Unique Hotel & Resorts Limited

Financial Statements

As at 30 September 2017

AMAR STOCK

Unique Hotel & Resorts Limited
Statement of Financial Position As at 30 September 2017

	Notes	Amount in Taka	
		30 September 2017	30 June 2017
ASSETS			
Non-current Assets		**23,109,399,430**	**22,921,157,955**
Property, plant and equipment, net	6	18,285,429,703	18,312,065,901
Construction work in progress	7	4,823,969,727	4,609,092,054
Current Assets		**9,291,662,624**	**9,234,558,192**
Inventories	8	92,055,758	79,894,004
Investments	9	363,657,207	353,624,673
Accounts receivable	10	223,245,086	188,109,455
Other receivables	11	7,418,532	7,403,946
Advances, deposits and prepayments	12	7,326,463,438	7,380,683,449
Fixed deposit receipts	13	1,057,604,506	1,042,008,629
Cash and cash equivalents	14	221,218,097	182,834,036
TOTAL ASSETS		**32,401,062,053**	**32,155,716,147**
EQUITY AND LIABILITIES			
Shareholders' Equity		**26,294,176,834**	**26,148,376,352**
Share capital	15	2,944,000,000	2,944,000,000
Share premium	16	6,181,931,836	6,181,931,836
Tax holiday reserve	17	944,219,701	944,219,701
Revaluation reserve		12,841,195,626	12,873,111,822
Retained earnings		3,382,829,671	3,205,112,993
Non-current Liabilities		**2,473,173,100**	**1,749,753,865**
Term loan-non-current portion	18	2,113,181,250	1,385,312,500
Deferred tax liability	19	359,991,850	364,441,365
Current Liabilities		**3,633,712,119**	**4,257,585,930**
Term loan-current portion	18	403,000,000	403,000,000
Short term loans	20	899,254,313	1,594,881,514
Due to operator and its affiliates	21	17,279,878	70,093,723
Accounts payable	22	146,893,580	63,116,419
Unclaimed dividend	23	8,256,197	8,502,281
Other accruals and payables	24	2,159,028,151	2,117,991,994
TOTAL EQUITY AND LIABILITIES		**32,401,062,053**	**32,155,716,147**
Net Asset Value Per Share (NAVPS)		**89.31**	**88.82**

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	**Company Secretary**	**Director**	**Managing Director**	**Chairperson**

Signed in terms of our separate report of even date annexed.

Dated, 13 November 2017
Dhaka

Unique Hotel & Resorts Limited
Statement of Profit or Loss and Other Comprehensive Income
For the period from 01 July 2017 to 30 September 2017

	Notes	Amount in Taka	
		01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016
Revenue	25	514,012,819	326,409,547
Cost of sales	26	(107,050,308)	(83,805,701)
Gross profit		**406,962,511**	**242,603,846**
Administrative and other expenses	27	(127,019,220)	(98,773,861)
Operating profit		**279,943,291**	**143,829,985**
Corporate office expenses	28	(72,176,997)	(62,172,874)
Interest income/(expenses)	29	(14,218,779)	16,886,978
Gain/(loss) on investment in shares	30	11,161,530	4,621,768
Other income/(expenses)	31	908,459	272,450
Workers' profit participation fund (WPPF)		(10,280,875)	-
Profit before tax		**195,336,629**	**103,438,307**
Provision for income tax	32	(48,720,249)	(28,301,682)
Net profit after tax		**146,616,380**	**75,136,625**
Other comprehensive income		-	-
Total comprehensive income for the period		**146,616,380**	**75,136,625**
Basic and diluted earnings per share (EPS)	33	**0.50**	**0.26**

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	**Company Secretary**	**Director**	**Managing Director**	**Chairperson**

Signed in terms of our separate report of even date annexed.

Dated, 13 November 2017
Dhaka

Unique Hotel & Resorts Limited
Statement of Changes in Equity
For the period from 01 July 2017 to 30 September 2017

Amount in Taka

Particulars	Ordinary Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Revaluation Reserve	Total
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	-	-	-	75,136,625	-	75,136,625
Asset replacement reserve fund for the period net				(7,740,531)		(7,740,531)
Depreciation on Revaluation Surplus transferred to retained earnings	-	-	-	32,508,575	(32,508,575)	-
Balance at 30 September 2016	**2,944,000,000**	**6,181,931,836**	**944,219,701**	**3,299,767,841**	**12,970,637,548**	**26,340,556,926**
For 2017:						
Balance at 1st July 2017	**2,944,000,000**	**6,181,931,836**	**944,219,701**	**3,205,112,993**	**12,873,111,822**	**26,148,376,352**
Net profit during the period	-	-	-	146,616,380	-	146,616,380
Adjustment for reserve fund	-	-	-	(815,898)	-	(815,898)
Depreciation on revaluation reserve transferred to retained earnings	-	-	-	31,916,197	(31,916,197)	-
Balance at 30 September 2017	**2,944,000,000**	**6,181,931,836**	**944,219,701**	**3,382,829,671**	**12,841,195,626**	**26,294,176,834**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	**Company Secretary**	**Director**	**Managing Director**	**Chairperson**

Dated, 13 November 2017
Dhaka

Unique Hotel & Resorts Limited
Statement of Cash Flows
For the year ended 30 September 2017

	Amount in Taka	
	01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016
Cash flows from operating activities		
Collection from turnover and other receipts	489,090,758	365,803,625
Payment for operating costs and other expenses	241,074,615	(146,220,752)
(Increase)/decrease in other receivables	(14,586)	(538,683)
Income tax paid	(5,620,669)	(4,527,962)
Net cash from operating activities (A)	**724,530,118**	**214,516,228**
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,516,559)	(6,168,190)
Increase in investment	(428,603,676)	6,014,124
Gain/ (loss) on investment in shares	11,161,530	-
Dividend received during the period	908,459	272,450
Increase in construction work in progress	(214,877,673)	(127,549,814)
Increase in advance against land	(19,185,379)	(82,826,759)
(Increase)/decrease in fixed deposit receipts	(15,595,877)	(20,137,966)
Net cash used in investing activities (B)	**(693,709,175)**	**(230,396,155)**
Cash flows from financing activities		
Increase/(decrease) in short term financing	(695,627,201)	8,730,496
Increase/(decrease) in term loan	727,868,750	-
Interest paid during the period	(24,432,350)	-
Dividend paid during the period	(246,082)	(391)
Net Cash provided by/(used in) financing activities (C)	**7,563,117**	**8,730,105**
Net cash inflow/(outflow) for the period (A+B+C)	38,384,061	(7,149,822)
Add: Cash and cash equivalents at the beginning of the period	182,834,036	162,066,998
Cash and cash equivalents at the end of the period	**221,218,097**	**154,917,176**
Operating cash inflow/(outflow) per share	**2.46**	**0.73**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	**Company Secretary**	**Director**	**Managing Director**	**Chairperson**

