for the year ended 30 September 2018.
d) A statement of cash flows for the year ended 30 September 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 28 October 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: 20	Provision for income tax

2.12 Change in Accounting Estimates

For the year ended on 30 September 2018, 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 2018 & 30 September 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 first quarter commencing from 01 July 2018 to 30 September 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 September 2018 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30 June 2018 & 30 September 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.

CATEGORY OF ASSETS	RATE OF DEPRECIATION (%)
Hotel Building	**2%**
Plant and Machineries	**5%**
Equipment and Appliance	**5% - 10%**

• Office Equipment	10%
• Electrical Equipment	10%
• Air Conditioner	5%
• Kitchen Equipment	5%
• House Keeping Equipment	10%
• Bar Equipment	10%
• Security Equipment	10%
• Linen	10%
• SPA	5%
• Wooden Floor	5%
• Tumbler Drier	5%
Motor Vehicles	**10%**
Furniture & Fixtures	**5%**
Office Decoration	**5%**

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

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is 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".

Category	Valuation
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 Definded 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.

4.00 Property, plant and equipment - at revalued model

Amount in Taka

	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
At revalued amount								
Balance as on 01 July 2017	1,434,250,406	754,817,131	82,030,959	368,145,661	45,754,875	96,164,852	60,602,116	2,841,766,000
Additions during the year	-	151,579	2,909,618	5,921,349	-	188,512	286,079	9,457,137
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	**1,434,250,406**	**754,968,710**	**84,940,577**	**374,067,010**	**45,754,875**	**96,353,364**	**60,888,195**	**2,851,223,137**
Balance as on 01 July 2018	1,434,250,406	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	2,851,223,137
Additions during the year	-	1,849,026	-	1,312,870	1,760,000	-	1,263,761	6,185,657
Disposals/Adjustments during the year	-	-	-	-	(2,326,049)	-	-	(2,326,049)
Balance as at 30 September 2018	**1,434,250,406**	**756,817,736**	**84,940,577**	**375,379,880**	**45,188,826**	**96,353,364**	**62,151,956**	**2,855,082,745**
Accumulated depreciation								
Balance as on 01 July 2017	-	149,166,323	40,349,911	195,480,713	18,412,703	30,338,723	32,896,630	466,645,003
Depreciation Rate	-	***2%***	***5%***	***5%-10%***	***10%***	***5%***	***5%***	-
Charged for the year	-	12,003,901	2,101,993	11,118,804	2,612,316	3,221,503	1,356,443	32,414,960
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	**-**	**161,170,224**	**42,451,904**	**206,599,517**	**21,025,019**	**33,560,226**	**34,253,073**	**499,059,963**
Balance as on 01 July 2018	-	161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Depreciation Rate	-	***2%***	***5%***	***5%-10%***	***10%***	***5%***	***5%***	-
Charged for the year	-	2,972,977	528,899	2,720,838	589,169	781,648	340,042	7,933,573
Adjustment for disposals during year	-	-	-	-	(342,691)	-	-	(342,691)
Balance as at 30 September 2018	**-**	**164,143,201**	**42,980,803**	**209,320,355**	**21,271,497**	**34,341,874**	**34,593,115**	**506,650,845**
Carrying amount								
As at 30 June 2018	**1,434,250,406**	**593,798,486**	**42,488,673**	**167,467,493**	**24,729,856**	**62,793,138**	**26,635,122**	**2,352,163,174**
As at 30 September 2018	**1,434,250,406**	**592,674,535**	**41,959,774**	**166,059,525**	**23,917,329**	**62,011,490**	**27,558,841**	**2,348,431,900**

Depreciation allocated to:	Note(s)	01 July 2018 to 30 September 2018 Taka	01 July 2017 to 30 September 2017 Taka
Cost of sales	24.01	6,446,028	6,651,497
Administrative expenses	25.00	1,487,545	1,534,961
		7,933,573	**8,186,458**

