THE PENINSULA CHITTAGONG LIMITED

AUDITORS' REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2017

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HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

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AUDITORS' REPORT
TO THE SHAREHOLDERS OF
THE PENINSULA CHITTAGONG LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **The Peninsula Chittagong Limited** ("the Company") which comprise the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Other matter

The financial statements of the company for the year ended 30 June 2016 were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants and issued unmodified opinion on 23 October 2016.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

(a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(c) the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

(d) the expenditure incurred was for the purposes of the Company's business.

Chittagong, 09 OCT 2017

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Hussain Farhad & Co.
Chartered Accountants

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THE PENINSULA CHITTAGONG LIMITED

Statement of Financial Position

As at 30 June 2017

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
Assets			
Non-current assets			
Property, plant and equipment	4	2,375,120,997	2,393,382,759
Intangible assets	5	1,974,694	2,307,127
Investments	6	6,125,000	6,125,000
Total non-current assets		**2,383,220,691**	**2,401,814,886**
Current assets			
Inventories	7	26,935,843	25,542,161
Accounts receivable	8	39,761,375	32,971,929
Interest receivable	9	12,464,049	14,722,787
Advances, deposits and prepayments	10	198,859,693	181,482,082
Short term investments	11	13,090,125	11,171,425
Cash and cash equivalents	12	1,172,035,106	1,435,317,542
Total current assets		**1,463,146,191**	**1,701,207,926**
Total assets		**3,846,366,882**	**4,103,022,812**
Equity and Liabilities			
Equity			
Share capital	13	1,186,668,000	1,186,668,000
Retained earnings	14	174,844,703	231,185,866
Share premium		1,050,958,284	1,050,958,284
Revaluation surplus	15	1,228,413,842	1,228,413,842
Total equity		**3,640,884,829**	**3,697,225,992**
Liabilities			
Non-current liabilities			
Lease finance	16.01	-	583,586
Deferred tax liabilities	17	49,495,635	35,269,336
Total non-current liabilities		**49,495,635**	**35,852,922**
Current liabilities			
Accounts payable	18	34,280,963	38,689,723
Short term borrowings	19	17,575,284	234,798,784
Current portion of lease finance	16.01	583,586	561,896
Provision for income tax	20	93,348,411	83,048,540
Unclaimed dividend	21	5,627,026	4,754,647
Provision for WPPF and Welfare Fund	22	4,571,148	8,090,308
Total current liabilities		**155,986,418**	**369,943,898**
Total liabilities		**205,482,053**	**405,796,820**
Total equity and liabilities		**3,846,366,882**	**4,103,022,812**
Net Asset Value Per Share	31	**30.68**	**31.16**

The annexed notes 1 to 40 form an integral part of these financial statements.

Company Secretary | **Managing Director** | **Director** | **Chairman**

As per our annexed report of same date.

Hussain Farhad & Co.
Chartered Accountants

Chittagong, 09 OCT 2017

HFC HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

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THE PENINSULA CHITTAGONG LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

	Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
Revenue	23	268,789,109	300,264,617
VAT expenses	37.01	(30,652,108)	-
Cost of sales	24	(172,253,226)	(175,215,269)
Gross profit		**65,883,775**	**125,049,348**
Administrative expenses	25	(50,912,458)	(53,970,449)
Selling and distribution expenses	26	(1,130,026)	(1,495,216)
		13,841,291	**69,583,683**
Finance costs	27	(16,661,887)	(20,877,291)
Finance income	28	92,514,147	112,567,587
Non-operating income/(loss)	29	1,729,404	(1,058,313)
Profit before tax and WPPF and Welfare Fund		**91,422,955**	**160,215,666**
Contribution to WPPF and Welfare Fund	22	(4,571,148)	(8,090,308)
Profit before tax		**86,851,807**	**152,125,358**
Income tax expenses:			
Current tax	20	(10,299,871)	(38,428,961)
Deferred tax	17	(14,226,299)	(15,435,789)
		(24,526,170)	(53,864,750)
Net profit after tax for the year		**62,325,637**	**98,260,608**
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
		-	-
Total comprehensive income		**62,325,637**	**98,260,608**
Earnings Per Share (Basic)	30	**0.53**	**0.83**

The annexed notes 1 to 40 form an integral part of these financial statements.

Company Secretary | Managing Director | Director | Chairman

As per our annexed report of same date.

Chittagong, 09 OCT 2017

Hussain Farhad & Co.
Chartered Accountants

THE PENINSULA CHITTAGONG LIMITED

Statement of Changes in Equity

For the year ended 30 June 2017

Amount in Taka

	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2015	1,130,160,000	1,050,958,284	1,228,413,842	302,449,258	3,711,981,384
Bonus share for the year ended 30 June 2015	56,508,000	-	-	(56,508,000)	-
Cash dividend for the year ended 30 June 2015	-	-	-	(113,016,000)	(113,016,000)
Net Profit for the year ended 30 June 2016	-	-	-	98,260,608	98,260,608
Balance as at 30 June 2016	**1,186,668,000**	**1,050,958,284**	**1,228,413,842**	**231,185,866**	**3,697,225,992**
Balance as on 01 July 2016	1,186,668,000	1,050,958,284	1,228,413,842	231,185,866	3,697,225,992
Cash dividend for the year ended 30 June 2016	-	-	-	(118,666,800)	(118,666,800)
Net Profit for the year ended 30 June 2017	-	-	-	62,325,637	62,325,637
Balance as at 30 June 2017	**1,186,668,000**	**1,050,958,284**	**1,228,413,842**	**174,844,703**	**3,640,884,829**

Company Secretary

Managing Director

Director

Chairman

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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THE PENINSULA CHITTAGONG LIMITED

Statement of Cash Flows
For the year ended 30 June 2017

	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
a. Cash flows from operating activities		
Receipts from customers against revenue	261,999,663	306,137,833
Receipts from other sources	94,412,228	117,078,676
Cash paid to suppliers	(151,117,620)	(144,670,158)
Cash paid for administrative, selling and distribution expenses	(60,746,191)	(54,873,799)
Payment of interest-Net	(16,008,002)	(20,165,615)
Cash paid for VAT expenses	(16,905,435)	(13,746,673)
Income Tax paid	(23,942,771)	(123,513,454)
Net cash (used in)/generated by operating activities	**87,691,872**	**66,246,810**
b. Cash flows from investing activities		
Acquisition of property, plant and equipment	(16,838,503)	(12,500,992)
Proceeds from sale of property, plant and equipment	1,455,000	-
(Increase)/decrease in investments	(87,820)	(57,859)
Dividend received (net of tax)	76,832	126,000
Net cash (used in)/generated by investing activities	**(15,394,491)**	**(12,432,851)**
c. Cash flows from financing activities		
Receipts /(repayments) of short term borrowings	(217,223,500)	58,067,007
Receipts /(repayments) of lease finance	(561,896)	(480,684)
Dividend paid	(117,794,421)	(111,136,933)
Net cash provided by /(used in) financing activities	**(335,579,817)**	**(53,550,610)**
d. Net increase in cash and cash equivalents (a+b+c)	**(263,282,436)**	**263,349**
e. Opening cash and cash equivalents	1,435,317,542	1,435,054,193
f. Closing cash and cash equivalents (d+e)	**1,172,035,106**	**1,435,317,542**
Net operating cash flows per share	**0.74**	**0.56**