Dated, 13 November 2017
Dhaka

Unique Hotel & Resorts Limited
Notes to the Financial Statements
For the period ended 30 September 2017

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 November 2000 having registration no. C-41920(1279)/2000 under the Companies Act 1994 as a Public Limited Company in Bangladesh. The Company is listed with both Dhaka Stock Exchange Limited (DSEL) and Chittagong Stock Exchange Limited (CSEL).

1.2 Registered office

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

1.3 Corporate office

Corporate office of the Company is located at 45 Kemal Ataturk Avenue, Banani, Dhaka-1213.

1.4 Company's associate and subsidiary Company

The company has no subsidiary. However, Borak Real Estate Limited holds 19.37% share of Unique Hotel & Resorts Limited.

2. Nature of business activities

Unique Hotel & Resorts Limited (the owner of “The Westin Dhaka”) a Five Star Hotel in Bangladesh, started it's commercial operation in 1st July 2007. The principal activities of the Company throughout the period were carrying out hotel business. The business activities connected with the hotel business is carried out through a Management Contract dated 20 December 1999 (renewed on 9 April 2015) executed between Unique Hotel & Resorts Ltd (“the Owner”) and Westin Asia Management Co. (“the operator”), a wholly-owned subsidiary of Starwood Hotels & Resorts Worldwide, Inc. Operator is knowledgeable and experienced in managing and promoting five star hotels and resorts and has (and/or its Affiliates have) performed such services throughout the world.

In terms of Management Contract, the operator is entitled to receive base fee, license fee, incentive fee, reservation fee and institutional marketing fee from the owner on account of operation of the Hotel only. In addition, under the contract, the operator is entitled to receive office base fee and office incentive fee from the Owner on account of office space rented out in the hotel premises.

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) 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 required to comply 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 Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited;
The Income Tax Ordinance 1984;
The Income Tax Rules 1984;
The Value Added Tax Act 1991;
The Value Added Tax Rules 1991;
The Customs Act 1969.

3.3 Structure, content and presentation of financial statements

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises:

i) Statement of Financial Position;
ii) Statement of Profit or Loss and Other Comprehensive Income;
iii) Statement of Changes in Equity;
iv) Statement of Cash Flows;
v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements.

3.4 Basis of measurement of elements of financial statements

The financial statements have been prepared on the historical cost basis, and therefore, do not take into consideration the effect of inflation except that arising from revaluation of land, building and machineries as specified in note 6. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous period.

3.5 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk) which is both functional and presentation currency.

3.6 Risk and uncertainty for use of estimates and judgment

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses as well as the application of accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amount of assets or liabilities affected in future period.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimates are revised as required by BAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3.7 Going concern

As per BAS-1 para 25, a company is required to make assessment at the end of each period to assess its capability to continue as a going concern. Management of the Company makes such assessment each period. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage against its liabilities. For this reason, the 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 one period from 1 July 2017 to 30 September 2017. To comply with the Income Tax Ordinance 1984 and other regulatory guideline, the company has changed it's financial statements reporting period to 'July to June' from 'January to December' that prevailed upto 31 December 2015.

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 transaction and translation

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 costs in a foreign currency are translated using the exchange rate at the date of the transaction.

(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 compliance with the requirements of BAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc. On 30 September 2011, the land & land development and building have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following “current cost method”. As the fair value of the assets do not differ significantly from its carrying amount as of 30 September 2017, so no revaluation has been made during the period ended 30 September 2017.

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 company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as repair and maintenance when it is incurred.

Depreciation on fixed assets

Depreciation is provided to amortize 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 and equipment. Full period depreciation is charged regardless of the date of acquisition. No depreciation is charged in the period of disposal regardless of the date of disposal. Depreciation of assets begins when it is available for use. Depreciation is charged on all fixed assets except land and land developments on reducing balance method.

Particular of Assets	Rate of depreciation
Buildings and other civil constructions	1.25%
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 developments in conformity with paragraphs 31 and 34 of BAS 16: Property, plant and equipment and to reflect fair value of the property in terms of the prevailing market price of the properties under current cost method details of which are as follows:

Particulars of the assets	Name of the valuer	Qualification of the valuer	Date of revaluation	The carrying amount of assets as on 30.09.2011	Value of assets after revaluation as on 30.09.2011	Revaluation surplus
Land & Land Development	Ata Khan & Co.	Chartered Accountants	30-Sep-11	3,388,296,912	5,664,596,600	2,276,299,688
Building	Ata Khan & Co.	Chartered Accountants	30-Sep-11	5,415,829,221	11,420,259,375	6,004,430,154
Total				**8,804,126,133**	**17,084,855,975**	**8,280,729,842**

The increase in the carrying amount of revalued assets is recognized in the separate component of equity under the head Revaluation Surplus. However, the increase is recognized in profit or loss account to the extent that it reverses a revaluation decrease of the same assets previously recognized in profit or loss account. A sum of revaluation surplus is transferred directly to equity each period in line with para 41 of BAS 16: Property, plant and equipment' as the asset is used by the company. The amount of the revaluation surplus transferred would be the differences between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfer from revaluation surplus to retained earnings is not made through profit or loss.

Other fixed assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the balance sheet of the company. As the fair value of the assets do not differ significantly from its carrying amount as of 30 September 2017, so no revaluation has been made on 30 September 2017.

4.3 Capital works in-progress

Property, plant and equipment under construction are accounted for as capital works in progress until completion of construction are measured at cost. In conformity with BAS 16: Property, plant and 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 cost of inventories consists 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 and with Brokerage house which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

4.6 Accounts and other receivable

Accounts and other receivable 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 any amount so recognized.

4.7 Earnings per share (EPS)

Basic earnings per share:

Earnings per share is calculated in accordance with BAS 33 "Earnings per share" by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the period.

