Unique Hotel & Resorts Limited

Financial Statements (Un-Audited)

For the period ended 31 December 2016

AMAR STOCK

Unique Hotel & Resorts Limited
Statement of Financial Position (Un-Audited)
As at 31 December 2016

ASSETS		Amount in Taka	
		31 December 2016	30 June 2016
Non-Current Assets		**21,552,529,188**	**21,468,002,374**
Property, Plant and Equipment (Cost/ Revaluation less Accumulated Depreciation)	6	18,387,695,000	18,473,068,036
Construction Work in Progress	7	3,164,834,188	2,994,934,338
Current Assets		**9,574,798,124**	**8,281,622,708**
Inventories	8	78,330,602	100,193,634
Investments	9	1,770,946,874	1,762,135,619
Accounts Receivable	10	171,543,089	101,968,406
Other Receivables	11	22,365,032	21,544,283
Advances, Deposits and Prepayments	12	5,339,588,090	4,199,673,094
Fixed Deposit Receipts	13	275,000,000	230,000,000
Cash and Cash Equivalents	14	1,917,024,437	1,866,107,672
TOTAL ASSETS		**31,127,327,312**	**29,749,625,081**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		**26,547,976,384**	**26,273,160,832**
Ordinary Share Capital	15	2,944,000,000	2,944,000,000
Share Premium Account	16	6,181,931,836	6,181,931,836
Tax Holiday Reserve	17	944,219,701	944,219,701
Revaluation Surplus		12,938,128,972	13,003,146,123
Retained Earnings		3,539,695,875	3,199,863,172
Non-Current Liabilities		**2,092,272,978**	**1,382,442,638**
Non-current portion of secured term loan	18	1,734,605,000	1,027,980,000
Deferred Tax Liability	19	357,667,978	354,462,638
Current Liabilities		**2,487,077,952**	**2,094,021,612**
Current portion of secured Term Loan	18	134,520,000	134,520,000
Short term loan	20	714,935,610	633,153,378
Due to Operator and its Affiliates	21	38,039,193	10,128,129
Accounts Payable	22	34,948,255	33,901,534
Unclaimed Dividend	23	7,689,588	7,736,729
Other Accruals and Payables	24	1,556,945,306	1,274,581,842
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**31,127,327,312**	**29,749,625,081**
Net Asset Value Per Share (NAVPS)		**90.18**	**89.24**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairperson**

Dated, Dhaka;
26 January 2017

Unique Hotel & Resorts Limited

Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)

For the period from 01 July 2016 to 31 December 2016

	Notes	Half year ended Amount in Taka		2nd Quarter Amount in Taka	
		01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015	01 October 2016 to 31 December 2016	01 October 2015 to 31 December 2015
Operating revenue	25	848,564,046	1,040,577,189	522,154,499	504,338,325
Costs of sales	26	(197,833,368)	(225,978,016)	(114,027,667)	(113,963,632)
Gross profit		**650,730,678**	**814,599,173**	**408,126,832**	**390,374,693**
Administrative and other expenses	27	(222,661,901)	(252,385,363)	(123,888,040)	(121,672,433)
Operating profit		**428,068,777**	**562,213,810**	**284,238,792**	**268,702,260**
Head office expenses	28	(129,255,345)	(149,515,559)	(67,082,471)	(78,163,559)
Interest income/(expenses)	29	35,731,839	(41,795,333)	18,844,861	(106,074,184)
Gain/(Loss) on investment of shares		11,202,007	644,579	6,580,239	24,750
Other income/(expenses)	30	311,979	3,919,984	39,529	738,758
Profit before tax		**346,059,256**	**375,467,481**	**242,620,949**	**85,228,025**
Provision for income tax	31	(65,207,594)	(100,864,372)	(36,905,912)	(23,261,917)
Net profit after tax		**280,851,663**	**274,603,109**	**205,715,038**	**61,966,108**
Add: Other comprehensive income					
Revaluation surplus on fixed assets		-	-	-	-
Total Income		**280,851,663**	**274,603,109**	**205,715,038**	**61,966,108**
Basic earnings per share (EPS)	32	**0.95**	**0.93**	**0.69**	**0.21**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairperson**

Dated, Dhaka;
26 January 2017

Unique Hotel & Resorts Limited

Statement of Changes in Equity (Un-Audited)

For the period from 01 July 2016 to 31 December 2016

Amount in Taka

Particulars	Ordinary Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Revaluation Surplus	Total
For 2015:						
Balance at 1st July 2015	**2,944,000,000**	**6,181,931,836**	**944,219,701**	**2,934,102,683**	**13,134,449,663**	**26,138,703,883**
Net Profit during the period	-	-	-	274,603,112	-	274,603,112
Cash Dividend @ 20% for 2014 on Ordinary Shares	-	-	-	(465,424,243)	-	(465,424,243)
Income Tax Paid for the previous years and others	-	-	-	(30,718,411)	-	(30,718,411)
Depreciation on Revaluation Surplus transferred to Retained Earnings	-	-	-	65,685,485	(65,685,485)	-
						-
Balance at 31 December 2015	**2,944,000,000**	**6,181,931,836**	**944,219,701**	**2,778,248,626**	**13,068,764,178**	**25,917,164,341**
For 2016:						
Balance at 1st July 2016	**2,944,000,000**	**6,181,931,836**	**944,219,701**	**3,199,863,172**	**13,003,146,123**	**26,273,160,832**
Net Profit during the period	-	-	-	280,851,663	-	280,851,663
Previous periods replacement reserve	-	-	-	(6,036,111)	-	(6,036,111)
Depreciation on Revaluation Surplus transferred to Retained Earnings	-	-	-	65,017,151	(65,017,151)	-
Balance at 31 December 2016	**2,944,000,000**	**6,181,931,836**	**944,219,701**	**3,539,695,875**	**12,938,128,972**	**26,547,976,384**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairperson**

Dated, Dhaka;
26 January 2017

Unique Hotel & Resorts Limited

Statement of Cash Flows (Un-Audited)

For the six month period ended 31 December 2016

	Amount in Taka	
	01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
Cash Flow from Operating Activities:		
Collection from turnover & other receipts	817,748,947	1,034,757,485
Payment for operating costs & other expenses	(638,180,144)	(854,331,032)
(Increase)/Decrease in Other Receivable	(820,749)	30,585,487
Income tax paid	(108,810,447)	(96,504,776)
Total Cash Flow from Operating Activities (A)	**69,937,607**	**114,507,164**
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment	(24,986,261)	(166,233,969)
(Increase)/Decrease in Investment	(8,811,255)	(124,735,534)
Dividend received	311,979	3,919,984
(Increase)/Decrease in Construction Work in progress	(304,946,081)	(237,413,589)
(Increase)/Decrease in Advance against land & others	(423,949,314)	256,815,419
(Increase)/Decrease in Fixed Deposit Receipts	(45,000,000)	16,865,372
Sales proceed from sale of fixed assets	-	3,625,000
Total Cash used in Investing Activities (B)	**(807,380,932)**	**(247,157,317)**
Cash Flow from Financing Activities		
Increase/(Decrease) in short term financing	81,782,232	(36,879,116)
Increase/(Decrease) in Secured Term Loans-Non current portion	706,625,000	1,027,980,000
Dividend paid	(47,141)	(459,839,290)
Total Cash used in Financing Activities (C)	**788,360,091**	**531,261,594**
Net cash inflow/(outflow) for the period (A+B+C)	50,916,766	398,611,444
Add: Cash and Cash Equivalents at the beginning of the period	1,866,107,672	1,795,579,051
Cash and Cash Equivalents at the end of the period	**1,917,024,437**	**2,194,190,495**
Operating cash inflow/(outflow) per share	**0.24**	**0.39**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairperson**