4.01 Property, plant and equipment - at cost model

Amount in Taka

	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
At cost								
Balance as on 01 July 2017	205,836,564	754,817,131	82,030,959	368,145,661	45,754,875	96,164,852	60,602,116	1,613,352,158
Additions during the year	-	151,579	2,909,618	5,921,349	-	188,512	286,079	9,457,137
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	**205,836,564**	**754,968,710**	**84,940,577**	**374,067,010**	**45,754,875**	**96,353,364**	**60,888,195**	**1,622,809,295**
Balance as on 01 July 2018	205,836,564	754,968,710	84,940,577	374,067,010	45,754,875	96,353,364	60,888,195	1,622,809,295
Additions during the year	-	1,849,026	-	1,312,870	1,760,000	-	1,263,761	6,185,657
Disposals/Adjustments during the year	-	-	-	-	(2,326,049)	-	-	(2,326,049)
Balance as at 30 September 2018	**205,836,564**	**756,817,736**	**84,940,577**	**375,379,880**	**45,188,826**	**96,353,364**	**62,151,956**	**1,626,668,903**
Accumulated depreciation								
Balance as on 01 July 2017	-	149,166,323	40,349,911	195,480,713	18,412,703	30,338,723	32,896,630	466,645,003
Depreciation Rate	**-**	**2%**	**5%**	**5%-10%**	**10%**	**5%**	**5%**	**-**
Charged for the year	-	12,003,901	2,101,993	11,118,804	2,612,316	3,221,503	1,356,443	32,414,960
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2018	**-**	**161,170,224**	**42,451,904**	**206,599,517**	**21,025,019**	**33,560,226**	**34,253,073**	**499,059,963**
Balance as on 01 July 2018		161,170,224	42,451,904	206,599,517	21,025,019	33,560,226	34,253,073	499,059,963
Depreciation Rate	**-**	**2%**	**5%**	**5%-10%**	**10%**	**5%**	**5%**	**-**
Charged for the year	-	2,972,977	528,899	2,720,838	589,169	781,648	340,042	7,933,573
Adjustment for disposals during year	-	-	-	-	(342,691)	-	-	(342,691)
Balance as at 30 September 2018	**-**	**164,143,201**	**42,980,803**	**209,320,355**	**21,271,497**	**34,341,874**	**34,593,115**	**506,650,845**
Carrying amount								
As at 30 June 2018	**205,836,564**	**593,798,486**	**42,488,673**	**167,467,493**	**24,729,856**	**62,793,138**	**26,635,122**	**1,123,749,332**
As at 30 September 2018	**205,836,564**	**592,674,535**	**41,959,774**	**166,059,525**	**23,917,329**	**62,011,490**	**27,558,841**	**1,120,018,058**

		Note(s)	30 September 2018 Taka	30 June 2018 Taka
5.00	**Capital Work in Progress**			
	Opening balance		171,364,461	-
	Add: Addition during the year	5.01	64,473,960	171,364,461
	Less: Capitalized during the year		-	-
	Closing balance		**235,838,421**	**171,364,461**

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

		Note(s)	30 September 2018 Taka	30 June 2018 Taka
6.00	**Intangible assets**			
	Software (ERP Tally)	6.01	27,355	29,843
	Hotel Management Software	6.01	1,531,799	1,612,419
			1,559,154	**1,642,262**

6.01 Intangible assets schedule

	Software (ERP Tally)	Hotel Management Software	30 September 2018 Taka	30 June 2018 Taka
Cost				
Opening balance	100,000	3,471,560	3,571,560	3,571,560
Add: Addition during the year	-	-	-	-
Closing balance	**100,000**	**3,471,560**	**3,571,560**	**3,571,560**
Accumulated amortisation				
Opening balance	70,157	1,859,141	1,929,298	1,596,866
Add: Charged during the year	2,488	80,620	83,108	332,432
Closing balance	**72,645**	**1,939,761**	**2,012,406**	**1,929,298**
Carrying amount	**27,355**	**1,531,799**	**1,559,154**	**1,642,262**

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

7.01 Investments in non-tradable shares at cost

	Quantity		
Lanka Bangla Securities Limited	73,370	3,750,000	3,750,000
Energy Prima Limited	25,000	2,375,000	2,375,000
		6,125,000	**6,125,000**

		Note(s)	30 September 2018 Taka	30 June 2018 Taka
8.00	**Inventories**			
	Food	8.01	23,011,435	6,850,076
	House keeping materials	8.02	6,126,685	2,030,940
	Printing and stationeries	8.03	1,664,880	1,401,870
	Beverage	8.04	4,812,842	5,121,785
	Stores & Spares	24.03	1,769,477	1,409,467
			37,385,319	**16,814,138**