Company Secretary | Managing Director | Director | Chairman

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

1.00 THE REPORTING ENTITY

1.01 Legal form of Enterprise

The company was formed on 25 July 2002 under The Companies Act 1994 vide registration no. C-46488 in the name of Voyager Bangladesh Limited. Later, it was renamed as The Peninsula Chittagong Limited on 7 June 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM). The company converted from Private Limited Company to Public Limited Company on 30 November 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) and obtained approval of Registrar of Joint Stock Companies & Firms accordingly. The company offloaded 55,000,000 shares after getting approval from Bangladesh Securities and Exchange Commission (BSEC) on 19 February 2014 through initial public offering. The company's shares were enlisted in both Dhaka and Chittagong Stock Exchanges on 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/ULC/2014/5035 & CSE/Listing/TPCL-2014.

1.02 Registered Office of the Company

The registered office of the company is located at Bulbul Center, 486/B , O.R. Nizam Road, CDA Avenue, Chittagong 4100, Bangladesh.

1.03 Nature of the Business

The principal activities of the company includes carrying of business of modern hotel, restaurants, etc. In this context the company has established a hotel named "The Peninsula Chittagong Limited" which offers a range of hotel facilities including fitness centre, a luxurious oasis within the hotel with gymnasium, swimming pool, sauna, steam bath and massage treatments etc. The company started commercial operation on 17 February 2006.

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

These Financial Statements have been prepared on going concern basis following accrual basis of accounting except for Statement of Cash Flows in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of BAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

a) A statement of financial position as at 30 June 2017.
b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2017.
c) A statement of changes in equity for the year ended 30 June 2017.
d) A statement of cash flows for the year ended 30 June 2017.
e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

i) The Income Tax Ordinance, 1984
ii) The Income Tax Rules, 1984
iii) The Value Added Tax Act, 1991
iv) The Value Added Tax Rules, 1991
v) The Securities and Exchange Rules, 1987
vi) The Securities and Exchange Ordinance, 1969
vii) The Customs Act, 1969
viii) Bangladesh Labour Law, 2006



2.04 Authorization for Issue

These financial statements have been authorized for issue by the Board of Directors on 08 October 2017.

2.05 Basis of Measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for land and land development of property, plant and equipment and Investment in quoted shares which are measured at fair value.

2.06 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT) which is the company's functional currency. All the financial information presented in Bangladesh Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.07 Statement of Cash Flows

Statement of cash flows has been prepared in accordance with BAS 7: Statement of Cash Flows and the cash flow from operating activities have been presented under direct method.

2.08 Going Concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.09 Applicable Accounting Standards

The following BASs and BFRSs are applicable for preparation and reporting of the Financial Statements for the year under review:

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

2.10 Standards Adopted but not Yet Effective

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

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

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

2.11 Use of Estimates and Judgments

The preparation of the financial statements in conformity with BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note: 4	Property, plant and equipment
Note: 5	Intangible assets
Note: 7	Inventories
Note: 8	Accounts receivable
Note: 17	Deferred tax liabilities
Note: 20	Provision for income tax

2.12 Change in Accounting Estimates

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

2.13 Comparative Information

Comparative information has been disclosed in respect of the year ended on 30 June 2017 in accordance with BAS - 1 "Presentation of Financial Statements", for all numeric information in the financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.14 Reporting Period

The financial statements of the company covered the reporting period of one year commencing from 01 July 2016 to 30 June 2017 which is followed consistently.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended on 30 June 2017 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended on 30 June 2016.

3.02 Property, Plant and Equipment (PPE)

Items of property, plant and equipment are stated at cost and re-valued amount less accumulated depreciation and accumulated impairment losses, if any.

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3.02.01 Recognition and Measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised under other income/expenses in the statement of profit or loss and other comprehensive income.

3.02.02 Subsequent Costs

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

3.02.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited useful life. In respect of all other property, plant and equipment, depreciation is recognised in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of property, plant and equipment. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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

CATEGORY OF ASSETS	RATE OF DEPRECIATION (%)
Hotel Building	**2%**
Plant and Machineries	**5%**
Equipment and Appliance	**5% - 10%**
• Office Equipment	10%
• Electrical Equipment	10%
• Air Conditioner	5%
• Kitchen Equipment	5%
• House Keeping Equipment	10%
• Bar Equipment	10%
• Security Equipment	10%
• Linen	10%
• SPA	5%
• Wooden Floor	5%
• Tumbler Drier	10%
Motor Vehicles	**10%**
Furniture & Fixtures	**5%**
Office Decoration	**5%**

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

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

3.02.04 Revaluation of Property, Plant and Equipment

Since inception, the company revalued its fixed assets for the 1st time in the year 2010-2011 by Syful Shamsul Alam & Co., Chartered Accountants. Reserve was created by the sum of revaluation surplus as per the provision of BAS-16.

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

3.03 Intangible Asset

3.03.01 Recognition and Measurement

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per BAS 38: "Intangible Assets" are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

3.03.02 Subsequent Costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

3.03.03 Amortisation

The intangible assets of the company are ERP (Tally) and Hotel Management software which are amortised every month following straight line method for 10 (ten) years. The amortisation cost is charged in profit or loss.

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

3.04 Capital Work-in-Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.05 Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

3.05.01 Finance Lease

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.05.02 Operating Lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the Company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.06 Inventories

Nature of inventories

Inventories comprise of food & beverage, house keeping materials, printing & stationary, hard drinks, stores & spares etc.

Valuation of the inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories include expenditure incurred in acquiring these inventories, and other costs incurred in bringing them to their existing location and condition in accordance with BAS 2 "Inventories".

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Category	Valuation
Food	Weighted average cost
Beverage	Weighted average cost
House Keeping Materials	Weighted average cost
Printing & Stationary	Weighted average cost
Store & Spares	Weighted average cost

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

3.07 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.07.01 Financial Assets

The Company initially recognises, loans receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.
Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for-sale financial assets.

At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. Attributable transactions costs are recognised in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognised in profit or loss. Investment in equity securities and debt securities are classified under at fair value through profit or loss.

Held to maturity

These assets are initially recognised at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.
Loans and receivables comprise cash and cash equivalents, loans and accounts and other receivables and deposits.

(a) Account receivable

Account receivable are initially recognised at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognised.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

(b) Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognised in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.07.02 Financial Liabilities

The company initially recognises all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and accounts payable.