Diluted earnings per share:

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of shares outstanding, for the effect of all dilutive potential of ordianary shares. However, dilution of EPS is not applicable for these financial statemnents as there was no dilutive potential during the relevant periods.

4.8 Revenue

Revenue (room rent, sales proceeds of beverage, income from laundry and shop rental) is recognized at fair value of the consideration received or receivable in the period during which the services are provided. Revenue is recognized net of value added tax, supplementary duty and service charge collectible from clients as well as rebate and discount allowed to customers in compliance with the requirements of BAS 18: "Revenue".

4.9 Employee's benefits

According to the existing policy, the employees of the company working at The Westin Dhaka premises who have completed the required length of services are paid gratuity which is calculated on the last basic salary of the outgoing employees.

4.10 Impairment of assets

All assets except inventory, assets arising from construction contracts and financial assets are assessed at the end of each reporting period 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 standard. Any impairment loss of a revalued asset is treated as a revaluation decrease. No such assets have been impaired during the period and for this reason no provision has been made for impairment of assets.

4.11 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 assets. Other borrowing costs are recognized as an expense in the period in which it incurs in accordance with BAS-23 "Borrowing Costs".

4.12 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 13 November 2017 for issue after completion of review.

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 benefit 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 receipts, borrowings and other payables are shown at transaction cost.

Initial recognition

An entity 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 and the gain or loss thereof from changes in 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 A/C: Investment in shares	Financial asset which is held for the purpose of selling in the short term held for trading or in limited circumstances, is designated under the heading.	Fair Value	In profit or loss
Loans and receivables: 1.Accounts receivable 2.Unquoted shares 3.Other receivable	Non-derivative financial assets with fixed or determinable payments that are: * Not quoted in an active market * Not designated as at fair value through profit or loss * Not held for trading or designated as available for sale (i.e. loans and receivables are none of the above)	Amortized cost	In profit or loss
Held-to-maturity investments: 1. Fixed deposit receipts	Non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold the maturity and are not designated or classified under any of the other headings.	Amortized cost	In profit or loss

4.15 Operating segments reporting

Operating segments reporting is not applicable for the Company as required by BFRS 8: "Operating Segments ", as the company operates in a single industry segment.

4.16 Statement of cash flows

The statement of cash flows has been prepared in accordance with requirements of BAS 7: Statement of cash flows. The cash generated from operating activities has been prepared using the "Direct Method" as prescribed by Securities and Exchange Rules and the benchmark treatments of 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 disclosures" has been disclosed in a separate notes to the financial statements (Note 34).

4.18 Taxation:

Current tax liability :

Current tax is the expected tax payable on the taxable income for the period, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. As per section 46 A (3) of the Income Tax Ordinance 1984, the Company has enjoyed Tax holiday for 4 (four) periods from 1 July 2007 to 30 June 2011 vide NBR Order No. 11/(73) Anu-1/2007 dated 24th January 2008. The Provision for current tax on the profit for the period from 1 July 2017 to 30 September 2017 has been made in the financial statements (Note-32).

Deferred tax liability:

Deferred tax liabilities is the amount of income taxes payable in future period in respect of taxable temporary difference. A deferred tax liability is recognized for all taxable 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 to 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 assets is disclosed in accordance with 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 reporting period

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. Also, the proposed dividend has not been considered as liability in accordance with the requirements of the para 12 & 13 of BAS 10: Events after the reporting period, because no obligation exists at the time approval of accounts and recommendation of dividend by the Board of Directors.

4.21 Comparative information

Relevant comparative information has been presented in the financial statements. Previous period's figures have been rearranged/reclassified and wherever possible and considered necessary to confirm to current period's presentation.

5. Risk exposure

5.1 Interest rate risk

Interest rate risk is that 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 mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception:

Since the Unique Hotel & Resorts Limited has not borrowed funds at flexible interest rate, hence, not involved in the interest rate risk. The company has been repaying 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 earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. When exchange rate is increased against local currency opportunity is created for generating 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 affect 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:

The Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions.

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 harm 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 Co. (a fully-owned subsidiary of Starwood Hotel and Resorts Worldwide Inc.) also has the reputation of providing quality hotel 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 capture significant market share in the sector and the company is continuously penetrating into the market and upgrading the quality of their service to minimize the risk.

5.5 Operational risks

Non-availabilities of materials/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 supervision 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 the equipment also reduce/eliminate the operational risk.

Unique Hotel & Resorts Limited
Fixed Assets Schedule
As at 30 September 2017

6. Property, plant and equipment (cost/ revaluation less accumulated depreciation)

Amount in Taka

Sl. No.	Assets	Cost				Rate (%)	Depreciation				Written down value as on 30 September'17
		Balance as at 1 July 2017	Additions during the period	Disposal during the period	Balance as at 30 September'17		Balance as at 1 July 2017	Charged during the period	Accumulated depreciation for disposal	Balance as at 30 September'17	
1	Land and land developments	6,035,272,881	38,173	-	6,035,311,054	-	-	-	-	-	6,035,311,054
2	Building and other Civil constructions	11,626,208,982	-	-	11,626,208,982	1.25%	996,807,866	33,216,878	-	1,030,024,745	10,596,184,237
3	Office furniture and equipments	32,216,147	176,300	-	32,392,447	5%	9,047,430	291,813	-	9,339,243	23,053,204
4	Hotel furniture	331,374,952	-	-	331,374,952	5%	126,057,387	2,566,470	-	128,623,856	202,751,096
5	Motor vehicles	135,937,432	20,500,000	-	156,437,432	5%	28,910,074	1,594,092	-	30,504,166	125,933,266
6	Hotel equipments	1,987,025,126	6,802,086	-	1,993,827,212	5%	675,146,862	16,483,504	-	691,630,366	1,302,196,846
Total as at 30 September 2017		**20,148,035,520**	**27,516,559**	**-**	**20,175,552,079**	**-**	**1,835,969,619**	**54,152,757**	**-**	**1,890,122,376**	**18,285,429,703**
Total as at 30 June 2017		**20,087,783,437**	**60,252,083**	**-**	**20,148,035,520**	**-**	**1,614,715,401**	**221,254,218**	**-**	**1,835,969,619**	**18,312,065,901**

Ata Khan & Co. Chartered Accountants, have further revalued Land & land development and 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 30 September 2017	As at 30 June 2017