Dated, Dhaka;
26 January 2017

Unique Hotel & Resorts Limited
Notes to the Financial Statements (Un-Audited)
For the year ended 31 December 2016

1. Legal status of the Company

1.1 Reporting entity

Unique Hotel & Resorts Limited ("the Company") is a Public Limited Company. The Company was incorporated on 28 December 1961 under the Companies Act, 1913 (Cap 143) of Sri Lanka. The Company was re-registered under the Companies Act No. 07 of 2007. The Company is listed with both Dubai Stock Exchange Limited(DFM) and Colombo Stock Exchange Limited (CSE).

1.2 Registered office

The registered office of the company is located at Plot no: 01 CWTc (B) Road no: 45, Gulshan-2, Dhaka-1212.

1.3 Corporate office

Corporate office of the Company is located at 65 Kemal Ataturk Avenue, Banani, Dhaka-1213.

1.4 Company's sensitive and subsidiary companies

The company has no subsidiary. However, Royal Reef Limited holds 19.37% shares in Unique Hotel & Resorts Limited.

2. Nature of business activities

Unique Hotel & Resorts Limited obtained title owner of "The Westin (Dhaka)" a Five Star Hotel in Bangladesh, started its commercial operations in January 2013. The principal activities of the Company throughout the period were carrying out hotel business. The business activities consisted with the hotel business is carried out through a Management Agreement with Starwood Asia Pacific Management Limited, Hong Kong. Under the terms of the Hotel Management Co. ("Starwood") a subsidiary undertaking of Starwood Hotels & Resorts Worldwide, the Operator is knowledgeable and experienced in managing and promoting five star hotels and resorts and has similar to Affiliates hotels purchased and owned around the world.

In terms of Management Contract, the Operator is entitled to receive base fee, income fee, incentive fee, reservation fee and marketing fee. The Operator is also entitled to receive reimbursement of certain costs. In addition, under the Contract, the Operator is entitled to receive office base fee and other incentives fees from the Owner on account of offices owned out in the Hotel premises.

3. Basis of preparation

3.1 Statement on compliance

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and Bangladesh Accounting Standards and International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

3.2 Other regulatory compliances

The Company is also in compliance with the following major laws and regulation in addition to the Companies Act 1994:

The Securities & Exchange Rules 1987;
The Securities & Exchange Ordinance 1969;
The Regulation of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Limited,
The Income Tax Act, 1922;
The Income Tax Rules 1984;
The Value Added Tax Act 1991;
The Value Added Tax Rules 1991;
The Customs Act 1969.

3.3 Statement on compliance

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and Bangladesh Accounting Standards and International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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The Regulation of Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Limited,
The Income Tax Act, 1922;
The Income Tax Rules 1984;
The Value Added Tax Act 1991;
The Value Added Tax Rules 1991;
The Customs Act 1969.

3.5 Statement of compliance

The financial statements have been prepared in the Historical Cost basis, and therefore, do not take into consideration the effect of inflation except those arising from revaluation of land, buildings & machinery, as specified in note 11 to the financial statements. Wherever stated, have been consistently applied by the Company and are consistent with those of the previous year.

3.6 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk) which is both functional and presentation currency. A monthly statement of accounts have been received in foreign currency.

3.8 Risk and uncertainty for use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards 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 and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.7 Going concern

As per BAS 1 para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue its operation for foreseeable future. Therefore, the financial statements of Unique Hotel & Resorts Limited Directors continue to adopt the going concern assumption while preparing the financial statements.

3.8 Accrual basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

3.9 Reporting period

The financial statements of the company covers six months from 1 July 2016 to 31 December 2016. To comply with the Income Tax ordinance 1984 and other regulatory guideline, the company has changed its financial statements reporting period from January to December to June to December that is why the period of this financial statements is six months.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Foreign currency transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of BAS 21: The Effects of Changes in Foreign Exchange Rates.

(a) Foreign currency monetary items are translated using the closing rate;

(b) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

(c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

4.2 Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in accordance with BAS 16: Property, Plant & Equipment. Cost includes expenditure that is directly attributable to the acquisition of the asset and costs incurred for bringing the asset to its present location and condition. Cost of purchased property, plant and equipment comprises purchase price, including import duties and non-refundable taxes. On 30 September 2011, the land and land development, & Building have been revalued by an independent valuer to reflect fair value purchased by project Owned Holdings Limited (see Note 11). The fair value of the assets has been applied significantly from its carrying amount as of 31 December 2016, so no revaluation has been made on 31 December 2016.

Subsequent costs

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

Depreciation on fixed assets

Depreciation is charged to maintain the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant & Equipment. Full year depreciation is charged regardless of the date of acquisition. No depreciation is charged in the year of disposal regardless of the date of disposal. Depreciation is charged on the straight line basis. Depreciation charged on all fixed assets except land and land development, on **reducing balance method**.

	Rate of Depreciation
Particular of Assets	
Buildings and Other Civil Constructions	5.25%
Hotel Furniture	5%
Hotel Equipment	5%
Office Furniture and Equipment	5%
Motor Vehicles	5%

The gain or losses on disposal or retirement of assets are included in profit or loss when the item is disposed off/derecognized.

Revaluation of fixed assets

The company made revaluation of company's land and land development in conformity with paragraphs 31 & 34 of BAS 16: Property, Plant & Equipment and to reflect fair value of the property in terms of the prevailing market price of property as determined by an independent professional valuer.

Particulars of the assets	Name of Classification/type of assets	Basis of Valuation	The Carrying amount of revalued assets as on 30.06.2011	Value of Assets after revaluation as on 30.06.2011	Revaluation Surplus
Land & Land Development	Non Depreciable Investments	30-Sep-11	1,304,100,000	2,276,299,000	1,276,299,000
Building	Non Depreciable Investments	30-Sep-11	4,419,000,251	11,606,299,571	4,004,450,318
	Total		**4,004,450,318**	**17,882,899,571**	**6,280,749,318**

The increase in the carrying amount of revalued assets is recognized in the separate component of equity under the head revaluation surplus. The increase in the revaluation surplus is credited to profit or loss to the extent that it reverses a revaluation decrease of the same assets previously recognized a profit or loss account. A net revaluation surplus is transferred directly to equity each year in line with para 41 of BAS16: Property, Plant and Equipment' as the asset is used by the company. The transfer is the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. The amount of the asset and the depreciation based on the assets original cost. Transfer from revaluation surplus to retained earnings is not made through profit or loss account.