(a) Accounts payable

The company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.08 Impairment

3.08.01 Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as at fair value through profit or loss , including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor
- restructuring of an amount due to the company on terms that the company would not consider otherwise
- indications that a debtor or issuer will enter bankruptcy
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security, or
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

3.08.02 Financial Assets Measured at Amortized Cost

The company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Collective assessment is carried out by grouping together assets with similar risks characteristics.

In assessing collective impairment, the company uses historical information on the timing of recoveries and the amount of loss incurred, and makes any adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the company considers that there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.08.03 Available for Sale Financial Assets

Impairment losses on available for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

3.08.04 Non Financial Assets

The carrying amounts of the company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the property, plant and equipment's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss, other comprehensive income and equity as applicable.

3.09 Transactions with Related Parties

The objective of BAS 24 "Related Party Disclosure" is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

A party is related to an entity if: [BAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity.

3.10 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognised as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.11 Employee Benefit Schemes

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.11.01 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Provident Fund for all permanent employees at which both the company and employees contribute @ 7% of basic salary. The Employees' Provident Fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in BAS-19.

Obligation for contribution to defined contribution plan is recognised as provident fund (PF) contribution expenses in profit or loss in the year during which services are rendered by employees. Advance against PF is recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3.11.02 Definded Benefit Plan

Workers' Profit Participation and Welfare Funds

The company also recognises a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax in accordance with the provision of Section 234 (Kha), Chapter 15 of Bangladesh Labour Law 2006.

3.12 Income Tax Expenses

Income tax expenses comprise current and deferred tax. Current tax and deferred tax are recognised in profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

3.12.01 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

3.12.02 Deferred Tax

Deferred tax is recognised in compliance with BAS 12: Income taxes, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax on revaluation surplus of land and land development has not been recognised in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.

3.13 Provisions and Contingencies

A provision is recognised in the Statement of Financial Position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognised.

3.14 Revenue

Revenue arises from the provision of services where these activities give rise to economic benefits received and receivable by the company . Revenue is recognised when the services delivered/provided net of discounts and applicable duties and taxes, if any.

3.15 Other Operating Income

Other operating income includes gain / (loss) on sale of non-current assets and miscellaneous receipts. Other operating income is recognised as revenue income as and when realised.

3.16 Finance Income and Expenses

3.16.01 Finance Income

Interest income on Fixed Deposit Receipts (FDR) and Short Term Deposits (STD) account has recognised when received or accrued on a time basis by reference to the principal outstanding at the effective interest applicable.

3.16.02 Finance Expenses

Interest expenses except expenses related to acquisition/construction of assets, incurred during the year are charged to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

Interest income/expenses on amount due to/due from inter companies, if any, has been recognised periodically.

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3.17 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognised as expense in the year in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per BAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project has been capitalised under effective interest rate method.

3.18 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

3.19 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with Bangladesh Accounting Standard BAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders.

3.19.01 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.19.02 Diluted Earnings Per Share:

Diluted earnings per share is required to be calculated for the year when scope for dilution exists.

3.20 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, plant and equipment

The fair value of land and land development of property, plant and equipment has been determined based on Net Realisable Value Method/ Market Value Method depending on the nature and corresponding circumstances.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorised under 'Level 1' of the fair value hierarchy.

3.21 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

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9 Property, plant and equipment - at revalued model

Amount in Taka

	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
At revalued amount								
Balance as on 01 July 2015	1,434,250,406	753,726,225	78,430,671	353,972,857	41,470,969	93,075,127	60,211,893	2,815,138,148
Additions during the year	-	884,414	898,036	7,442,724	-	3,026,195	249,623	12,500,992
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	**1,434,250,406**	**754,610,639**	**79,328,707**	**361,415,581**	**41,470,969**	**96,101,322**	**60,461,516**	**2,827,639,140**
Balance as on 01 July 2016	1,434,250,406	754,610,639	79,328,707	361,415,581	41,470,969	96,101,322	60,461,516	2,827,639,140
Additions during the year	-	206,492	2,702,252	6,730,080	6,995,549	63,530	140,600	16,838,503
Disposals/Adjustments during the year	-	-	-	-	(2,711,643)	-	-	(2,711,643)
Balance as at 30 June 2017	**1,434,250,406**	**754,817,131**	**82,030,959**	**368,145,661**	**45,754,875**	**96,164,852**	**60,602,116**	**2,841,766,000**
Accumulated depreciation								
Balance as on 01 July 2015	-	124,442,467	36,210,703	172,322,654	13,812,956	23,465,121	29,992,309	400,246,210
Depreciation Rate	-	***2%***	***5%***	***5%-10%***	***10%***	***5%***	***5%***	-
Charged for the year	-	12,482,007	2,080,757	11,827,145	2,642,492	3,492,515	1,485,255	34,010,171
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	-	**136,924,474**	**38,291,460**	**184,149,799**	**16,455,448**	**26,957,636**	**31,477,564**	**434,256,381**
Balance as on 01 July 2016	-	136,924,474	38,291,460	184,149,799	16,455,448	26,957,636	31,477,564	434,256,381
Depreciation Rate	-	***2%***	***5%***	***5%-10%***	***10%***	***5%***	***5%***	-
Charged for the year	-	12,241,849	2,058,451	11,330,914	2,723,154	3,381,087	1,419,066	33,154,521
Adjustment for disposals during year	-	-	-	-	(765,899)	-	-	(765,899)
Balance as at 30 June 2017	-	**149,166,323**	**40,349,911**	**195,480,713**	**18,412,703**	**30,338,723**	**32,896,630**	**466,645,003**
Carrying amount								
As at 30 June 2016	**1,434,250,406**	**617,686,165**	**41,037,247**	**177,265,782**	**25,015,521**	**69,143,686**	**28,983,952**	**2,393,382,759**
As at 30 June 2017	**1,434,250,406**	**605,650,808**	**41,681,048**	**172,664,948**	**27,342,172**	**65,826,129**	**27,705,486**	**2,375,120,997**

Depreciation allocated to:	Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
Cost of sales	24.01	26,938,048	27,841,546
Administrative expenses	25.00	6,216,473	6,168,625
		33,154,521	**34,010,171**

HUSSAIN SHARIF & CO. CHARTERED ACCOUNTANTS

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1 Property, plant and equipment - at cost model