7. Construction work in progress

A proposed five star international reputed chain hotel (7.1)	3,364,672,266	3,195,755,565
Multipurpose commercial complex (7.2)	66,145,010	66,140,010
A proposed international reputed chain hotel, Uttara (7.3)	465,277,451	419,321,479
Hotel and service apartment	927,875,000	927,875,000
	4,823,969,727	**4,609,092,054**

7.1 A proposed five star international reputed chain hotel

Opening balance	3,195,755,565	2,777,506,203
Add: Addition during the period	168,916,701	418,249,362
Less: Transferred to PPE during the period	-	-
Closing balance	**3,364,672,266**	**3,195,755,565**

7.2 Multipurpose commercial complex

Opening balance	66,140,010	44,692,533
Add: Addition during the period	5,000	21,447,477
Less: Transferred to PPE during the period	-	-
Closing balance	**66,145,010**	**66,140,010**

7.3 A proposed international reputed chain hotel, Uttara

Opening balance	419,321,479	172,735,602
Add: Addition during the period	45,955,972	246,585,877
Less: Transferred to PPE during the period	-	-
Closing balance	**465,277,451**	**419,321,479**

8. Inventories

General	**4,313,157**	**4,313,157**
Marble	2,772,180	2,772,180
Construction materials	932,471	932,471
Hardware materials	239,334	239,334
Sanitary materials	369,172	369,172
The Westin, Dhaka	**87,742,601**	**75,580,847**
Food	20,033,623	15,043,500
Beverage	29,102,953	18,995,667
Guest amenities	11,292,754	13,347,496
Linen & china	10,006,093	11,428,061
Store- general	815,669	869,632
Utensils	14,227,441	14,123,393
Others	2,264,068	1,773,098
	92,055,758	**79,894,004**

	Amount in Taka	
	As at 30 September 2017	As at 30 June 2017
9. Investments		
Investment in quoted shares (9.1)	294,472,207	284,439,673
Investment in unquoted shares (9.2)	69,185,000	69,185,000
	363,657,207	**353,624,673**

9.1 Investment in shares

Investments in equity shares in different companies are classified as a financial asset 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 loss arising from a change in the fair value of the investments is recognized in the profit or loss.

	Book value 30.09.2017 Taka	Fair value 30.09.2017 Taka	Fair value 30.06.2017 Taka
Investment in quoted shares:	**333,201,501**	**294,472,207**	**284,439,673**
Mobil Jamuna Ltd.	3,979,140	3,936,900	-
BGIC	2,170,771	2,100,000	-
Continental Insurance Co. Ltd.	3,947,555	3,760,000	-
Southeast Bank Ltd.	13,126,535	12,540,000	
Rupali Insurance Ltd.	2,213,630	2,090,000	-
IFIC Bank Ltd.	1,000,491	1,010,000	-
ACI Ltd.	3,793,059	3,764,150	-
Aftab Automobiles	21,843,423	18,816,827	
Beximco Ltd.	17,682,777	14,750,000	
IPDC Finance Ltd.	1,453,251	1,344,000	
Saiham Cotton Mills Ltd.	25,700,086	23,640,000	
Salvo Chemicals Ltd.	11,937,617	10,199,000	
Beximco Pharma	28,181,770	26,700,000	28,250,000
Shahjibazar Power Co. Ltd.	11,334,890	10,480,500	14,430,000
GPH Ispat	9,000,892	7,840,000	8,860,000
One Bank Ltd.	2,258,756	2,550,000	10,500,000
Singer BD	4,957,000	4,690,000	5,724,000
First Security Bank Ltd.	5,643,480	6,020,000	4,968,810
Acme Lab	37,464,056	35,918,360	11,801,400
British American Tobacco Bangladesh Ltd.	3,012,000	2,992,800	2,829,300
Dutch Bangla Bank Ltd.	14,958,065	14,764,650	9,766,500
Eastern Bank Ltd.	8,165,086	9,456,502	7,290,255
EBL NRB Mutual Fund	10,000,225	9,732,236	9,269,774
IDLC Ltd.	15,282,850	15,928,500	14,655,600
Lafarge Surma Cement Ltd.	5,434,400	2,452,000	2,516,000
Lanka Bangla Finance	9,789,378	9,855,832	44,560,000
National Bank Ltd.	38,465,078	25,061,550	17,872,932
NCC Bank Ltd.	5,429,160	3,524,400	2,653,200
Power Grid Bangladesh Limited	14,976,080	8,554,000	8,570,450
Bangladesh Building Society	-	-	4,820,865

		Book value 30.09.2017	Fair value 30.09.2017	Fair value 30.06.2017
	City Bank Ltd.	-	-	19,119,815
	Social Investment Bank Ltd.	-	-	8,128,305
	Tung Hai Knitting & Dyeing	-	-	4,650,000
	United Power Generating	-	-	5,550,000
	ECABLES	-	-	282,000
	Islami Bank	-	-	1,998,525
	UNITEDFIN	-	-	556,400
	Active Fine Chemicals	-	-	10,140,000
	Confidence Cements	-	-	4,105,300
	Al-Arafah Islami Bank Ltd.	-	-	6,312,653
	BARAKA Power	-	-	2,927,900
	PHP First Mutual Fund	-	-	9,811,689
	Titas Gas Transmission & Distribution Co. Ltd.	-	-	1,518,000
9.2	**Investment in unquoted shares:**	**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
		402,386,501	**363,657,207**	**353,624,673**

10.	**Accounts receivable**		
	Accounts receivable (10.1)	227,474,056	191,948,425
	Less: Provision for bad debt	(4,228,970)	(3,838,970)
		223,245,086	**188,109,455**

10.1	**Accounts receivable- ageing summary**		
	0- 30 days	69,949,196	80,668,598
	31-60 days	32,807,771	24,012,538
	61-90 days	5,455,658	22,330,810
	91-120 days	12,637,036	17,342,413
	121- 150 days	14,502,769	17,924,743
	151 days and over	92,121,626	29,669,323
		227,474,056	**191,948,425**

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.	Particulars	Amount in Taka	Amount in Taka
I	Accounts receivable considered good in respect of which the company is fully secured	223,245,086	188,109,455
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		**223,245,086**	**188,109,455**