Other Fixed Assets were kept outside the scope of the revaluation exercise. These are expected to be realizable at written down value in the near future. Therefore, the Directors are of the opinion that the carrying value of the assets do not differ significantly from their fair value as at 31 December 2016, so no revaluation has been made on 31 December 2016.

4.3 Capital works in progress

Capital work in progress under construction are accounted for as capital works in progress until completion of construction are recognized at cost. In conformity with BAS 16: property, plant & equipment no depreciation is charged on Capital work in progress as it is not ready for use.

4.4 Inventories

Inventories (Stock and Stores) are measured at the lower of cost and net realizable value. The Cost of Inventory is assigned by using average cost formula. The costs of inventories consist of purchase, costs of conversion, import duties and other non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition.

4.5 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and with banks on current and deposit accounts and short-term investments with an original maturity of three months or less. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. There is insignificant risk of change in value of the same.

4.6 Accounts and other receivables

Accounts and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to uncollectible of the amount as necessary.

4.7 Impairment of assets

All assets except inventory, assets arising from construction contracts and deferred tax assets is assessed at the end of each year to determine whether there is any indication that an asset may be impaired. If any such indication exists, the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss as per BAS 36: Impairment of Assets.

An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another BAS (for example, in accordance with the revaluation model in BAS 16). Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset and for this reason no provision has been made for impairment of assets.

4.8 Borrowing cost

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are recognized as a part of the qualifying asset. Other borrowing costs are recognized as an expense in the period in which it incurs in accordance with IAS-23: Borrowing Cost.

4.12 Authorization date for issuing financial statements

The financial statements were authorized for issue by the Board of Directors on 26 January 2017 for issue after completion of audit.

4.13 Provisions, accrued expenses and other payables

Provisions and accrued expenses are recognized in the financial statements in line with the Bangladesh Accounting Standard (BAS) 37: *Provisions, Contingent Liabilities and Contingent Assets*' when:

- the company has a legal or constructive obligation as a result of past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Other Payables are not interest bearing and are stated at their nominal value.

4.14 Financial instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, fixed deposit with bank, borrowings and other payables and accounts and other payables.

Initial recognition

The company recognizes a financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument.

Subsequent measurement

Financial assets fall in to one of the four broad categories as the fair value after initial recognition is treated as follows:-

Asset Category	Description	Measurement after	Gains and losses
Financial Assets at fair value through profit or loss	Financial assets measured at fair value through profit or loss are held for trading purposes, or designated under the heading	Fair Value	In profit or loss
Investment in shares			
Loans and receivables - Accounts Receivable - Cash and Bank - Other Receivable	Non-derivative financial assets with fixed or determinable payments that are: - Not quoted in an active market - Do not intend to sell immediately or in near future - Are held for trading or designated as at fair value through profit or loss - Are loans and receivables as note of the	Amortized cost	In profit or loss
Held-to-maturity investments - FDR	Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity, other than those designated as at fair value through profit or loss	Amortized cost	In profit or loss

4.15 Segment Reporting

No segment information is applicable for the Company as required by BFRS 8 "Segment reporting", as the Company operates in a single industry segment.

4.16 Statement of Cash Flow

The statements of cash flows has been prepared in accordance with requirements of BAS 7: Statement of cash flows. The statement of cash flows has been prepared using the direct method (using the "Direct Method" as prescribed by Securities and Exchange Rules and Bangladesh Accounting Standard (BAS) 7.

4.17 Related Party Disclosures

The Company carried out a number of transactions with related parties in the normal course of business and on arm's length basis. The information as required by BAS 24 "Related party Disclosure" has been disclosed in a separate notes to the financial statements (Note 33).

4.18 Taxation

Income Tax Liability :

Current Tax is the calculation of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. As per section 46 A (3) of the Income Tax Ordinance 1984, the Company has been exempted Tax Holiday for 8 (Eight) years from 2013 to 2020. Hence, the Company is not liable to pay Income Tax for the period from 1 July 2016 to 31 December 2016. Current Tax on the profit for the period from 1 July 2016 to 31 December 2016 has been made in the Financial Statements (Note-31).

Deferred Tax Liabilities:

Deferred Tax Liabilities is the amount of income taxes payable in future period in respect of taxable temporary differences. Deferred tax liabilities are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, except to the extent that the deferred tax liability arises from:

(a) The initial recognition of goodwill; or
(b) The initial recognition of an asset or liability in a transaction which;
(i) is not a business combination; and
(ii) At the time of the transaction, affects neither accounting profit nor taxable profit (loss)

Deferred tax liability is measured at the tax rates that are expected to apply in the period when the assets are realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

4.19 Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The company has no contingent assets or liabilities which require disclosure under BAS 37: Contingent assets and contingent liabilities are not recognized in the financial statements.

A contingent asset is disclosed as per BAS 37, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

4.20 Events after the balance sheet date

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend on share in accordance with the requirements of the para 125 of BAS 1: Presentation of Financial Statements. Events after the reporting period that provide additional information about the company's position at the end of the year, or of BAS 10: Events the reporting period that are not adjusting events are disclosed when of the time approval of accounts and recommendation of dividend by the Board of Directors.

4.21 Compensation Information

Relevant compensation information has been disclosed in the financial statements. Previous year's figures have been rearranged/reclassified wherever possible and considered necessary to conform to current year's presentation.

5. Risk Exposure

5.1 Interest Rate Risk

Interest Rate Risk which the company faces due to unfavorable movements of the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates may affect the company borrowing from loans or investments in the money market.

Management Perspectives:

Unique Hotel & Resorts Limited has not borrowed bonds or flexible interest rate, hence, not involved in the interest rate risk. The company has been repressing borrowed funds on a continuous basis.

5.2 Exchange Rate Risk

Exchange rate risk arises due to changes in exchange rates. As the Company imports equipment from abroad and also receives a part of its revenue in foreign currencies, it is exposed to risk that exchange rate movements may affect the Company. When exchange rate is increased against local currency operation's is exited for presenting more profit.

Management Perception:

Unique Hotel & Resorts Limited management changes the price of their services to cope with the change in exchange rate to mitigate the effect of unfavorable volatility in exchange rate on the company's earnings.

5.3 Industry Risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margins, market shares etc which could have an adverse impact on the business, financial condition and results of operation.

Management Perception:

Areas of considerations of material/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of preventive and negligence, leading to severe accidents and losses.

5.4 Market Risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would have the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception:

The company's brand "Westin" has a very strong image in the local and international market. Westin Asia Management Ltd. has a dedicated marketing team which is responsible for the brand image. The team is also responsible for ensuring quality brand management services. Moreover, the demand for five star hotels in the country is increasing while there are very few five star hotels to meet the demand. Strong brand management and quality service has enabled the company to maintain its occupancy rate. Hence, the Company is not exposed to enormously/extraordinary risks in the market and regulating the quality of their services to increase the risk.

5.5 Operational Risks

Risks are attributable to material/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of preventive and negligence, leading to severe accidents and losses.