		Note(s)	30 September 2018 Taka	30 June 2018 Taka
8.01	**Food**			
	Opening balance		6,850,076	14,583,810
	Add: Purchased during the year		30,014,973	64,306,478
	Available for consumption		**36,865,049**	**78,890,288**
	Less: Consumed during the year		(13,853,614)	(72,040,212)
	Closing balance		**23,011,435**	**6,850,076**
8.02	**House keeping materials**			
	Opening balance		2,030,940	4,555,325
	Add: Purchased during the year		7,075,504	8,837,738
	Available for consumption		**9,106,444**	**13,393,063**
	Less: Consumed during the year		(2,979,759)	(11,362,123)
	Closing balance		**6,126,685**	**2,030,940**
8.03	**Printing and stationeries**			
	Opening balance		1,401,870	1,199,780
	Add: Purchased during the year		554,080	878,935
	Available for consumption		**1,955,950**	**2,078,715**
	Less: Consumed during the year		(291,070)	(676,845)
	Closing balance		**1,664,880**	**1,401,870**
8.04	**Beverage**			
	Opening balance		5,121,785	4,847,937
	Add: Purchased during the year		1,717,413	3,638,399
	Available for consumption		**6,839,198**	**8,486,336**
	Less: Consumed during the year		(2,026,356)	(3,364,551)
	Closing balance		**4,812,842**	**5,121,785**
9.00	**Accounts receivable**			
	Opening Balance		28,516,945	39,761,375
	Add: Services rendered on credit during the year		38,806,273	123,298,161
	Less: Realised during the Year		(27,783,252)	(134,542,591)
	Closing Balance		**39,539,966**	**28,516,945**
9.01	**Ageing of accounts receivable**			
	Dues within 6 Months		33,285,128	22,262,107
	Dues over 6 months		6,254,838	6,254,838
			39,539,966	**28,516,945**
9.02	**Accounts receivable - Classification by security and related party:**			
	Receivable considered good and secured		-	-
	Receivable considered good without security		39,539,966	28,516,945
	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		-	-
10.00	**Interest receivable**			
	Interest receivable on Fixed Deposits (FDR)		12,535,526	14,566,055
			12,535,526	**14,566,055**
11.00	**Advances, deposits and prepayments**			
	Advances	11.01	202,314,979	163,324,059
	Deposits	11.02	11,726,591	11,726,591
	Prepayments	11.03	5,414,795	7,956,153
			219,456,365	**183,006,803**

MARSTOCK

		Note(s)	30 September 2018 Taka	30 June 2018 Taka
11.01	**Advances**			
	Advance income tax	11.01.01	107,314,869	103,915,216
	Advance to suppliers		13,003,972	8,272,475
	The Peninsula Chittagong Airport Garden Hotel		2,160,733	2,160,733
	Lankabangla securities Limited		43,561	43,561
	ICB Securities Trading Company Limited		123,023	1,000
	Advance for Supplementary Duty		137,267	151,305
	VAT current account		711,867	100,241
	Advance against salary		709,667	413,008
	Advance to Khulna Development Authority		78,110,020	48,266,520
			202,314,979	**163,324,059**
11.01.01	**Advance income tax**			
	Opening balance		103,915,216	173,979,043
	Add: Paid/deducted during the year		3,399,653	12,984,713
	Less: Adjusted during the year		-	(83,048,540)
	Closing balance		**107,314,869**	**103,915,216**
11.02	**Deposits**			
	Bangladesh Telecommunications Company Limited		140,000	140,000
	Karnaphuli Gas Distribution Company Limited		1,069,148	1,069,148
	Bangladesh Power Development Board		285,000	285,000
	House rent deposit		89,000	89,000
	Rainbow CNG service station		25,000	25,000
	Chittagong Port Authority		5,000,000	5,000,000
	Bangladesh Water Development Board		4,986,225	4,986,225
	Shah Amanat International Airport		52,218	52,218
	Chittagong WASA		80,000	80,000
			11,726,591	**11,726,591**
11.03	**Prepayments**			
	Prepaid insurance		602,669	969,805
	Prepaid lease rent		4,772,126	6,571,015
	Prepaid rent for car parking stall		-	65,333
	Prepaid expense		40,000	350,000
			5,414,795	**7,956,153**