		Amount in Taka	
		As at	As at
		30 September 2017	30 June 2017
11.	**Other receivables**		
	Accrued interest on fixed deposit receipts	6,851,379	6,778,726
	Insurance receivable	567,153	625,220
		7,418,532	**7,403,946**
12.	**Advances, deposits and prepayments**		
	Advances (12.1)	7,296,509,921	7,350,575,933
	Deposits (12.2)	19,496,250	19,496,250
	Prepayments (12.3)	10,457,267	10,611,266
		7,326,463,438	**7,380,683,449**
12.1	**Advances:**		
	Advance income tax (12.1.1)	723,892,606	718,271,937
	Advance to Govt.	175,500,000	175,500,000
	Rent (security)	2,400,000	2,400,000
	Purchases	6,914,196	5,976,660
	Parties/ suppliers	1,649,795,870	1,231,224,728
	Advance to employees	1,290,929	1,290,929
	Advance to employees- The Westin Dhaka	1,226,203	1,024,703
	Advance to suppliers- The Westin Dhaka	2,013,363	23,387,851
	Others- The Westin Dhaka	6,552,736	1,998,608
	Advance against land*	3,312,424,237	3,312,356,737
	Sonargoan Economic Zone Ltd.	442,533,230	423,415,351
	Borak Real Estate Ltd.	252,450,963	758,503,938
	Purnima Constructions (Pvt.) Ltd.	657,012,547	657,012,547
	Chartered Life Insurance Co. Ltd.	3,553,287	3,553,287
	Others	58,949,754	34,658,657
		7,296,509,921	**7,350,575,933**

i) Advance against land includes the 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 24 June 2013. The advance shall be accounted for as land as soon as the registration are completed.

ii) Advances to Borak Real Estate Ltd., Chartered Life Insurance Ltd., Purnima Constructions (Pvt.) Ltd. and Anannya Development (Pvt.) Ltd. have been categorized as advance against construction works from it's previous category interest bearing investment vide reference to the policy note 4.21.

12.1.1	**Advance income tax**		
	Opening	718,271,937	353,948,165
	Add: Income tax during the year	5,620,669	364,323,772
	Less: Income tax adjusted during the year	-	-
		723,892,606	**718,271,937**
12.2	**Deposits:**		
	Bank guarantee margin	5,983,690	5,983,690
	Security deposit	12,908,261	12,908,261
	Security deposit- The Westin Dhaka	604,299	604,299
		19,496,250	**19,496,250**

	Amount in Taka	
	As at	As at
	30 September 2017	30 June 2017
12.3 Prepayments:		
Insurance premium	3,638,122	376,824
Prepaid expenses- The Westin Dhaka	6,819,145	10,234,442
	10,457,267	**10,611,266**
13. Fixed deposit receipts		
Fixed deposit receipts of The Westin Dhaka		
BD Finance Company Ltd.	10,000,000	10,000,000
International Leasing and Financial Services Ltd.	275,000,000	275,000,000
Fareast Finance and Investment Ltd.	90,000,000	90,000,000
People Leasing and Financial Services Ltd.	55,000,000	35,000,000
Midland Bank Ltd.	-	11,064,494
	430,000,000	**421,064,494**
Fixed deposit receipts of Head office		
Southeast Bank Ltd.- Gulshan Branch	14,415,345	14,239,135
United Commercial Bank Ltd- Banani Branch	613,189,161	606,705,000
	627,604,506	**620,944,135**
	1,057,604,506	**1,042,008,629**
14. Cash and cash equivalents		
A. With corporate office:		
Cash in hand	288,341	185,552
Cash at brokerage house	11,625,608	10,492,856
	11,913,949	**10,678,408**
Cash at bank		
Eastern Bank Ltd.-Gulshan Branch, Dhaka	1,220,399	1,220,399
The City Bank Ltd.-Kawran Bazaar Branch, Dhaka.	10,545	10,784
Southeast Bank Ltd.-Gulshan Branch, Dhaka.	573	573
Mercantile Bank Ltd.-Banani Branch, Dhaka.	44,460	44,460
Prime Bank Limited.-Banani Branch, Dhaka.	(3,513,397)	7,499,825
Prime Bank Ltd., Banani Branch, [Unit-2]	57,522	57,522
United Commercial Bank Ltd.-Banani Branch, Dhaka	1,305,418	1,805,418
Shahjalal Islami Bank Ltd.-Banani Branch, Dhaka	7,570	7,570
BRAC Bank Ltd., Gulshan Branch, SND Account	6,459,335	6,459,335
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	292,597	292,597
Eastern Bank Ltd.-Banani Branch, Dividend Account	775,061	781,811
Eastern Bank Ltd.-Banani Branch, Dividend Account	6,099,065	6,112,003
Eastern Bank Ltd.-Banani Branch, Dividend Account	3,189,843	3,193,894
Eastern Bank Ltd.-Banani Branch, Dividend Account	2,267,767	2,279,412
Sonali Bank Ltd, Gulshan. Branch, Dhaka	17,012	17,012
Sonali Bank Ltd., Dhaka Reg. Complex Branch	12,083	12,083
Janata Bank Ltd.-Corporate Branch, Dhaka.	23,269	23,269
Premier Bank Ltd. Banani Branch	3,675	3,675
Eastern Bank Ltd.-Banani Branch, Dividend Account	2,143,115	2,328,816
Bank Alfalah Ltd., Gulshan Branch	1,242,669	62,915
	27,562,643	**38,117,434**
	39,476,592	**48,795,842**

			Amount in Taka	
			As at	As at
			30 September 2017	30 June 2017
B.	**With The Westin Dhaka**			
	Cash in hand		**1,055,000**	**1,055,000**
	Cash at bank		**180,686,505**	**132,983,194**
	Prime Bank Limited		(157,513,116)	(65,273,152)
	Deposit account with Prime Bank Limited		206,225,206	106,616,897
	The City Bank Limited- Gulshan Branch		36,945,270	13,188,564
	Eastern Bank Ltd.-Gulshan Branch Dhaka, FC Account		1,886,478	1,886,477
	Prime Bank Limited, Banani Branch-replacement reserve		19,363,849	8,950,367
	Dutch Bangla Bank Limited		242,803	242,803
	Standard Chartered Bank		31,239,794	54,627,732
	Standard Chartered Bank CD		42,296,221	12,743,506
			181,741,505	**134,038,194**
	Total : (A+B)		**221,218,097**	**182,834,036**
15.	**Share capital**			
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.	**Shareholding position**	**Percentage**	**No. of shares**	
	Sponsors/Directors	52.14%	153,487,528	1,534,875,280	1,534,875,280
	Companies and financial institutions	29.43%	86,639,782	866,397,820	891,581,350
	Foreign individual & companies	1.72%	5,053,427	50,534,270	51,424,140
	General public	16.71%	49,219,263	492,192,630	466,119,230
		100.00%	**294,400,000**	**2,944,000,000**	**2,944,000,000**
16.	**Share premium**			**6,181,931,836**	**6,181,931,836**
17.	**Tax holiday reserve**			**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	As at
		30 September 2017	30 June 2017
18.	**Total long term loan**	**2,516,181,250**	**1,788,312,500**
	Current and non-current distinction		
	Non-current portion	2,113,181,250	1,385,312,500
	Current portion	403,000,000	403,000,000
		2,516,181,250	**1,788,312,500**