Management Perception:

The Company is equipped with power backup and security (CCTV) systems, which reduce operational risk. Besides, the equipment is under insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of equipment further reduces/eliminate the operational risk.

Unique Hotel & Resorts Limited
Fixed Assets Schedule
As at 31 December 2016

6. Property, Plant and Equipment (Cost/ Revaluation less Accumulated Depreciation)

Amount in Taka

Sl. No.	Assets	Cost				Dep. Rate (%)	Depreciation				Written Down Value as on 31.12.2016
		Balance as at 01.07.2016	Additions during the period	Disposal during the period	Balance as at 31.12.2016		Balance as on 01.07.2016	Charged during the period	Accumulated Depreciation for Disposal	Balance as on 31.12.2016	
1	Land and Land Developments	5,990,949,112	21,654,798	-	6,012,603,910	-	-	-	-	-	6,012,603,910
2	Building and Other Civil Constructions	11,623,696,482	-	-	11,623,696,482	1.25%	862,258,485	67,258,987	-	929,517,472	10,694,179,010
3	Office Furniture and Equipments	32,111,076	-	-	32,111,076	5%	7,828,024	607,076	-	8,435,100	23,675,976
4	Hotel Furniture's	331,374,952	-	-	331,374,952	5%	115,251,199	5,403,094	-	120,654,293	210,720,659
5	Motor Vehicles	126,207,350	-	-	126,207,350	5%	23,277,055	2,573,257	-	25,850,312	100,357,038
6	Hotel Equipments	1,983,444,465	3,331,463	-	1,986,775,928	5%	606,100,638	34,516,882	-	640,617,520	1,346,158,408
	Total as at 31 December 2016	**20,087,783,437**	**24,986,261**	**-**	**20,112,769,698**	**-**	**1,614,715,401**	**110,359,297**	**-**	**1,725,074,698**	**18,387,695,000**
	Total as at 30 June 2016	**19,866,170,178**	**221,613,259**	**-**	**20,087,783,437**	**-**	**1,502,913,378**	**111,802,024**	**-**	**1,614,715,401**	**18,473,068,036**

Ata Khan & Co.Chartered Accountants, have further revalued Land and Land Developments & Building as of 30 September 2011 following "Current Cost Method" showing total current cost Tk 5,664,596,600 and Tk. 11,420,259,375 resulting in a revaluation surplus of Tk 2,276,299,688 and Tk.6,004,430,154 respectively.

S. F. Ahmed & Co, Chartered Accountants, have revalued all property, plant and equipment of the company as of 30 June 2009 (When Ata Khan & Co, Chartered Accountants was the auditor) following Current Cost Method, showing Total Current Cost at Tk.8,325,239,643, resulting in a Revaluation Surplus at Tk. 4,689,598,221. Thereafter Ata Khan & Co, (When S.F. Ahmed & Co, Chartered Accountants were the auditor), have revalued the land of the company as of 30 June 2010 following "Current Cost Method" Showing Current Cost thereof at Tk. 1,687,000,000, resulting in a further Revaluation Surplus at Tk. 843,500,000. Fixed Assets to the extent of Tk.657,868,395 have been kept as mortgage against the short-term bank loan.

	Amount in Taka	
	As at 31 December 2016	As at 30 June 2016

7. Construction Work in Progress

	As at 31 December 2016	As at 30 June 2016
A Proposed Five Star International reputed Chain hotel (Note-7.1)	2,899,763,169	2,777,506,203
Multipurpose Commercial Complex	55,781,711	44,692,533
A Proposed three Star International reputed Chain hotel, Uttara	209,289,308	172,735,602
Total	**3,164,834,188**	**2,994,934,338**

7.1 A Proposed Five Star International Chain Hotel

Construction Work in Progress represents structural costs of Hotel Projects 'A Proposed Five Star International Chain Hotel' at 44 Kemal Ataturk Avenue, Banani, Dhaka-1213. The building is being constructed by Borak Real Estate Limited. As per certification of the engineers total costs of structural works stands amounting to Tk. 2,899,763,169 up-to 31 December 2016, details of which are noted below:

Floor	Usage	Area In Sqft	Costs of Structural Work in Progress as at 31.12.2016	Costs of Structural Work in Progress as at 30.06.2016
Basement-03	Electro mechanical floor	7501	80,695,680	80,695,680
Basement-01	Service for Hotel	1964	16,350,404	16,350,404
Level-01	Hotel service	4131	35,423,544	35,423,544
Level-02	Hotel service	3062	27,481,613	27,481,613
Level-06	Food Court Area For Hotel	21473	197,015,915	197,015,915
Level-07	Hotel Parking	43026	356,042,435	356,042,435
Level-08	Hotel Parking	43026	362,496,335	362,496,335
Level-10 (Part)	Hotel Maintenance	25815	203,458,856	203,458,856
Level-11	Main Lobby	43026	307,009,235	307,009,235
Level-12	Main Lobby	43026	386,671,847	386,671,847
Level-13 (Part)	Main Lobby	16580	125,587,381	125,587,381
	Overhead		801,529,924	679,272,958
	Total		**2,899,763,169**	**2,777,506,203**

8 Inventories

These consist of the following :

	As at 31 December 2016	As at 30 June 2016
General	**4,313,157**	**4,448,157**
Marble	2,772,180	2,847,180
Construction Materials	932,471	932,471
Hardware Materials	239,334	239,334
Sanitary Materials	369,172	429,172
The WESTIN, Dhaka	**74,017,445**	**95,745,477**
Food	12,979,271	17,257,007
Beverage	25,216,469	38,234,317
Guest Amenities	8,342,039	11,401,988
Linen & China	11,997,653	13,252,981
Store General	520,171	714,338
Utensils	14,079,519	13,954,571
Others	882,323	930,275
Total	**78,330,602**	**100,193,634**

9 Investments

	Amount in Taka As at 31 December 2016	As at 30 June 2016
Investment in Shares (Note-9.1)	154,055,242	143,686,172
Interest Bearing Investment (Note-9.2)	1,616,891,632	1,618,449,447
Total	**1,770,946,874**	**1,762,135,619**

9.1 Investment in Shares

Investments in equity shares in different companies are classified as a financial assets at fair value through profit or loss as it was held for trading (it was acquired or incurred principally for the purpose of selling or repurchasing it in the near future). The investment has been measured at fair value except investments that do not have a quoted investment price in an active market and whose fair value can not be reliably measured. Investments that do not have a quoted investment price has been measured at cost. Gain or losses arising from a change in the fair value of the investments is recognized in the profit or loss.