Amount in Taka

	Land and Land Development	Hotel Building	Plant and Machineries	Equipment and Appliance	Motor Vehicles	Furniture and Fixtures	Office Decoration	Total
At cost								
Balance as on 01 July 2015	205,836,564	753,726,225	78,430,671	353,972,857	41,470,969	93,075,127	60,211,893	1,586,724,306
Additions during the year	-	884,414	898,036	7,442,724	-	3,026,195	249,623	12,500,992
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	**205,836,564**	**754,610,639**	**79,328,707**	**361,415,581**	**41,470,969**	**96,101,322**	**60,461,516**	**1,599,225,298**
Balance as on 01 July 2016	205,836,564	754,610,639	79,328,707	361,415,581	41,470,969	96,101,322	60,461,516	1,599,225,298
Additions during the year	-	206,492	2,702,252	6,730,080	6,995,549	63,530	140,600	16,838,503
Disposals/Adjustments during the year	-	-	-	-	(2,711,643)	-	-	(2,711,643)
Balance as at 30 June 2017	**205,836,564**	**754,817,131**	**82,030,959**	**368,145,661**	**45,754,875**	**96,164,852**	**60,602,116**	**1,613,352,158**
Accumulated depreciation								
Balance as on 01 July 2015	-	124,442,467	36,210,703	172,322,654	13,812,956	23,465,121	29,992,309	400,246,210
Depreciation Rate	-	**2%**	**5%**	**5%-10%**	**10%**	**5%**	**5%**	-
Charged for the year	-	12,482,007	2,080,757	11,827,145	2,642,492	3,492,515	1,485,255	34,010,171
Adjustment for disposals during the year	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	**-**	**136,924,474**	**38,291,460**	**184,149,799**	**16,455,448**	**26,957,636**	**31,477,564**	**434,256,381**
Balance as on 01 July 2016		136,924,474	38,291,460	184,149,799	16,455,448	26,957,636	31,477,564	434,256,381
Depreciation Rate	-	**2%**	**5%**	**5%-10%**	**10%**	**5%**	**5%**	-
Charged for the year	-	12,241,849	2,058,451	11,330,914	2,723,154	3,381,087	1,419,066	33,154,521
Adjustment for disposals during year	-	-	-	-	(765,899)	-	-	(765,899)
Balance as at 30 June 2017	**-**	**149,166,323**	**40,349,911**	**195,480,713**	**18,412,703**	**30,338,723**	**32,896,630**	**466,645,003**
Carrying amount								
As at 30 June 2016	**205,836,564**	**617,686,165**	**41,037,247**	**177,265,782**	**25,015,521**	**69,143,686**	**28,983,952**	**1,164,968,917**
As at 30 June 2017	**205,836,564**	**605,650,808**	**41,681,048**	**172,664,948**	**27,342,172**	**65,826,129**	**27,705,486**	**1,146,707,155**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
5.00	**Intangible assets**			
	Software (ERP Tally)	5.01	39,795	49,745
	Hotel Management Software	5.01	1,934,899	2,257,382
			1,974,694	**2,307,127**

5.01 Intangible assets schedule

	Software (ERP Tally)	Hotel Management Software	30 June 2017 Taka	30 June 2016 Taka
Cost				
Opening balance	100,000	3,471,560	3,571,560	3,571,560
Add: Addition during the year	-	-	-	-
Closing balance	**100,000**	**3,471,560**	**3,571,560**	**3,571,560**
Accumulated amortisation				
Opening balance	50,255	1,214,178	1,264,433	1,008,086
Add: Charged during the year	9,950	322,483	332,433	256,347
Closing balance	**60,205**	**1,536,661**	**1,596,866**	**1,264,433**
Carrying amount	**39,795**	**1,934,899**	**1,974,694**	**2,307,127**

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
6.00	**Investments**			
	Investments in non-tradable shares at cost	6.01	6,125,000	6,125,000
			6,125,000	**6,125,000**

6.01 Investments in non-tradable shares at cost

	Quantity		
Lanka Bangla Securities Limited	52,500	3,750,000	3,750,000
Energy Prima Limited	25,000	2,375,000	2,375,000
		6,125,000	**6,125,000**

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
7.00	**Inventories**			
	Food	7.01	14,583,810	13,607,112
	House keeping materials	7.02	4,555,325	2,543,800
	Printing and stationeries	7.03	1,199,780	1,171,538
	Beverage	7.04	4,847,937	5,861,268
	Stores & Spares	24.03	1,748,991	2,358,443
			26,935,843	**25,542,161**
7.01	**Food**			
	Opening balance		13,607,112	25,928,576
	Add: Purchased during the year		62,002,049	52,112,683
	Available for consumption		**75,609,161**	**78,041,259**
	Less: Consumed during the year		(61,025,351)	(64,434,147)
	Closing balance		**14,583,810**	**13,607,112**
7.02	**House keeping materials**			
	Opening balance		2,543,800	1,934,189
	Add: Purchased during the year		10,411,262	11,754,031
	Available for consumption		**12,955,062**	**13,688,220**
	Less: Consumed during the year		(8,399,737)	(11,144,420)
	Closing balance		**4,555,325**	**2,543,800**
7.03	**Printing and stationeries**			
	Opening balance		1,171,538	800,996
	Add: Purchased during the year		832,881	2,086,097
	Available for consumption		**2,004,419**	**2,887,093**
	Less: Consumed during the year		(804,639)	(1,715,555)
	Closing balance		**1,199,780**	**1,171,538**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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		Note(s)	30 June 2017 Taka	30 June 2016 Taka
7.04	**Beverage**			
	Opening balance		5,861,268	1,180,806
	Add: Purchased during the year		-	6,195,564
	Available for consumption		**5,861,268**	**7,376,370**
	Less: Consumed during the year		(1,013,331)	(1,515,102)
	Closing balance		**4,847,937**	**5,861,268**
8.00	**Accounts receivable**			
	Opening Balance		32,971,929	38,845,145
	Add: Addition during the Year		161,908,059	184,203,398
	Less: Realised during the Year		(155,118,613)	(190,076,614)
	Closing Balance		**39,761,375**	**32,971,929**
8.01	**Ageing of accounts receivable**			
	Dues within 6 Months		36,440,553	26,820,410
	Dues over 6 months		3,320,822	6,151,519
			39,761,375	**32,971,929**
8.02	**Accounts receivable - Classification by security and related party:**			
	Receivable considered good and secured		-	
	Receivable considered good without security		39,761,375	32,971,929
	Receivable considered doubtful or bad		-	-
	Receivable due by directors or other officers		-	-
	Receivable due from companies under same management		-	-
	Maximum receivable due by directors or officers at any time		-	-
			39,761,375	**32,971,929**
9.00	**Interest receivable**			
	Interest receivable on Fixed Deposits (FDR)		12,464,049	14,722,787
			12,464,049	**14,722,787**
10.00	**Advances, deposits and prepayments**			
	Advances	10.01	178,335,296	173,262,227
	Deposits	10.02	14,997,022	6,632,508
	Prepayments	10.03	5,527,375	1,587,347
			198,859,693	**181,482,082**
10.01	**Advances**			
	Advance income tax		173,979,043	150,036,272
	Advance to suppliers		1,154,168	2,874,847
	The Peninsula Chittagong Airport Garden Hotel		2,376,465	-
	Lankabangla securities Limited		47,267	47,905
	Against VAT writ petition		-	13,746,673
	Advance for Supplementary Duty		197,530	294,072
	VAT current account		29,157	6,044,990
	Advance against salary		551,666	217,468
			178,335,296	**173,262,227**
10.02	**Deposits**			
	Bangladesh Telecommunications Company Limited		140,000	140,000
	Karnapuli Gas Distribution Company Limited		1,069,148	1,069,148
	Bangladesh Power Development Board		285,000	285,000
	House rent deposit		89,000	89,000
	Rainbow CNG service station		25,000	25,000
	Chittagong Port Authority		5,000,000	5,000,000
	Tender earnest money to Khulna Development Authority		8,266,520	-
	Sha Amanat International Airport		42,354	24,360
	Chittagong WASA		80,000	-
			14,997,022	**6,632,508**