Name of lender	:	Standard Chartered Bank, Singapore
Security agent	:	Standard Chartered Bank, Dhaka
Name of facility	:	Term loan facility
Facility limit	:	USD 35 million ($ 25 million disbursed upto 30 June 2017)
Rate of interest	:	LIBOR+4.50% per annum
Purpose of loan	:	Financing capital expenditure
Repayment	:	5 years including 12 months grace period for principal amount that will be paid through 16 equal quarterly installments after the grace period.
Security	:	i) Registered mortgage on 24 storied five star hotel building (The Westin Dhaka) including 1 bigha and 4.25 katha of land on which the building is situated along with fittings and fixtures and boundary wall etc.; ii) Personal guarantee of Mr. Mohd. Noor Ali, Managing Director; iii) Exclusive charge on receivables of the Company.

The Company has taken the above foreign currency loan which are denominated in USD. The loan shall be repaid over a period of 5 years from the revenue of the Company during the relevant period from hotel operation which are also invoiced and collected in USD. The foreign currency loan was sanctioned solely for the purpose of a capital project termed as “purchase and installation of interiors and furnishing materials of Unique Hotel and Resorts Limited (unit 2), a five star or superior hotel”. The said project is ongoing and the underlying property is yet to be ready for available for use.

19. Deferred tax liability

Opening balance	364,441,365	354,462,638
Deferred tax obligation/(benefit) during the period	(4,449,515)	9,978,727
	359,991,850	**364,441,365**

20. Short term loans

Standard Chartered Bank	-	180,000,000
Bank Alfalah Ltd.	500,000,000	500,000,000
Prime Bank Ltd. Banani Branch, overdraft	224,597,473	609,909,447
Standard Chartered Bank, Gulshan Branch, overdraft	174,656,840	304,972,067
	899,254,313	**1,594,881,514**

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

	Amount in Taka	
	As at	As at
	30 September 2017	30 June 2017

21. Due to operator and its affiliates

License fee	6,094,218	18,194,406
Incentive fee	4,171,660	31,036,163
Institutional marketing fee	5,789,507	17,284,691
Reservation fee	1,202,793	3,443,288
Office base fee	21,700	135,175
	17,279,878	**70,093,723**

22. Accounts payable

Bashundhara Tissue Industries	331,960	279,480
Bengal Meat Processing Ind. Ltd.	474,937	2,652,903
R. M. Enterprise	998,497	2,940,623
Blue Bird International	-	586,507
Expolink Resources Ltd.	-	1,059,100
IG Food Ltd.	-	1,622,160
Noor Trade House	4,546,620	-
Tama Corporation	634,365	-
Northern Hatcheries	528,059	-
Other creditors	139,379,142	53,975,646
	146,893,580	**63,116,419**

23. Unclaimed dividend

Opening balance	8,502,281	7,736,729
Add: Dividend declared during the period	-	647,680,000
Less: Dividend paid during the period	(246,084)	(646,914,448)
	8,256,197	**8,502,281**

24. Other accruals and payables

Taxes, deposits and other creditors- The Westin Dhaka (24.1)	51,731,593	59,377,241
Provision for gratuity	15,200,501	13,203,876
Accrued expenses (24.2)	147,952,199	127,485,751
Provision for corporate tax (24.3)	911,854,245	858,684,481
Liability to directors and shareholders	250,076,165	261,076,165
Workers' profit participation fund (24.4)	48,377,159	38,096,284
Other payables	733,836,289	760,068,196
	2,159,028,151	**2,117,991,994**

24.1 Taxes, deposits and other creditors

Security deposits from suppliers	6,360,000	6,060,000
Security deposits from tenants	4,560,220	4,560,220
Tips payable and employee fund	(132,662)	12,101,498
Others	2,375,782	3,923,369
VAT and supplementary duty	1,141,144	615,547
Service charge	13,404,449	11,867,902
VAT plus	23,517,244	19,687,263
TDS- suppliers	57,509	322,814
VDS- suppliers	67,407	238,628
Travel agents' commission	380,500	-
	51,731,593	**59,377,241**

	Amount in Taka	
	As at	As at
	30 September 2017	30 June 2017

24.2 Accrued expenses

Salaries, wages, bonus and other benefits	3,392,171	3,078,627
Accruals for utility services	3,049,875	3,343,088
Legal fees	296,500	296,500
Audit fee	2,674,804	2,419,804
Income tax payable for expatriate salaries	996,835	1,992,303
Expatriate benefits	654,720	1,790,760
Accrual for Starwood preferred guest programme	78,154,545	73,238,901
Accrual for employee survey and vacation	1,055,810	673,226
Accrual for Starwood-third party reservation	1,900,075	1,750,075
Accrual for Starwood GSI/GEI	2,326,677	2,296,677
Westin privilege card and SPP card selling	88,917	240,542
Advance received tower rent and workout	9,017,650	9,919,044
Accrual for data processing	671,852	247,480
Other payables- The Westin Dhaka	31,971,810	16,164,436
Accrued expenses- corporate office	11,699,958	10,034,288
	147,952,199	**127,485,751**

24.3 Provision for corporate tax

Opening balance	858,684,481	675,588,679
Add: Income tax during the year	53,169,764	183,095,802
Less: Income tax adjusted during the year	-	-
Closing balance	**911,854,245**	**858,684,481**

24.4 Provision for workers' profit participation fund (WPPF)

Opening balance	38,096,284	38,096,284
Add: Provision made during the period	10,280,875	-
Less: Paid during the period	-	-
Closing balance	**48,377,159**	**38,096,284**

The Company has established workers' profit participation fund (WPPF) in the current year in compliance with the section 234 of Bangladesh Labor (Amendments) Act, 2013.