	Fair Value 31.12.2016 Taka	Book Value 31.12.2016 Taka (Amount in Taka, As at 31 December 2016)	Fair Value 30.06.2016 Taka (As at 30 June 2016)
Investment with quoted price:	**84,870,242**	**132,168,494**	**74,501,172**
Al-Arafah Islami Bank Ltd.	5,367,443	6,786,153	4,455,990
Apoloispat	1,025,000	1,019,060	-
BAKRA Power	-	-	2,011,295
BD Finance	147,000	140,377	1,243,000
BSRM Ltd.	273,192	316,128	-
BSRM Steel	-	-	5,632,331
British American Tobacco Bangladesh Ltd.	2,483,000	3,012,000	2,700,000
Confidcem	1,362,139	1,397,929	-
DSSL	370,188	363,409	-
Dutch Bangla Bank Ltd.	11,174,025	14,958,295	10,044,175
Eastern Bank Ltd.	5,752,875	8,164,201	5,792,550
EBL NRB Mutual Fund	9,008,654	10,002,824	5,688,000
Ecables	275,400	351,663	-
First Security Bank Ltd.	2,085,000	2,068,240	-
GBB Power Ltd.	-	-	288,000
IDCL Ltd.	2,850,000	3,065,449	2,935,000
IFAD Autos Ltd.	1,146,288	1,075,585	925,100
Ibnesina	1,400,219	1,550,548	-
Keyacosmet	665,000	652,600	-
Lafarge Surma Cement Ltd.	3,284,000	5,434,400	3,164,000
Lanka Bangla Finance	696,000	631,459	44,105
National Bank Ltd.	13,096,545	36,520,753	10,271,800
NCC Bank Ltd.	2,494,800	5,429,370	1,722,600
NPOLYMAR	-	-	166,600
PHP First Mutual Fund	6,706,724	10,006,119	5,251,676
Power Grid Bangladesh Limited	8,883,000	14,976,637	9,557,450
Powergrid	270,000	336,340	290,500
Ratanpur Steel Re-Rolling Mills Limited	146,800	94,148	868,000
Saif Powertec Ltd.	642,620	570,272	-
Shashadnim	1,782,330	1,730,571	-
Titas Gas Transmission & Distribution Co. Ltd.	1,482,000	1,513,964	1,449,000
Investment with Unquoted price:	**69,185,000**	**69,185,000**	**69,185,000**
Eastern Industries Bangladesh Limited	185,000	185,000	185,000
Chartered Life Insurance Co. Ltd.	18,000,000	18,000,000	18,000,000
Dacca Steel Works Ltd.	51,000,000	51,000,000	51,000,000
	154,055,242	**201,353,494**	**143,686,172**

9.2 Interest Bearing Investment

	Amount in Taka As at 31 December 2016	As at 30 June 2016
Borak Real Estate (Pvt.) Ltd.	931,925,798	921,763,263
Anannya Development Pvt. Ltd.	-	11,720,350
Purnima Construction Ltd.	681,412,547	681,412,547
Chartered Life Insurance Co. Ltd.	3,553,287	3,553,287
Sub-Total	**1,616,891,632**	**1,618,449,447**

10 Accounts Receivable

Accounts receivable - trade net	171,315,783	101,492,001
Insurance Receivable	227,306	476,405
Total	**171,543,089**	**101,968,406**

This is considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

Sl. No.	Particulars	Amount in Taka December 2016	Amount in Taka 30 June 2016
I	Accounts Receivable considered good in respect of which the company is fully secured	171,543,089	101,968,406
II	Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Accounts Receivable considered doubtful or bad	-	-
IV	Accounts Receivable due by any director or other officer of the company	-	-
V	Accounts Receivable due by Common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
	Total	**171,543,089**	**101,968,406**

11 Other Receivables

Accrued Interest on Fixed Deposits	22,365,032	21,544,283
Total	**22,365,032**	**21,544,283**

12 Advances, Deposits and Prepayments

	Amount in Taka As at 31 December 2016	As at 30 June 2016
Advances (Note-12.1)	5,311,331,121	4,170,160,856
Deposits (Note-12.2)	19,496,250	19,618,370
Prepayments (Note-12.3)	8,760,719	9,893,868
Total	**5,339,588,090**	**4,199,673,094**

12.1 Advances:

Advance Income Tax (12.1.1)	462,758,612	353,948,165
Advance to Govt.	175,500,000	175,500,000
Rent (Security)	2,400,000	2,400,000
Purchases	3,598,483	1,862,010
Parties	1,282,593,148	576,927,353
Salary	10,000	743,500
Advance to Employees	1,290,929	1,290,929
Employees -Westin	876,450	375,418
Supplier WESTIN	1,462,310	432,800
Advance against land*	3,289,479,250	3,045,362,415
Others-Westin	719,005	327,393
Others	90,642,934	10,990,873
Sub-Total	**5,311,331,121**	**4,170,160,856**

12.1.1 Advance Income Tax

Opening	353,948,165	391,078,388
Add: Income tax during the year	108,810,447	124,058,135
Less: Income tax paid/adjustment during the year	-	(161,188,358)
	462,758,612	**353,948,165**

* This amount including as advance for the purchase of 23.9375 katha of land at Gulshan Avenue, Gulshan-2, Dhaka-1213, from Borak Real Estate Limited to be used by the Company as Five Star International Chain Hotel as per shareholders approval in 12th AGM, dated 21 June 2013. The advance shall be accounted for as land as soon as the registration are completed.

12.2 Deposits:

Bank guarantee margin (BG)	5,983,690	6,105,810
Security Deposit- (UHRL)	12,908,261	12,908,261
Security Deposit - (The Westin Dhaka)	604,299	604,299
Sub-Total	**19,496,250**	**19,618,370**

12.3 Prepayments:

Insurance Premium	2,637,774	299,570
Prepaid Expenses WESTIN	6,122,945	9,594,298
Sub-Total	**8,760,719**	**9,893,868**

13. Fixed Deposit Receipts

People Leasing and Finance Service	70,000,000	70,000,000
International Leasing & Finance	80,000,000	80,000,000
FAS Finance & Investment	70,000,000	70,000,000
NRB Bank	10,000,000	10,000,000
International Leasing	20,000,000	-
BD Finance	10,000,000	-
Inter. Leas.	15,000,000	-
Total	**275,000,000**	**230,000,000**

Fixed Deposit with maturity period more than three months are presented as Fixed Deposit Receipts and Fixed Deposit with maturity period upto three months are included in cash & cash equivalent.

14. Cash & Cash Equivalents

This consists of as follows:

	Amount in Taka As at 31 December 2016	As at 30 June 2016
A. GENERAL		
Cash in hand	183,106	259,282
Cash at Brokerage House	1,003,907	1,170,968
	1,187,013	**1,430,250**
With Banks-		
Eastern Bank Ltd.-Gulshan Branch, Dhaka	1,215,504	1,212,125
The City Bank Ltd.-Kawran Bazaar Branch, Dhaka.	10,784	12,249
Janata Bank Ltd.-Corporate Branch, Dhaka.	23,844	24,569
Southeast Bank Ltd.-Gulshan Branch, Dhaka.	969	1,523
Mercantile Bank Ltd.-Banani Branch, Dhaka.	45,150	45,990
Prime Bank Limited.-Banani Branch, Dhaka.	-	186,397
Prime Bank Ltd., Banani Branch, [Unit-2]	58,132	58,707
Sonali Bank Ltd, Gulshan. Branch, Dhaka	17,012	17,012
Sonali Bank Ltd., Dhaka Reg. Complex Branch	11,903	12,265
United Commercial Bank Ltd.-Banani Branch, Dhaka	14,665,027	15,034,702
Shahjalal Islami Bank Ltd.-Banani Branch, Dhaka	8,144	8,720
BRAC Bank Ltd., Gulshan Branch, SND Account	6,379,611	6,293,338
BRAC Bank Ltd., Gulshan Branch, FC Dollar Account	405,979	405,979
BRAC Bank Ltd., Gulshan Branch, FC Pound Account	3,382,834	3,382,834
BRAC Bank Ltd., Gulshan Branch, FC Euro Account	2,115,249	2,115,249
Eastern Bank Ltd.-Banani Branch, HPA Account	289,040	286,024
Eastern Bank Ltd.-Banani Branch, Dividend Account	771,738	763,278
Eastern Bank Ltd.-Banani Branch, Dividend Account	6,124,355	6,050,518
Eastern Bank Ltd.-Banani Branch, Dividend Account	3,177,884	3,143,294
Eastern Bank Ltd.-Banani Branch, Dividend Account	3,809,497	3,807,184
Premier Bank Ltd.-Banani Branch	4,250	4,825
	42,516,906	**42,866,783**
	43,703,919	**44,297,033**
B. The WESTIN, Dhaka		
Cash in hand:		
Local currency	**1,107,790**	**992,055**
Cash at bank:	**127,540,908**	**116,777,910**
Prime Bank Limited	172,907,766	(13,107,156)
Deposit account (interest bearing) with: Prime Bank	(172,126,082)	55,477,928
The City Bank Limited- Gulshan Branch	25,574,974	36,809,364
Prime Bank Limited, Banani Branch-Replacement Reserve	(7,269,973)	1,886,477
Dutch Bank Limited.	242,803	18,118,912
Eastern Bank Ltd.-Gulshan Branch Dhaka, FC Account	1,903,712	242,803
Standard Chartered Bank	108,187,318	-
Standard Chartered Bank - CD	(1,879,610)	-
Eastern Bank Ltd.-Gulshan Branch Dhaka, FC Account	-	17,349,582
	128,648,698	**117,769,965**
C. Fixed Deposit Receipts		
Southeast Bank Ltd.-Gulshan Branch	13,893,153	13,532,801
United Commercial Bank Ltd- Banani Branch	1,609,324,135	1,569,053,341
Midland Bank Ltd- Hemayetpur Branch	31,454,532	31,454,532
Southeast Bank Ltd.	20,000,000	20,000,000
IDLC	70,000,000	70,000,000
	1,744,671,820	**1,704,040,674**
Total : (A+B+C)	**1,917,024,437**	**1,866,107,672**

15. Ordinary Share Capital

	Amount in Taka As at 31 December 2016	As at 30 June 2016
A. Authorized Share Capital		
1,000,000,000 Ordinary Shares of Tk. 10 each	10,000,000,000	10,000,000,000
	10,000,000,000	**10,000,000,000**
B. Issued, Subscribed and paid- up capital		
294,400,000 Ordinary shares of Tk. 10 each fully paid	2,944,000,000	2,944,000,000
	2,944,000,000	**2,944,000,000**

C. Shereholding Position

	Percentage	No. of Shares		
Sponsor/Director	47.25%	139,103,886	1,391,038,860	1,388,096,000
Company & Financial Institutions	28.60%	84,207,558	842,075,580	857,881,600
Foreign Individual & Companies	1.76%	5,164,419	51,644,190	4,710,400
General Public	22.39%	65,924,137	659,241,370	693,312,000
	100.00%	**294,400,000**	**2,944,000,000**	**2,944,000,000**

16. Share Premium Account

Opening	6,181,931,836	6,181,931,836
Add: during the year	-	-
Less: Bonus share issuing cost	-	-
Total	**6,181,931,836**	**6,181,931,836**

17. Tax Holiday Reserve

Opening Balance	944,219,701	944,219,701
Add: Addition during the period	-	-
Total	**944,219,701**	**944,219,701**

Tax holiday period has been ended on 30 June 2011. So, no provision has been made thereafter.

	Amount in Taka As at 31 December 2016	As at 30 June 2016
18. Non-current portion of secured term loan	**1,734,605,000**	**1,027,980,000**

The loan was taken from following banks. The fixed assets of the Company has been pledged as security along with Directors personal guarantee.

Total Long term loan:		
Standard Chartered Bank Ltd. Gulshan Branch, CD Account	1,869,125,000	1,162,500,000
	1,869,125,000	**1,162,500,000**
Current and non current distinction		
Non Current Liabilities	1,734,605,000	1,027,980,000
Current Liabilities	134,520,000	134,520,000
Total	**1,869,125,000**	**1,162,500,000**

19. Deferred Tax Liability

Opening Balance	354,462,638	349,369,575
Deferred tax benefit during the period	3,205,340	5,093,063
Total	**357,667,978**	**354,462,638**

20. Short term Loan

The loan were secured against mortgage and charge on the fixed assets, personal properties and guarantee of the Directors.

Short term		
Prime Bank Ltd. Banani Branch, SOD Account	210,864,692	(6,869)
Standard Chartered Bank Ltd.,SOD	183,694,753	397,134,082
Standard Chartered Bank Ltd.,STL	70,000,000	-
Directors & Shareholders	250,376,165	236,026,165
Total	**714,935,610**	**633,153,378**

21. Due to Operator and its affiliates

The amount is payable to operator and arrived at as follows :

Management fees:		
License fee	9,792,061	2,778,260
Incentive fee	17,027,971	4,137,220
Institutional marketing fee	9,302,457	2,639,347
Reservation fee	1,849,165	548,882
Office base fee	67,539	24,420
Total	**38,039,193**	**10,128,129**

22. Accounts Payable

BRAC	148,484	831,337
Bengal Meat Processing Ind. Ltd.	2,755,275	3,359,386
Dada-Bhai Enterprise	192,228	451,477
J. B. Trading	515,111	649,505
R. M. Enterprise	156,717	1,801,795
Noor Trade House	4,744,469	3,539,050
Unity Services Ltd.	83,650	275,690
Bandbox Ltd.	1,726,598	1,747,885
Other creditors	24,625,723	21,245,409
Total	**34,948,255**	**33,901,534**

23. Unclaimed Dividend

	Amount in Taka As at 31 December 2016	As at 30 June 2016
Opening balance	7,736,729	34,955,486
Add: Dividend	-	-
Less: Unclaimed dividend paid	(47,141)	(27,218,757)
Total	**7,689,588**	**7,736,729**

24. Other Accruals and Payables

Taxes, deposits and other creditors- The Westin Dhaka (24.1)	90,208,174	69,358,861
Provision for Gratuity	12,484,428	12,745,462
Provision for corporate tax (24.2)	737,590,933	675,588,678
Accrued Expenses (24.3)	109,324,265	89,186,410
Others Payables	607,337,506	427,702,431
Total	**1,556,945,306**	**1,274,581,842**