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	Note(s)	30 June 2017 Taka	30 June 2016 Taka
10.03 Prepayments			
Prepaid insurance		611,125	1,232,347
Prepaid Expense		4,916,250	355,000
		5,527,375	**1,587,347**

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

11.00 Short term investments			
Investment in Fixed Deposit Receipts (FDR)	11.01	1,456,715	1,368,895
Investment in tradable securities at fair value	11.02	11,633,410	9,802,530
		13,090,125	**11,171,425**

11.01 Investment in Fixed Deposit Receipts (FDR)

Name of banks	Purpose	Tenure	Rate of interest	30 June 2017 Taka	30 June 2016 Taka
AB Bank Limited	Investment	12 Months	7.25%	1,456,715	1,368,895
				1,456,715	**1,368,895**

11.02 Investment in tradable securities at fair value

Opening balance	9,802,530	11,393,017
Add/(less): Changes in fair value of tradable securities	1,830,880	(1,590,487)
Closing balance	**11,633,410**	**9,802,530**

Fair value of tradable securities

Particulars	30 June 2017			30 June 2016
	Quantity	Fair value	Increase/ (Decrease) in Fair value	Fair value
ACI Limited	16,500	8,522,250	1,122,000	7,400,250
Beximco pharma Limited	15,750	1,779,750	478,800	1,300,950
First Security Bank Limited	4,500	62,370	25,920	36,450
Unique Hotel & Resort Limited	23,200	1,269,040	204,160	1,064,880
		11,633,410	**1,830,880**	**9,802,530**

Management has changed its objectives for investments in tradable securities. As part of its revised objectives, some of these securities have already been sold out. Hence investments in tradable securities has been reclassified as held for trading and changes in fair value of these tradable securities has been charge to the statement of Profit or Loss and other comprehensive income.

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
12.00 Cash and cash equivalents			
Cash in hand		955,738	939,210
Cash at banks	12.01	21,079,368	23,851,566
Fixed Deposit Receipts	12.02	1,150,000,000	1,410,526,766
		1,172,035,106	**1,435,317,542**

12.01 Cash at banks

Name of the Banks	Branches	Account Type		
AB Bank Limited	CDA Avenue	CD	1,043,220	1,045,870
AB Bank Limited	CDA Avenue	SND	11,240	1,476,621
AB Bank Limited	CDA Avenue	CD	775	1,764,230
AB Bank Limited	CDA Avenue	SND	1,202,908	205,372
AB Bank Limited	CDA Avenue	CD	28,562	13,859
Bank Al-falah Limited	Agrabad	MPA	3,191,958	3,109,151
Brac Bank Limited	Kazir Dhewri	Credit Card	357,735	363,076
Brac Bank Limited	Kazir Dhewri	CD	631,630	1,016,772

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Name of the Banks	Branches	Account Type	30 June 2017 Taka	30 June 2016 Taka
Eastern Bank Limited	Agrabad	FCY	230,946	233,395
Eastern Bank Limited	Agrabad	FCY	29,267	36,635
Eastern Bank Limited	Agrabad	FCY	5,219	5,946
Eastern Bank Limited	Agrabad	HPA	12,158,144	7,996,724
Eastern Bank Limited	O.R Nizam Road	STD	434,412	-
Mutual Trust Bank Limited	CDA Avenue	SND	2,045,130	2,085,740
Prime Bank Limited	O.R Nizam Road	CD	619,621	621,271
Standard Chartered Bank Limited	Nasirabad	CD	1,911	1,089,499
Standard Bank Limited	CDA Avenue	CD	139,475	141,355
The City Bank Limited	O.R Nizam Road	CD	2,056,312	1,259,925
The City Bank Limited	O.R Nizam Road	Credit Card	495,623	247,715
The Premier Bank Limited	O.R Nizam Road	CD	(4,667,103)	1,134,822
United Commercial Bank Limited	Jubilee Road	SND	2,581	3,588
United Commercial Bank Limited	Kamal Bazar	SND	1,059,802	-
			21,079,368	**23,851,566**

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

12.02 Investment in Fixed Deposits Receipts (FDR)

Name of banks	Purpose	Tenure	Rate of interest	30 June 2017 Taka	30 June 2016 Taka
The Premier Bank Limited	Investment	3 months	7.50%	1,150,000,000	1,410,526,766
				1,150,000,000	**1,410,526,766**

Fixed Deposits of Taka 150,000,000 at The Premier Bank Limited, O. R. Nizam Road Branch has been kept as lien against over draft facility provided by the same bank.

13.00 Share capital

Authorised capital:

300,000,000 Ordinary Shares of Tk. 10 each	3,000,000,000	3,000,000,000
	3,000,000,000	**3,000,000,000**

Issued, Subscribed and Paid-up capital:

250,000	Ordinary Shares of Tk.10 each issued in cash	2,500,000	2,500,000
9,000,000	Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	90,000,000	90,000,000
23,125,000	Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	231,250,000	231,250,000
12,950,000	Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	129,500,000	129,500,000
12,691,000	Ordinary Shares of Tk.10 each issued as Bonus Shares	126,910,000	126,910,000
55,000,000	Ordinary Shares of Tk.10 each issued in cash issued through Initial Public Offering (IPO)	550,000,000	550,000,000
5,650,800	Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares	56,508,000	56,508,000
118,666,800	**Ordinary Shares of Tk 10 each**	**1,186,668,000**	**1,186,668,000**

13.01 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	22,367	4,480,413	3.78%
From 500 to 5,000	3,457	6,612,918	5.57%
From 5,001 to 10,000	607	4,585,885	3.86%
From 10,001 to 20,000	370	5,380,025	4.53%
From 20,001 to 30,000	129	3,269,179	2.76%
From 30,001 to 40,000	63	2,205,615	1.86%
From 40,001 to 50,000	40	1,875,852	1.58%
From 50,001 to 100,000	96	6,761,341	5.70%
From 100,001 to 1,000,000	55	12,046,954	10.15%
From 1,000,001 to above	14	71,448,618	60.21%
	27,198	**118,666,800**	**100%**