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

			30 September 2018 Taka	30 June 2018 Taka
12.00	**Short term investments**			
	Investment in Fixed Deposit Receipts (FDR)	12.01	1,531,878	1,531,878
	Investment in tradable securities at fair value	12.02	55,470,060	9,058,663
			57,001,938	**10,590,541**

12.01 Investment in Fixed Deposit Receipts (FDR)

Name of banks	Purpose	Tenure	Rate of interest		
AB Bank Limited	Investment	12 Months	8.50%	1,531,878	1,531,878
				1,531,878	**1,531,878**

12.02	**Investment in tradable securities at fair value**		
	Opening balance	9,058,663	11,633,410
	Add : Purchase of tradable securities	51,307,996	-
	less: Sale of of tradable securities	(1,535,053)	
	Add/(less): Changes in fair value of tradable securities	(3,361,546)	(2,574,747)
	Closing balance	**55,470,060**	**9,058,663**

12.02.01

Particulars	30 September 2018			30 June 2018
	Quantity	Fair value	Increase/ (Decrease) in Fair value	Fair value / Cost price
ACI Limited	18,150	6,171,000	(141,570)	6,312,570
Rangpur Foundry Limited.	264,850	43,753,220	(3,254,127)	47,007,347
Eastland Insurance Company Limited.	200,000	4,300,000	(649)	4,300,649
Unique Hotel & Resort Limited	23,200	1,245,840	34,800	1,211,040
		55,470,060	**(3,361,546)**	**58,831,606**

12.02.02

Particulars	Quantity	Sale value	Profit(Loss)	30 June 2018
				Fair value
Beximco pharma Limited	15,750	1,376,706	(102,219)	1,478,925
First Security Bank Limited	4,750	53,315	(2,813)	56,128
		1,430,021	**(105,032)**	**1,535,053**

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.

	Note(s)	30 September 2018 Taka	30 June 2018 Taka
13.00 Cash and cash equivalents			
Cash in hand		1,225,187	721,067
Cash at banks	13.01	22,129,777	27,860,292
Fixed Deposit Receipts	13.02	952,370,625	1,000,000,000
		975,725,589	**1,028,581,359**

13.01 Cash at banks

Name of the Banks	Branches	Account Type		
AB Bank Limited-4110-753162-000	CDA Avenue	CD	1,596,175	1,039,570
AB Bank Limited- 4110-761221-430	CDA Avenue	SND	107,005	1,175,570
AB Bank Limited-4110-776797-000	CDA Avenue	CD	150	150
AB Bank Limited-4110-776797-430	CDA Avenue	SND	2,269,638	1,494,740
AB Bank Limited-4110-753033-000	CDA Avenue	CD	43,766	43,761
Bank Al-falah Limited-03700249	Agrabad	MPA	3,289,599	3,267,579
Brac Bank Limited-00014141	Kazir Dhewri	Credit Card	126,049	172,263
Brac Bank Limited-02019912560-01	Kazir Dhewri	CD	2,300,073	697,478
Dutch Bangla Bank Limited-102.110.33675	Agrabad	FCY	66,853	66,853
Eastern Bank Limited-20730096	Agrabad	Credit Card	49,489	229,541
Eastern Bank Limited-0013050813341	Agrabad	FCY	200,871	200,871
Eastern Bank Limited-0013060813352	Agrabad	FCY	30,433	29,655
Eastern Bank Limited-0013070813363	Agrabad	FCY	5,511	5,387
Eastern Bank Limited-0011360813331	Agrabad	HPA	8,005,724	8,182,309
Eastern Bank Limited-0051350196584	O.R Nizam Road	STD	1,133,555	510,930
Mutual Trust Bank Limited-0009-0320001771	CDA Avenue	SND	2,044,713	2,044,713
National Bank Limited-1122002119425	CDA Avenue	CD	5	5
Prime Bank Limited-13411030000449	O.R Nizam Road	CD	617,971	617,971
Standard Chartered Bank -012736063-01	Nasirabad	CD	761	761
Standard Bank Limited-33000324	CDA Avenue	CD	137,945	137,945
The City Bank Limited-1101238038001	O.R Nizam Road	CD	495,574	1,752,343
The City Bank Limited-444105160200417	O.R Nizam Road	Credit Card	2,742,866	429,829
The Premier Bank Limited-012311100008242	O.R Nizam Road	CD	(10,795,625)	(1,338,965)
The Premier Bank Limited-012313100000647	O.R Nizam Road	CD	4,740,513	4,173,235
United Commercial Bank Limited-0023132000004	Jubilee Road	SND	1,482	1,482
United Commercial Bank Limited-0651301000000	Kamal Bazar	SND	2,918,681	2,924,316
			22,129,777	**27,860,292**