24.1 Taxes, deposits and other creditors- The Westin

Security deposits from suppliers	5,480,000	4,700,000
Security deposits from tenants	4,560,220	4,560,220
VAT & Supplementary Duty	1,196,888	-
Service charge	13,444,749	-
Tips payable and Employee fund	30,738,399	32,091,523
Travel agents' commission	806,627	(904,139)
Others	7,135,104	28,911,257
VAT Plus	26,508,386	-
TDS - Suppliers	128,308	-
VDS - Suppliers	209,493	-
Sub-Total	**90,208,174**	**69,358,861**

24.2 Provision for corporate tax

Opening balance	675,588,679	711,877,840
Add: Income tax during the year	62,002,254	124,899,197
Less: Income tax paid/adjustment during the year	-	(161,188,358)
Closing balance — **Sub-Total**	**737,590,933**	**675,588,679**

24.3 Accrued Expenses

	Amount in Taka As at 31 December 2016	As at 30 June 2016
Salaries, wages, bonus and other benefits	4,690,823	1,169,509
Accruals for utility services	2,760,600	3,550,335
Legal fees	293,500	287,500
Audit fee	1,909,804	1,594,804
Income tax payable for Expatriate salaries	1,686,946	70,833
Expatriate benefits	373,378	640,000
Accrual for 'Starwood Preferred Guest Programme'	57,528,975	43,119,491
Accrual for employee survey and vacation	1,646,905	2,500,122
Accrual for Starwood-third party reservation	1,430,075	1,130,075
Accrual for Starwood GSI/GEI	2,936,677	2,636,677
Westin privilege card and SPP card selling	765,958	331,417
Advance Received Tower Rent & Workout	9,254,151	12,206,104
Accrual for data processing	3,394,783	3,087,073
Other payable-Westin	11,596,496	12,335,659
Head office Expenses	9,055,194	4,526,811
Sub-Total	**109,324,265**	**89,186,410**

25. Operating Revenues

	Amount in Taka 01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
Rooms	332,998,371	481,926,413
Food and beverage	397,689,035	420,009,317
Minor Operating Department (MOD)	37,893,657	39,718,502
Space rental and shop rent	24,802,063	28,681,339
Other revenues	55,180,920	70,241,618
Total	**848,564,046**	**1,040,577,189**

26. Costs of sales

Particulars	Rooms (Taka) 1 July 2016 to 31 December 2016	Food & Beverage (Taka)	Minor Operating Dept. (MOD) (Taka)	Total (Taka)	1 July 2015 to 31 December 2015 Total (Taka)
Salary, wages, bonus and benefits	9,798,670	25,538,067	3,605,176	38,941,913	37,998,893
Cost of materials & other related expenses	-	105,513,688	478,198	105,991,886	111,783,895
Operating supplies	3,085,452	12,200,646	503,709	15,789,806	24,569,913
Laundry, dry cleaning and uniforms	4,121,568	3,272,799	1,697,694	9,092,061	10,924,326
Complementary guest services	11,194,853	116,599	349,855	11,661,307	13,940,060
Linen, china, glass & silver	340,000	1,807,334	377,906	2,525,240	2,429,465
In-house TV , video, movies, music etc.	771,975	1,842,024	-	2,613,999	7,164,804
Travel agents commission	2,732,479	-	-	2,732,479	900,000
Traveling and communication	4,316	89,604	1,328	95,248	185,157
Airport counter charge	263,543	-	-	263,543	279,177
Fees and purchase	46,213	23,735	750	70,698	5,000
Third party reservation & Amenities	5,197,647	-	-	5,197,647	7,381,038
Decoration & Training	213,116	127,893	-	341,009	483,634
Rent, Relocation, Lost, Damage etc.	-	-	-	-	3,530
Pest control	265,000	165,000	-	430,000	500,000
Postage	30,191	-	-	30,191	40,000
Entertainment	2,300	27,466	-	29,766	225,556
Others	1,550,492	401,428	74,656	2,026,576	7,163,568
Total	**39,617,814**	**151,126,282**	**7,089,272**	**197,833,368**	**225,978,016**

27. Administrative and other expenses

	01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
Operators and its affiliated company fees (Note: 27.1)	57,625,677	73,749,995
Administrative and general expenses (27.2)	45,680,160	48,385,990
Repairs and maintenance (27.3)	88,793,006	98,810,728
Advertising, promotion and public relations (27.4)	24,862,070	22,844,569
Information and Telecommunications Systems(27.5)	5,700,988	8,594,081
Total	**222,661,901**	**252,385,363**

27.1 Operators and its affiliated company fees-WESTIN

License fee (27.1.1)	15,420,436	19,270,535
Incentive fee (27.1.2)	24,126,163	32,180,202
Institutional marketing fee (27.1.3)	14,974,955	18,307,006
Reservation fee (27.1.4)	3,104,123	3,992,252
Sub-Total	**57,625,677**	**73,749,995**

27.1.1 License fee

Payable to Westin Asia Management Co.	**15,420,436**	**19,270,535**

27.1.2 Incentive fee

	Amount in Taka 01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
Payable to Westin Asia Management Co:		
Adjusted gross operating profit	420,181,794	558,635,958
Less:		
Marketing fee	14,974,955	18,307,006
Reservation fee	3,104,123	3,992,252
	18,079,078	22,299,258
Gross operating profit for the purpose of incentive fee	**402,102,716**	**536,336,700**
Incentive fee @ 6% on gross operating profit	**24,126,163**	**32,180,202**

27.1.3 Institutional marketing fee

Payable to Westin Asia Management Co: 1.9% of gross operating revenue	**14,974,955**	**18,307,006**

27.1.4 Reservation fee

Payable to Westin Asia Management Co: 0.6% of gross room revenue plus $ 10 per available room calculated on a monthly basis at the prevailing month end exchange rate	**3,104,123**	**3,992,252**

27.2 Administrative and general expenses

Salaries, wages, bonus & benefits	20,112,198	17,192,341
Operating supplies	731,526	2,274,665
Postage	70,200	33,888
Data processing expenses	-	22,236
Travel & communication	550,151	890,857
Entertainment	1,118,934	1,260,605
Security services	9,365,149	8,218,243
Internal Audit fee	1,045,000	890,000
Legal & professional charges	6,000	6,000
Fee & purchased services	157,620	173,620
Uniforms	179,637	431,059
Subscriptions	20,000	57,500
Bank charges	123,462	358,678
Credit card commission	9,212,001	12,437,565
Recruitment & Training	1,956,969	2,302,020
Permits & license Fee	971,733	1,739,836
Other expenses	59,580	96,878
Sub-Total	**45,680,160**	**48,385,990**

27.3 Repairs & maintenance and property operation

Salaries, wages, bonus & benefits	4,370,658	4,079,657
Electric bulbs	1,002,192	1,573,245
Painting & decorations	950,835	1,112,327
Travel & communication	-	21,734
Electricity expenses	57,520,313	63,252,098
Fuel - Oil	29,200	27,200
Repair & maintenance	8,244,183	11,462,123
Locks & Keys	194,467	388,375
Operating supplies	2,895,692	2,867,429
Plumbing charge	390,453	1,428,498
Propine gas	7,483,000	7,552,257
Radio, television & signage	122,850	237,500
Waste removal expenses	579,000	425,500
Water treatment and Pest Control	4,213,158	3,617,245
Uniforms	250,812	223,862
Other expenses	546,194	541,677
Sub-Total	**88,793,006**	**98,810,728**