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13.02 Shareholding position

Name of shareholders	30 June 2017 Percentage of holding	30 June 2017 Number of shares	30 June 2016 Percentage of holding	30 June 2016 Number of shares
Engineer Mosharraf Hossain	6.41%	7,610,016	6.33%	7,510,016
Mrs. Ayesha Sultana	4.36%	5,173,344	4.27%	5,073,344
Mr. Mustafa Tahseen Arshad	12.32%	14,620,032	12.32%	14,620,032
Mrs. Bilkis Arshad	7.70%	9,137,520	7.70%	9,137,520
Mr. Mustafa Tahir Arshad	4.62%	5,482,512	4.62%	5,482,512
Mr. Mahboob Ur Rahman	2.57%	3,045,840	2.57%	3,045,840
Mrs. Mirka Rahman	2.57%	3,045,840	2.57%	3,045,840
Mr. Aminur Rahman	2.57%	3,045,840	2.57%	3,045,840
Mr. Sabedur Rahman	2.57%	3,045,840	2.57%	3,045,840
Mrs. Arifa Sultana	3.08%	3,655,008	3.08%	3,655,008
Mr. Afzal Bin Tarique	2.05%	2,436,672	2.05%	2,436,672
Mrs. Shaheda Sultana	1.02%	1,218,336	1.02%	1,218,336
Institute, NRB, General Public	48.16%	57,150,000	48.33%	57,350,000
	100.00%	**118,666,800**	**100%**	**118,666,800**

		30 June 2017 Taka	30 June 2016 Taka
14.00	**Retained earnings**		
	Opening balance	231,185,866	302,449,258
	Add: Net profit after tax for the year	62,325,637	98,260,608
	Less: Dividend paid	(118,666,800)	(169,524,000)
		174,844,703	**231,185,866**
15.00	**Revaluation surplus**	**1,228,413,842**	**1,228,413,842**

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

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

		Note(s)	30 June 2017 Taka	30 June 2016 Taka
16.00	**Lease finance**			
	Opening balance		1,145,482	1,626,166
	Add: Interest and other charges during the year	27.00	141,804	221,316
	Less: Paid during the year		(703,700)	(702,000)
	Closing balance		**583,586**	**1,145,482**
16.01	**Lease finance - Maturity analysis**			
	Due within one year		583,586	561,896
	Due after one year		-	583,586
			583,586	**1,145,482**

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	30 June 2017	30 June 2016
	Taka	Taka
16.02 Details of lease finance		
The Premier Bank Limited	583,586	1,145,482
	583,586	**1,145,482**

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

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

17.00 Deferred tax liabilities

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

	30 June 2017	30 June 2016
	Taka	Taka
Opening balance	35,269,336	19,833,547
Add: Provision made during the year	14,226,299	15,435,789
Closing balance	**49,495,635**	**35,269,336**

17.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant and equipment (except land)	942,805,490	745,424,920	25%	197,380,570	49,345,143
Investment in tradable securities	11,633,410	10,128,492	10%	1,504,918	150,492
Total deferred tax liabilities					**49,495,635**

	Note(s)	30 June 2017	30 June 2016
		Taka	Taka
18.00 Accounts payable			
Opening balance		38,689,723	43,067,139
Add: Addition during the year		221,079,394	233,894,320
Less: Paid during the year		(225,488,154)	(238,271,736)
Closing balance		**34,280,963**	**38,689,723**
19.00 Short term borrowings			
Loans against CC (Hypo) and Overdraft	19.01	17,575,284	234,798,784
		17,575,284	**234,798,784**

19.01 Borrowings against CC (Hypo) and Overdraft

Name of the Banks	Branch	Types		
IFIC Bank Limited	Agrabad	OD	819,038	(10,467)
The Premier Bank Limited	O.R Nizam Road	OD	16,756,246	234,809,251
			17,575,284	**234,798,784**

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		Note(s)	30 June 2017 Taka	30 June 2016 Taka
20.00	**Provision for income tax**			
	Opening balance		83,048,540	44,619,579
	Add: Provision made during the year		10,299,871	38,428,961
			93,348,411	**83,048,540**
	Less: Paid/adjusted during the year		-	-
	Closing balance		**93,348,411**	**83,048,540**
21.00	**Unclaimed dividend**			
	Opening balance		4,754,647	2,875,580
	Add: Provision made during the year		118,666,800	113,016,000
	Less: Paid during the year		(117,794,421)	(111,136,933)
			5,627,026	**4,754,647**

Year	Balance as on 01 July 2016	Provision	Payment		
2013-2014	2,817,610	-	(680)	2,816,930	2,817,610
2014-2015	1,937,037	-	(53,126)	1,883,911	1,937,037
2015-2016	-	118,666,800	(117,740,615)	926,185	-
	4,754,647	**118,666,800**	**(117,794,421)**	**5,627,026**	**4,754,647**

22.00	**Provision for WPPF and Welfare Fund**			
	Opening Balance		8,090,308	10,930,338
	Add: Provision made for the year		4,571,148	8,090,308
			12,661,456	**19,020,646**
	Less: Paid during the year		(8,090,308)	(10,930,338)
	Closing Balance		**4,571,148**	**8,090,308**

		Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
23.00	**Revenue**			
	Rooms		112,414,646	131,945,997
	Food & Beverages		123,967,129	129,920,901
	Minor Operating Department		22,786,716	22,527,666
	Space Rent		9,620,618	15,870,053
			268,789,109	**300,264,617**
24.00	**Cost of sales**			
	Cost of sales	24.01	172,253,226	175,215,269
			172,253,226	**175,215,269**
24.01	**Cost of sales**			
	Cost of materials		62,038,682	65,949,249
	Complementary guest service		2,370,760	1,353,035
	Depreciation	4.00	26,938,048	27,841,546
	Function and amenities		2,569,420	1,696,926
	House keeping expenses		9,399,737	11,144,420
	Packet and packing materials		864,381	1,292,358
	Purchased services		599,797	288,000
	Repair and maintenance	24.04	5,504,358	6,078,779
	Salary, wages, bonus and benefits		42,489,128	39,413,377
	Staff uniform		2,060,986	1,544,566
	Utility and fuel expenses		17,417,929	18,613,013
			172,253,226	**175,215,269**

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.02 Cost of sales

Particulars	Note(s)	30 June 2017						30 June 2016
		Room	Food & Beverage		Minor Operating Department	Rental	Total	
			Restaurant	Bar				
		Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost of materials		-	59,499,717	1,013,331	1,525,634	-	62,038,682	65,949,249
Complementary guest service		1,659,532	711,228	-	-	-	2,370,760	1,353,035
Depreciation		18,649,418	4,144,315	1,429,789	1,124,329	1,590,197	26,938,048	27,841,546
Function and amenities		-	2,569,420	-	-	-	2,569,420	1,696,926
House keeping expenses		6,615,203	2,299,934	-	484,600	-	9,399,737	11,144,420
Packet and packing materials		864,381	-	-	-	-	864,381	1,292,358
Purchased services		599,797	-	-	-	-	599,797	288,000
Repair and maintenance	24.04	3,387,297	846,824	-	211,706	1,058,530	5,504,358	6,078,779
Salary, wages, bonus and benefits		20,446,005	17,658,240	762,588	3,622,295	-	42,489,128	39,413,377
Staff uniform		977,770	862,738	38,344	182,134	-	2,060,986	1,544,566
Utility and fuel expenses		12,644,947	1,358,323	84,180	3,177,979	152,500	17,417,929	18,613,013
		65,844,350	**89,950,739**	**3,328,232**	**10,328,677**	**2,801,227**	**172,253,226**	**175,215,269**