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

13.02 Fixed Deposits Receipts (FDR)

Name of banks	Purpose	Tenure	Rate of interest	30 September 2018 Taka	30 June 2018 Taka
The Premier Bank Limited	Investment	3 months	9.25%	952,370,625	1,000,000,000
				952,370,625	**1,000,000,000**

14.00 Share capital

Authorised capital:			
300,000,000 Ordinary Shares of Tk. 10 each		3,000,000,000	3,000,000,000
		3,000,000,000	**3,000,000,000**
Issued, Subscribed and Paid-up capital:			
250,000	Ordinary Shares of Tk.10 each 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
118,666,800	**Ordinary Shares of Tk 10 each**	**1,186,668,000**	**1,186,668,000**

14.01 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	16,319	3,131,872	3.31%
From 500 to 5,000	2,898	5,734,044	6.09%
From 5,001 to 10,000	577	4,406,903	4.22%
From 10,001 to 20,000	361	5,428,660	3.97%
From 20,001 to 30,000	139	3,484,677	2.17%
From 30,001 to 40,000	51	1,817,770	1.88%
From 40,001 to 50,000	51	2,388,747	1.41%
From 50,001 to 100,000	70	5,235,241	4.03%
From 100,001 to 1,000,000	67	18,782,890	13.15%
From 1,000,001 to above	14	68,255,996	59.77%
	20,547	**118,666,800**	**100%**

14.02 Shareholding position

	30 September 2018		30 June 2018	
Name of shareholders	Percentage of holding	Number of shares	Percentage of holding	Number of shares
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 Mosharraf Hossain	6.62%	7,860,016	6.62%	7,860,016
Mrs. Ayesha Sultana	4.70%	5,573,344	4.70%	5,573,344
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	60.95%	72,338,368
	100.00%	**118,666,800**	**100.00%**	**118,666,800**

		30 September 2018	30 June 2018
		Taka	Taka
15.00	**Retained earnings**		
	Opening balance	189,664,474	174,844,703
	Add: Net profit after tax for the year	48,853,994	74,153,171
	Less: Dividend paid	-	(59,333,400)
		238,518,468	**189,664,474**
16.00	**Revaluation surplus**	**1,228,413,842**	**1,228,413,842**

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

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

17.00 Deferred tax liabilities

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

	30 September 2018	30 June 2018
	Taka	Taka
Opening balance	61,272,394	49,495,635
Add: Provision made during the year	2,265,076	11,776,759
Closing balance	**63,537,470**	**61,272,394**

17.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant and equipment (except land)	914,181,494	658,513,355	25%	255,668,139	63,917,035
Intangible assets	1,559,154	1,732,793	25%	(173,639)	(43,410)
Investment in tradable securities	55,470,060	58,831,606	10%	(3,361,546)	(336,155)
Total deferred tax liabilities					**63,537,470**

	Note(s)	30 June 2018	30 June 2017
		Taka	Taka
18.00 Accounts payable			
Opening balance		47,764,485	34,280,963
Add: Goods/services purchsed on credit during the year		106,323,081	364,745,965
Less: Paid during the year		(117,315,198)	(351,262,443)
Closing balance		**36,772,368**	**47,764,485**
19.00 Short term borrowings			
Cash credit (Hypo) and Overdraft	19.01	73,912,443	12,027,067
		73,912,443	**12,027,067**

19.01 Borrowings against CC (Hypo) and Overdraft

Name of the Banks	Branch	Types		
IFIC Bank Limited	Agrabad	OD	6,586,208	1,965,597
The Premier Bank Limited	O.R Nizam Road	OD	67,326,235	10,061,470
			73,912,443	**12,027,067**