	Amount in Taka	
	01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016

25. Revenues

Rooms	216,477,667	117,115,530
Food and beverage	230,155,400	159,970,562
Minor operating department (MOD)	18,750,692	17,344,168
Space rental and shop rent	9,271,662	6,457,679
Other revenues	39,357,398	25,521,608
	514,012,819	**326,409,547**

26. Costs of sales

Particulars	1 July 2017 to 30 September 2017				01 July 2016 to 30 September 2016
	Rooms	Food & beverage	Minor operating dept. (MOD)	Total	Total
	Taka	Taka	Taka	Taka	Taka
Salary, wages, bonus and benefits	4,463,447	16,688,275	1,719,503	22,871,225	20,146,158
Cost of materials & other related expenses	-	57,861,908	134,541	57,996,449	40,349,931
Operating supplies	1,904,325	5,328,781	316,835	7,549,941	6,758,498
Laundry, dry cleaning and uniforms	2,210,835	1,569,673	869,177	4,649,685	3,802,143
Complementary guest services	6,306,880	61,359	52,747	6,420,986	4,343,765
Linen, china, glass & silver	1,388,773	194,528	-	1,583,301	717,019
In-house TV , video, movies, music etc.	385,987	2,106,548	-	2,492,535	1,441,865
Travel agents commission	1,116,644	237,787	-	1,354,431	1,355,000
Traveling and communication	-	135,006	-	135,006	34,010
Airport counter charge	181,214	-	-	181,214	127,537
Fees and purchase	13,423	23,204	-	36,627	24,485
Third party reservation & amenities	2,876,571	-	-	2,876,571	3,353,785
Decoration & training	26,478	56,701	-	83,179	183,688
Pest control	-	4,000	-	4,000	165,000
Postage	-	-	-	-	60,382
Promotion & others	-	228,352		228,352	-
Entertainment	-	25,811	-	25,811	7,247
Advertisement	-	-	-	-	44,000
Others	(287,415)	(1,067,282)	(84,308)	(1,439,005)	891,188
Total	**20,587,162**	**83,454,651**	**3,008,495**	**107,050,308**	**83,805,701**

		Amount in Taka	
		01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016
27.	**Administrative and other expenses**		
	Operators and its affiliated company fees (27.1)	25,207,170	12,861,645
	Administrative and general expenses (27.2)	22,910,583	22,571,203
	Repairs and maintenance (27.3)	46,890,690	43,876,052
	Advertising, promotion and public relations (27.4)	26,842,805	17,164,884
	Information and Telecommunications systems (27.5)	5,167,972	2,300,077
		127,019,220	**98,773,861**
27.1	**Operators and its affiliated company fees**		
	License fee (27.1.1)	9,434,728	5,628,375
	Incentive fee (27.1.2)	15,772,442	7,233,270
		25,207,170	**12,861,645**
27.1.1	**License fee**		
	Payable to Westin Asia Management Co.	**9,434,728**	**5,628,375**
27.1.2	**Incentive fee**		
	Payable to Westin Asia Management Co:		
	Adjusted gross operating profit	273,706,435	127,481,960
	Less:		
	Marketing fee	8,962,991	5,672,497
	Reservation fee	1,869,411	1,254,958
		10,832,402	6,927,455
	Gross operating profit for the purpose of incentive fee	**262,874,033**	**120,554,505**
	Incentive fee @ 6% on GOP	**15,772,442**	**7,233,270**
27.2	**Administrative and general expenses**		
	Data processing expenses	-	-
	Salaries, wages, bonus and benefits	8,083,957	10,172,754
	Operating supplies	424,740	485,368
	Postage	24,877	46,975
	Travel and communication	500,097	-
	Entertainment	425,994	335,705
	Security services	5,359,702	615,672
	Internal audit fee	255,000	4,686,490
	Legal and professional charges		750,000
	Fee and purchased services	52,575	3,000
	Uniforms	166,680	61,550
	Subscriptions	73,750	84,426
	Bank charges	12,344	10,000
	Credit card commission	5,665,763	64,972
	Recruitment and training	872,231	3,660,891
	Expense against provision	390,000	1,133,863
	Permits and license fee	491,059	428,409
	Other expenses	111,814	31,128
		22,910,583	**22,571,203**

	Amount in Taka	
	01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016
27.3 Repairs and maintenance		
Salaries, wages, bonus and benefits	1,990,985	2,199,285
Electric bulbs	853,724	535,408
Painting and decorations	136,101	500,934
Travel and communication	117,300	7,956
Electricity expenses	31,156,175	28,465,724
Fuel	-	29,200
Repair and maintenance	4,356,607	4,586,204
Laundry equipments	89,394	-
Locks and keys	117,801	71,780
Operating supplies	440,923	845,262
Plumbing charge	336,753	218,730
Propine gas	4,285,014	3,931,925
Radio, television and signage	-	26,000
Waste removal expenses	231,840	275,500
Water treatment and pest control	2,374,822	1,912,769
Uniforms	78,381	76,206
Other expenses	324,870	193,169
	46,890,690	**43,876,052**
27.4 Advertising, promotion and public relation		
Salaries, wages, bonus and benefits	2,249,654	2,556,467
Operating supplies	119,213	257,347
Postage	600	3,737
Travel and communication	127,510	184,982
Entertainment	1,158,121	219,027
Advertising	70,912	80,000
Signs, events and functions	1,118,470	1,063,131
SPG expenses	10,941,967	5,712,875
Institutional marketing fee	8,962,991	5,672,497
Reservation fee	1,869,411	1,254,958
Uniforms	106,562	56,486
Complementary guest services	-	61,301
Other expenses	117,394	42,076
	26,842,805	**17,164,884**
27.5 Information and Telecommunications Systems		
Salaries, wages, bonus and benefits	280,268	383,434
Operating supplies	-	14,000
Travel and communication	1,315,567	881,835
Data processing and maintenance	3,519,916	992,760
Laundry, dry cleaning and uniforms	-	8,588
Other expenses	52,221	19,460
	5,167,972	**2,300,077**