.03 Repair and maintenance

Particulars	30 June 2017				30 June 2016
	Opening Inventory of Stores & Spares	Purchase	Closing inventory of Stores & Spares	Expenses	
	Taka	Taka	Taka	Taka	Taka
Building	700,000	722,316	850,000	572,316	711,831
Machineries	334,115	744,567	-	1,078,682	1,403,166
General	1,324,328	1,569,972	898,991	1,995,309	1,475,293
Kitchen equipment	-	227,724	-	227,724	318,829
Vehicles	-	862,496	-	862,496	1,208,616
Lifts	-	337,536	-	337,536	142,520
Computers	-	599,530	-	599,530	558,894
Electrical goods	-	309,405	-	309,405	788,219
	2,358,443	**5,373,546**	**1,748,991**	**5,982,998**	**6,607,368**

.04 Allocation of Repair and Maintenance Expense

	Note(s)	30 June 2017	30 June 2016
		Taka	Taka
Cost of sales	24.01	5,504,358	6,078,779
Administrative expenses	25.00	478,640	528,589
		5,982,998	**6,607,368**

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		Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
25.00	**Administrative expenses**			
	Salaries and allowances		14,810,363	16,891,447
	Director remuneration	25.01	6,810,000	6,800,000
	Annual general meeting expenses		1,408,367	1,633,654
	Association and membership fees		121,750	98,350
	Audit fee		345,000	345,000
	Lease rental of The Peninsula Chittagong - Airport Garden Hotel		1,638,750	-
	Conveyance expenses		130,711	141,149
	Depreciation	4.00	6,216,473	6,168,625
	Amortisation	5.01	332,433	256,347
	Dhaka office expenses		1,515,845	1,431,526
	Entertainment expense		930,563	758,510
	Fees and renewals		1,170,055	553,695
	Gift and donation		126,000	76,470
	Insurance expenses		2,096,005	2,681,031
	Legal fees and other professional charges		953,400	1,803,175
	Medical expenses		22,965	49,197
	Office expenses		1,537,679	1,372,082
	Printing and stationery		804,639	1,715,555
	Rating fee		200,000	200,000
	Regulatory fees		1,286,668	1,373,471
	Rent, rate and taxes		1,908,181	1,775,634
	Repair and maintenance	24.04	478,640	528,589
	Staff uniform		258,821	229,139
	Telephone and communication		883,423	1,205,083
	Tours and travel expenses		571,245	1,229,467
	Utility and fuel expenses		4,354,482	4,653,253
			50,912,458	**53,970,449**

25.01 Directors' Remuneration

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

Director's Name	Relationship	Remuneration Taka	Board Meeting Fee Taka	Gross Remuneration Taka
Mr. Mustafa Tahseen Arshad	MD & Shareholder	4,020,000	17,500	4,037,500
Mr. Mahboob Ur Rahman	Chairman & Shareholder	2,400,000	22,500	2,422,500
Mrs. Ayesha Sultana	Director & Shareholder	300,000	22,500	322,500
Mrs. Bilkis Arshad	Director & Shareholder	-	5,000	5,000
Dr. Md. Fashiul Alam	Independent Director	-	22,500	22,500
		6,720,000	**90,000**	**6,810,000**

		Note(s)	01 July 2016 to 30 June 2017 Taka	01 July 2015 to 30 June 2016 Taka
26.00	**Selling and distribution expense**			
	Advertisement		1,130,026	1,495,216
			1,130,026	**1,495,216**
27.00	**Finance costs**			
	Interest on overdraft		14,431,506	18,227,279
	Interest and other charges on finance lease	16.00	141,804	221,316
	Foreign currency exchange (gain)/loss	27.01	(2,112)	-
	Bank charges		2,090,689	2,428,696
			16,661,887	**20,877,291**

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		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
		Taka	Taka
27.01	**Foreign currency exchange (gain)/ loss**		
	Unrealized foreign currency translation (gain)/ loss	(2,112)	-
		(2,112)	**-**

27.02 Foreign currency translation (gain)/loss

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

28.00	**Finance income**		
	Interest on fixed deposit receipts	91,860,262	111,855,911
	Interest on bank deposits	653,885	711,676
		92,514,147	**112,567,587**
29.00	**Non-operating income / (loss)**		
	Dividend income	96,040	157,500
	Sale of wastage	293,228	625,186
	Loss on sale of tradable securities	-	(250,512)
	Loss on sale of non-current assets	(490,744)	-
	Changes in fair value of tradable securities	1,830,880	(1,590,487)
		1,729,404	**(1,058,313)**
30.00	**Earnings per share**		
30.01	**Basic earnings per share (EPS)**		
	Profit attributable to the ordinary shareholders	62,325,637	98,260,608
	Weighted Average number of shares outstanding during the year	118,666,800	118,666,800
	Basic earnings per share (EPS)	**0.53**	**0.83**

Change in previous year's EPS has occurred due to reclassification of investments in tradable securities.

30.02 Diluted earnings per share (DEPS)

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

		30 June 2017	30 June 2016
		Taka	Taka
31.00	**Net Asset Value Per Share (NAV)**		
	Total Assets	3,846,366,882	4,103,022,812
	Less: Liabilities	(205,482,053)	(405,796,820)
	Net Asset Value (NAV)	3,640,884,829	3,697,225,992
	Number of ordinary shares outstanding during the year	118,666,800	118,666,800
	Net Asset Value (NAV) per share	**30.68**	**31.16**

		01 July 2016 to 30 June 2017	01 July 2015 to 30 June 2016
		Taka	Taka
32.00	**Net operating cash flow per share**		
	Net operating cash flows (from statement of cash flows)	87,691,872	66,246,810
	Number of ordinary shares outstanding during the year	118,666,800	118,666,800
	Net operating cash flow per share	**0.74**	**0.56**

		30 June 2017	30 June 2016
33.00	**Employees**	-	-
	Number of employees whose monthly salary was below Tk. 3,000	**244**	**254**
	Number of employees whose monthly salary was above Tk. 3,000	**244**	**254**

During June 2017, total 205 number of employees were in the permanent payroll of the company.

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34.00 Related party transactions

During the year, the company carried out a number of transactions with related party in the normal course of business and on arms length basis. The name of the related party, nature of transactions and balances on reporting date have been set in accordance with the provisions of BAS 24.