	Note(s)	30 September 2018	30 June 2018
		Taka	Taka
20.00 Provision for income tax			
Opening balance		23,967,423	93,348,411
Add: Provision made during the year		14,754,705	13,667,552
		38,722,128	**107,015,963**
Less: Paid/adjusted during the year		-	(83,048,540)
Closing balance		**38,722,128**	**23,967,423**

21.00 Unclaimed dividend

Opening balance	7,392,796	5,627,026
Add: Provision made during the year	-	59,333,400
Less: Paid during the year	(5,635)	(57,567,630)
	7,387,161	**7,392,796**

Year	Balance as on 01 July 2018	Provision	Payment		
2013-2014	2,807,920	-	-	2,807,920	2,807,920
2014-2015	1,854,022	-	-	1,854,022	1,854,022
2015-2016	906,371	-	(535)	905,836	906,371
2016-2017	1,824,483	-	(5,100)	1,819,383	1,824,483
	7,392,796	**-**	**(5,635)**	**7,387,161**	**7,392,796**

22.00 Provision for WPPF and Welfare Fund

Opening Balance	5,241,973	4,571,148
Add: Provision made for the year	3,467,041	5,241,973
	8,709,014	**9,813,121**
Less: Paid during the year	-	(4,571,148)
Closing Balance	**8,709,014**	**5,241,973**

	Note(s)	01 July 2018 to 30 September 2018 Taka	01 July 2017 to 30 September 2017 Taka
23.00 Revenue			
Rooms		44,228,021	27,231,288
Food & Beverages		47,963,345	31,449,813
Minor Operating Department		9,278,940	4,156,748
Space Rent		1,279,807	750,721
		102,750,113	**63,588,570**
24.00 Cost of sales			
Cost of sales	24.01	44,452,023	43,728,699
		44,452,023	**43,728,699**
24.01 Cost of sales			
Cost of materials		15,879,970	15,491,872
Complementary guest service		665,528	244,311
Depreciation	4.00	6,446,028	6,651,497
Function and amenities		174,790	481,835
House keeping expenses		2,979,759	2,880,359
Packet and packing materials		52,672	303,907
Purchased services		126,517	120,403
Repair and maintenance	24.04	662,766	502,083
Salary, wages, bonus and benefits		11,949,318	12,411,845
Staff uniform		533,824	14,000
Utility and fuel expenses		4,980,850	4,626,587
		44,452,023	**43,728,699**

		Note(s)	01 July 2018 to 30 September 2018 Taka	01 July 2017 to 30 September 2017 Taka
25.00	**Administrative expenses**			
	Salaries and allowances		4,419,611	4,590,682
	Director's remuneration	25.01	1,692,500	1,697,500
	Annual general meeting expenses		-	-
	Association and membership fees		6,600	4,400
	Audit fee		86,250	86,250
	Lease rental of The Peninsula Chittagong - Airport Garden Hotel		1,798,889	1,638,750
	Conveyance expenses		14,945	27,017
	Depreciation	4.00	1,487,545	1,534,961
	Amortisation	6.01	83,108	83,108
	Dhaka office expenses		345,000	386,680
	Entertainment expenses		188,848	181,910
	Fees and renewals		140,000	153,090
	Gift and donation		30,500	52,710
	Insurance expenses		404,383	639,804
	Legal fees and other professional charges		125,200	173,750
	Medical expenses		402	5,813
	Office expenses		674,080	744,462
	Printing and stationery		291,070	204,736
	Regulatory fees		-	106,000
	Rent, rate and taxes		83,906	1,073,979
	Repair and maintenance	24.04	57,632	38,462
	Staff uniform		59,314	164,230
	Telephone and communication		228,805	156,075
	Tours and travel expenses		297,011	141,264
	Utility and fuel expenses		1,245,213	1,156,647
			13,760,811	**15,042,280**

25.01 Directors' Remuneration

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

Director's Name	Relationship	Remuneration Taka	Board Meeting Fee Taka	Gross Remuneration Taka
Mr. Mahboob Ur Rahman	Chairman	600,000	2,500	602,500
Mr. Mustafa Tahseen Arshad	Managing Director	1,005,000	2,500	1,007,500
Mrs. Ayesha Sultana	Director	75,000	-	75,000
Mrs. Bilkis Arshad	Director	-	-	-
Dr. Md. Fashiul Alam	Independent Director	-	2,500	2,500
Dr. Sheikh Md. Shafiul Azam	Independent Director	-	2,500	2,500
Mr. Kazi Sanaul Hoq	Nominated Director	-	2,500	2,500
		1,680,000	**12,500**	**1,692,500**