27.4 Advertising, promotion and public relation

	Amount in Taka 01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
Salaries, wages, bonus & benefits	4,680,922	6,234,484
Operating supplies	391,544	624,405
Postage	12,237	34,958
Travel & communication	437,533	681,545
Entertainment	1,160,401	327,249
Advertising	2,553,887	731,541
Signs, events & functions	3,750	2,009,143
Starwood Preferred Guest' expenses	15,293,513	11,844,990
Uniforms	112,445	150,128
Photography expenses	-	-
Complementary guest services	61,301	38,313
Other expenses	154,537	167,813
Sub-Total	**24,862,070**	**22,844,569**

27.5 Information and Telecommunications Systems

Salaries, wages, bonus & benefits	780,182	1,088,177
Operating supplies	59,162	269,050
Postage	-	11,400
Travel & communication	1,735,732	1,586,571
Fees & purchased services	-	15,030
Laundry, dry cleaning and uniforms	13,143	28,885
Data Processing and Maintenance	3,080,829	5,508,458
Other expenses	31,940	86,510
	5,700,988	**8,594,081**

28. Head office expenses

	Amount in Taka 01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
Salary, allowance and wages	5,867,643	3,691,105
Festival Allowance	429,573	497,000
Traveling & Conveyance	998,570	424,949
Printing, Stationary and papers	78,036	148,854
Computer Expenses	65,600	37,380
Entertainment and Fooding	610,533	3,189,888
Office Repairs & Maintenance	55,658	230,589
Telephone, Mobile and Internet	177,645	271,598
Advertisement & Publicity	205,184	1,667,621
Government donation abd subscription	600,000	415,000
Trade License, Renewal Fees and duty & taxes	1,386,142	700,457
Postage & Courier	1,122	104,125
Board Meeting Fees	206,000	263,000
Office Rent, Utility and Electrical	32,506	583,259
Insurance Premium	2,183,695	4,271,697
Statutory Audit Fees	610,000	261,400
Car Repairs & Maintenance	20,010	83,942
Bank Charge	425,583	1,451,065
Consultancy Fees	-	645,000
AGM Expenses	-	2,449,727
Regulatory Fees DSE & CSE	214,000	116,430
Rating Fee	-	150,000
City Corporation Tax	3,872,048	7,744,096
Legal Expenses	-	83,200
Depreciation	110,359,297	118,227,179
Other Expenses	856,500	1,806,998
Total	**129,255,345**	**149,515,559**

29. Interest Income/ (Expense)

Interest Income from Interest bearing investment	-	(75,257,140)
Interest Income from FDR & Bank Deposits	48,423,630	57,686,824
Interest paid on Loan	(12,691,791)	(24,225,017)
Total	**35,731,839**	**(41,795,333)**

30. Other Income/(Expenses)

Dividend Income	311,979	3,919,984
Total	**311,979**	**3,919,984**

31. Provision for Income Tax

Current Tax Expenses	62,002,254	93,713,867
Deferred Tax Expenses/(Benefit)	3,205,340	7,150,505
Total	**65,207,594**	**100,864,372**

		Amount in Taka 01 July 2016 to 31 December 2016	01 July 2015 to 31 December 2015
32. Basic Earnings per share (EPS) on Net Profit after tax before Other Comprehensive Income: (Par Value of Tk.10)		**0.95**	**0.93**
Earnings attributable to Ordinary Shares:	A		
Net Profit after tax as per Statement of Comprehensive Income		**280,851,663**	**274,603,109**
Weighted Average Number of Shares:	B	**294,400,000**	**294,400,000**

Basic Earnings Per Shares C=(A/B) (Par Value of Tk.10)	=	Earnings attributable to Ordinary Shareholders / Number Ordinary shares as at 31.12.2016	Earnings attributable to Ordinary Shareholders / Number Ordinary shares as at 31.12.2015
	=	280,851,663 / 294,400,000	274,603,109 / 294,400,000
	=	**0.95**	**0.93**

33. Related party disclosure

During the period the Company carried out a number of transactions with related parties on an arm's length basis. Name of those related parties, nature of those transaction and their total value has been shown in below table in accordance with the provisions of BAS-24- "Related Party Disclosure".

Amount in Taka

Name of the Party	Relationship	Nature of Transaction	Transaction-31.12.2016			
			Opening balance	Addition	Adjustment/ (Received)	Closing balance
Borak Real Estate (Pvt.) Ltd	Common Chairperson	Construction of proposed Five Star Hotels	3,059,293,429	105,540,759	-	3,164,834,188
Borak Real Estate (Pvt.) Ltd	Common Chairperson	Interest bearing investment*	674,125,941	8,102,056	302,200	681,925,797
Purnima Construction Ltd.	Common Director	Interest bearing investment*	681,412,548	-	-	681,412,548
Chartered Life Insurance Company Ltd.	-	Interest bearing investment*	3,553,287	-	-	3,553,287
Ms. Salina Ali	Chairperson	Interest free loan	(53,094,907)	-	-	(53,094,907)
Mr. Mohd. Noor Ali	Managing Director	Interest free loan	(7,665,560)	300,000	-	(7,365,560)
Ms. Nabila Ali	Director	Interest free loan	(77,519,684)	-	-	(77,519,684)
Ms. Nadiha Ali	Shareholder	Interest free loan	(55,905,295)	-	-	(55,905,295)
Ms. Nadila Ali	Shareholder	Interest free loan	(56,490,719)	-	-	(56,490,719)
Borak Real Estate (Pvt.) Ltd	Common Chairperson	Advance against land	2,600,000,000	-	-	2,600,000,000
Unique Property Development Limited	Common MD/ Chairperson	Advance against land	325,714,532	147,457,680	4,176,831	468,995,381
Total			**7,093,423,571**	**261,400,495**	**4,479,031**	**7,350,345,036**

Transaction with Key Management Personnel of the entity:

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year from 1 July 2016 to 31 December 2016 to the directors, including managing directors, a managing agent or manager	Nil
(b)	Net cash inflow/(outflow) for the period (A+B+C)	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Cash and Cash Equivalents at the end of the period	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii)Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

34. Events After Reporting Period

In compliance with the requirements of BAS 10 : "Events After Reporting Period", post balance sheet adjusting events that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material. The Company have no adjusting or non adjusting events after reporting period.

35. Directors Responsibility Statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

36. General

36.1 Employee Details:

i) Total number of employees at the end of the period was 719. Out of total employees, 629 numbers of employees employed throughout the period and 90 numbers of employees employed for a part of the period. None of the employees were in receipt of remuneration which in aggregate was less than Tk. 3,000 per month.

ii) At the end of the reporting period, there were 719 employees in the company.

36.2 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest Taka and wherever considered necessary.

36.3 Rearrangement of last year figures

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged or reclassified whenever considered necessary to conform to current period presentation.

Dated, Dhaka;
26 January 2017