AMARSTOCK

	Amount in Taka	
	01 July 2017 to 30 September 2017	01 July 2016 to 30 September 2016
28. Corporate office expenses		
Director's remuneration	1,500,000	-
Salary, allowance and wages	3,416,518	2,062,124
Festival allowance	705,180	429,573
Traveling, conveyance and allowances	168,800	67,825
Printing, stationary and papers	177,460	31,288
Computer expenses	1,000	21,100
Food and entertainment	433,635	465,439
Office repairs and maintenance	750	22,356
Telephone, mobile and internet	85,897	76,429
Advertisement and publicity for BSEC compliance	75,812	10,000
Donations and subscriptions	1,500,000	100,000
Trade license, renewal fees, duty and taxes	115,790	-
Postage and courier	-	1,122
Paper, books and periodicals	4,300	-
Meeting fees	56,000	78,500
Office rent, utility and electrical	-	24,758
Insurance premium	1,130,474	299,570
Audit fees	-	376,250
Car repairs and maintenance	149,293	2,670
Bank charge	15,131	115,031
Consultancy fees	505,000	-
Regulatory fees	106,000	214,000
VAT expense	6,654,215	-
City corporation tax	-	1,936,024
Depreciation	54,152,757	55,158,442
Other expenses	1,222,985	680,373
	72,176,997	**62,172,874**

29. Interest income/(expense)		
Interest income on FDR and bank deposits	10,213,570	23,296,817
Interest paid on loan	(24,432,349)	(6,409,839)
	(14,218,779)	**16,886,978**

30. Gain/(loss) on investment in shares		
Realized gain/ (loss) from sale of shares	7,187,727	4,621,768
Unrealized gain/(loss) for difference between cost and market price	3,973,803	-
	11,161,530	**4,621,768**

Unrealized gain refers to the reversal of prior period's loss recognized due to the difference between the cost and market price of corresponding investment in shares.

	Amount in Taka	
	01 July 2017 to 30 September 2017	**01 July 2016 to 30 September 2016**
31. Other income/(expenses)		
Dividend income	908,459	272,450
	908,459	**272,450**
32. Provision for income tax		
Current tax expenses	53,169,764	28,001,529
Deferred tax expenses/(benefit)	(4,449,515)	300,153
	48,720,249	**28,301,682**
33. Basic Earnings per share (EPS) on Net Profit after tax before Other Comprehensive Income: (Par Value of Tk.10)	**0.50**	**0.26**
Earnings attributable to ordinary shares:	**A**	
Net Profit after tax as per Statement of Comprehensive Income	**146,616,380**	**75,136,625**
Number of shares:	**B**	**294,400,000**	**294,400,000**
		Earnings attributable to ordinary shareholders	Earnings attributable to ordinary shareholders
	=	**146,616,380**	**75,136,625**
		294,400,000	**294,400,000**
Basic and diluted earnings per share C=(A/B) (Par Value of Tk.10)	=	**0.50**	**0.26**

Both Basic EPS and Diluted EPS are same since there was no dilutive potential during the relevant periods.

34. 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	Balance as on 30 June 2017			
			Opening balance	Addition	Adjustment/ (Received)	Closing balance
Borak Real Estate Ltd.	Common Director	Advance against constructions	758,503,938	10,337,790	516,390,765	252,450,963
Anannya Development (Pvt.) Ltd.	Common Director	Advance against constructions	-	-	-	-
Anannya Development (Pvt.) Ltd.	Common Director	Balance with current account	(20,000,000)	-	-	(20,000,000)
Purnima Construction Ltd.	Common Director	Advance against constructions	657,012,548	-	-	657,012,548
Chartered Life Insurance Company Ltd.	Common Director	Advance payment	3,553,287	-	-	3,553,287
Unique Vocational Training Centre Ltd.	Common Director	Balance with current account	116,152	-	-	116,152
Ms. Salina Ali	Chairperson	Balance with current account	(45,094,907)	3,000,000	-	(42,094,907)
Mr. Mohd. Noor Ali	Managing Director	Balance with current account	(26,065,560)	2,000,000	-	(24,065,560)
Ms. Nabila Ali	Director	Balance with current account	(77,519,684)	2,000,000	-	(75,519,684)
Ms. Nadiha Ali	Director	Balance with current account	(55,905,295)	2,000,000	-	(53,905,295)
Ms. Nadila Ali	Shareholder	Balance with current account	(56,490,719)	2,000,000	-	(54,490,719)
Unique Group of Companies Ltd.	Common Director	Balance with current account	5,156,668	2,283,966	260,543	7,180,091
Unique Ceramics Industries (Pvt.)Ltd.	Common Director	Balance with current account	(205,082,567)	-	-	(205,082,567)
Star Infrastructure Development Consortium Ltd.	Common Director	Advance payment	1,085,000	1,000,000	-	2,085,000
Borak Real Estate Ltd.	Common Director	Advance against land	2,600,000,000	-	-	2,600,000,000
Unique Property Development Ltd.	Common Director	Advance against land	3,800,000	-	-	3,800,000
Sonargoan Economic Zone Ltd.	Common Director	Advance against land	423,415,351	19,117,879	-	442,533,230
Unique Ceramics Industries (Pvt.)Ltd.	Common Director	Advance against brick purchase	150,000,000	-	-	150,000,000
Borak Travels (Pvt.) Ltd.	Common Director	Balance with current account	(74,875,000)	-	-	(74,875,000)
Unique Eastern (Pvt.) Ltd.	Common Director	Balance with current account	(174,833,864)	-	-	(174,833,864)
Total			**3,866,775,349**	**43,739,635**	**516,651,308**	**3,393,863,676**

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 2017 to 30 September 2017 to the directors, including managing directors, a managing agent or manager	1,500,000
(b)	Net cash inflow/(outflow) for the period	(1,500,000)
(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

35. 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.

36. Directors responsibility statements

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

37. General

37.1 Employee details:

Total number of employees having annual salary and allowances of Tk. 36,000 or above each at the reporting date was as follows:

Particulars	30 September 2017	30 June 2017
Number of employees	777	759

None of the employees were in receipt of remuneration which in aggregate was less than Tk. 3,000 per month.

37.2 Rounding off

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

37.3 Rearrangement of last year figures

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Chief Financial Officer	**Company Secretary**	**Director**	**Managing Director**	**Chairperson**

Dated, 13 November 2017
Dhaka