		Note(s)	01 July 2018 to 30 September 2018 Taka	01 July 2017 to 30 September 2017 Taka
26.00	**Selling and distribution expense**			
	Advertisement		134,947	257,458
			134,947	**257,458**
27.00	**Finance costs**			
	Interest on overdraft		422,072	1,204,233
	Interest and other charges on lease finance		-	21,200
	Foreign currency exchange (gain)/loss	27.01	(902)	-
	Bank charges		672,033	519,387
			1,093,203	**1,744,820**

		01 July 2018 to 30 September 2018	01 July 2017 to 30 September 2017
		Taka	Taka
27.01	**Foreign currency exchange (gain)/ loss**		
	Unrealized foreign currency translation (gain)/ loss	(902)	-
		(902)	**-**

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 2018 to 30 September 2018	01 July 2017 to 30 September 2017
		Taka	Taka
28.00	**Finance income**		
	Interest on fixed deposit receipts	23,588,152	21,588,912
	Interest on bank deposits	25,105	24,524
		23,613,257	**21,613,436**
29.00	**Non-operating income / (loss)**		
	Dividend income	-	99,620
	Sale of wastage	6,313,366	33,973
	Loss on sale of tradable securities	(105,032)	-
	Loss on sale of property, plant and equipment	(428,358)	-
	Changes in fair value of tradable securities	(3,361,546)	944,775
		2,418,430	**1,078,368**
30.00	**Reconciliation of cash generated by operations**		
	Profit before income tax	65,873,775	24,231,761
	Depreciation charged	7,933,573	8,186,458
	Amortization charged	83,108	83,108
	Dividend income	-	(99,620)
	Loss on sale of property, plant and equipment	428,358	-
	Changes in fair value of tradable securities	3,361,546	(944,775)
	Finance Cost	1,093,203	1,744,820
	Interest income on bank deposits	(25,105)	(24,524)
	Interest income on Fixed Deposits (FDR)	(23,588,152)	(21,588,912)
	(Increase)/ decrease in Inventory	(20,571,181)	1,955,183
	(Increase)/ decrease in Accounts receivable	(11,023,021)	(6,407,582)
	(Increase) / decrease in Advances, Deposits and Pre-payments	(33,049,909)	(44,240,695)
	Increase / (decrease) in Accounts payables	(10,992,117)	(3,443,544)
	Increase / (decrease) in provision of WPPF and WF	3,467,041	1,275,356
		(17,008,881)	**(39,272,966)**
31.00	**Earnings per share**		
31.01	**Basic earnings per share (EPS)**		
	Profit attributable to the ordinary shareholders	48,853,994	18,649,642
	Weighted Average number of shares outstanding during the year	118,666,800	118,666,800
	Basic earnings per share (EPS)	**0.41**	**0.16**

		30 September 2018	30 June 2018
		Taka	Taka
32.00	**Net Asset Value Per Share (NAV)**		
	Total Assets	3,933,599,178	3,813,370,738
	Less: Liabilities	(229,040,584)	(157,666,138)
	Net Asset Value (NAV)	3,704,558,594	3,655,704,600
	Number of ordinary shares outstanding during the year	118,666,800	118,666,800
	Net Asset Value (NAV) per share	**31.22**	**30.81**

		01 July 2018 to 30 September 2018	01 July 2017 to 30 September 2017
		Taka	Taka
33.00	**Net operating cash flow per share**		
	Net operating cash flows (from statement of cash flows)	4,141,147	(23,661,242)
	Number of ordinary shares outstanding during the year	118,666,800	118,666,800
	Net operating cash flow per share	**0.03**	**(0.20)**

		30 September 2018	30 June 2018
34.00	**Employees**		
	Number of employees whose monthly salary was below Tk. 3,000	-	-
	Number of employees whose monthly salary was above Tk. 3,000	270	253
		270	**253**

During September 2018, total 208 number of employees were in the permanent payroll of the company.

Managing Director | Director | Chairman

Company Secretary | Chief Financial Officer

Chattogram, 28 October 2018