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

Name of party	Relationship	Nature of Transactions	Outstanding as on 30 June 2017		Mode of Transaction
Sayeman Beach Resort Limited	Common Directorship	Revenue	4,045,896	Dr.	Market price /Negotiated price

35.00 Service rendering capacity and current utilization

Description	01 July 2016 to 30 June 2017			01 July 2015 to 30 June 2016		
	Capacity (Room per year)	Utilization during the year	Utilization (%)	Capacity (Room per year)	Utilization during the year	Utilization (%)
Guest Room	52,560	28,182	53.62%	52,704	30,529	57.93%

36.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2017, nine (09) board meetings were held. The attendance status of all the meetings are as follows:

Name of the Director	Position	Meetings Held	Attendance
Mr. Mahboob Ur Rahman	Chairman	09	09
Mr. Mustafa Tahseen Arshad	Managing Director	09	07
Mrs. Ayesha Sultana	Director	09	09
Mrs. Bilkis Arshad	Director	09	02
Dr. Md. Fashiul Alam	Independent Director	09	09

37.00 Contingent liabilities and Commitments

37.01 Contingencies

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

37.02 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

37.03 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

37.04 Segment reporting

As there is a single business and geographic segment within which the company operates no segment reporting is felt necessary.

37.05 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2017 other than trade credit available in the ordinary course of business.

38.00 Events after reporting period

The Board of Directors at the meeting held on 08 October 2017 has recommended 5% cash dividend for the year ended 30 June 2017.

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39.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

		Carrying amount					
	Note ref.	Fair value through profit or loss	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total
30 June 2017		Taka	Taka	Taka	Taka	Taka	Taka
Financial assets measured at fair value							
Investment in tradable securities at fair value	11.02	11,633,410	-	-	-	-	11,633,410
Financial assets not measured at fair value							
Investments in non-tradable shares at cost	6.01	-	-	-	6,125,000	-	6,125,000
Accounts and other receivables	8 & 9	-	-	52,225,424	-	-	52,225,424
Deposits	10.02	-	-	14,997,022	-	-	14,997,022
Investments in FDRs	11.01 & 12.02	-	-	-	1,151,456,715	-	1,151,456,715
Cash at banks	12.01	-	-	21,079,368	-	-	21,079,368
		-	-	**88,301,814**	**1,157,581,715**	-	**1,245,883,529**
Financial liabilities not measured at fair value							
Lease finance	16	-	-	-	-	583,586	583,586
Accounts payables	18	-	-	-	-	34,280,963	34,280,963
Short term borrowings	19	-	-	-	-	17,575,284	17,575,284
		-	-	-	-	**52,439,833**	**52,439,833**
30 June 2016							
Financial assets measured at fair value							
Investment in tradable securities at fair value	11.02	9,802,530	-	-	-	-	9,802,530
Financial assets not measured at fair value							
Investments in non-tradable shares at cost	6.01	-	-	-	6,125,000	-	6,125,000
Accounts and other receivables	8 & 9	-	-	47,694,716	-	-	47,694,716
Deposits	10.02	-	-	6,632,508	-	-	6,632,508
Investments in FDRs	11.01 & 12.02	-	-	-	1,411,895,661	-	1,411,895,661
Cash at banks	12.01	-	-	23,851,566	-	-	23,851,566
		-	-	**78,178,790**	**1,418,020,661**	-	**1,496,199,451**
Financial liabilities not measured at fair value							
Lease finance	16	-	-	-	-	1,145,482	1,145,482
Accounts payables	18	-	-	-	-	38,689,723	38,689,723
Short term borrowings	19	-	-	-	-	234,798,784	234,798,784
		-	-	-	-	**274,633,989**	**274,633,989**

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40.00 Financial instruments- Financial risk management

Bangladesh Financial Reporting Standard BFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. The company has exposure to the following risks from its use of financial instruments.

a) Credit risk
b) Liquidity risk
c) Market risk

40.01 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

40.01.01 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note(s)	30 June 2017 Taka	30 June 2016 Taka
Investments in FDRs	11.01 & 12.02	1,151,456,715	1,411,895,661
Advances and deposits	10.01 & 10.02	193,332,318	179,894,735
Accounts and other receivables	8 & 9	52,225,424	47,694,716
Cash at banks	12.01	21,079,368	23,851,566
		1,418,093,825	**1,663,336,678**

(i) Accounts receivable

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate.

Ageing of accounts receivable

The ageing of gross value at the reporting date that was not impaired was as follows:

	30 June 2017 Taka	30 June 2016 Taka
Dues within 6 Months	36,440,553	26,820,410
Dues over 6 months	3,320,822	6,151,519
	39,761,375	**32,971,929**

The management believes that the amounts are collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(ii) Cash at banks

The company held cash at banks of Tk. 21,079,368 at 30 June 2017 (30 June 2016: Tk. 23,851,566), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.

40.01.02 Impairment losses

	30 June 2017 Taka	30 June 2016 Taka
Impairment loss at the reporting date	Nil	Nil
	-	-

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40.01.03 Credit exposure by credit rating

		As at 30 June 2017	
	Credit rating	Amount	(%)
Accounts receivable	NR	39,761,375	14.56%
Other receivables	NR	12,464,049	4.56%
Advances, deposits and prepayment	NR	198,859,693	72.81%
Cash and cash equivalents			
Cash in hand		955,738	0.35%
Cash at banks		21,079,368	7.72%
AB Bank Limited	A1	2,286,705	10.85%
Bank Al Falah Limited	A1	3,191,958	15.14%
Brac Bank Limited	AA1	989,365	4.69%
Eastern Bank Limited	AA+	12,857,988	61.00%
Mutual Trust Bank Limited	AA	2,045,130	9.70%
Prime Bank Limited	AA	619,621	2.94%
Standard Chartered Bank Limited	AA+	1,911	0.01%
Standard Bank Limited	AAA	139,475	0.66%
The City Bank Limited	AA2	2,551,935	12.11%
The Premier Bank Limited	AA2	(4,667,103)	-22.14%
United Commercial Bank Limited	AA	1,062,383	5.04%

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

40.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities:

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

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2016	Taka		Taka	Taka	Taka	Taka
Lease finance	1,145,482	15%	561,896	583,586	-	1,145,482
Accounts payable	38,689,723	N/A	38,689,723	-	-	38,689,723
Short term borrowings	234,798,784	11% - 12%	234,798,784	-	-	234,798,784
Unclaimed dividend	4,754,647	N/A	4,754,647	-	-	4,754,647
	279,388,636		278,805,050	583,586	-	279,388,636

40.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk exposure and its management

The company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is only exposed to in foreign currency risk relating to Tk. 265,432 in its Foreign Currency Account relating IPO applications.

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(b) Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

(d) Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest- bearing financial instruments as reported to the management of the company is as follows.

	30 June 2017	30 June 2016
	Taka	Taka
Fixed- rate instruments		
Financial assets	1,151,456,715	1,411,895,661
Financial liabilities	18,158,870	235,944,266
	1,169,615,585	**1,647,839,927**
Variable- rate instruments		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	-	-

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.

Company Secretary	Managing Director	Director	Chairman

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