

SEA PEARL BEACH RESORT & SPA LIMITED

4 K.B., Ismail Road

Mymensingh

AUDITOR'S REPORT

&

FINANCIAL STATEMENTS

As at and for the year ended June 30, 2018

MAHFEL HUQ & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER'S OF SEA PEARL BEACH RESORT & SPA LIMIED

Report on the Financial Statements

We have audited the accompanying Financial Statements of **SEA PEARL BEACH RESORT & SPA LIMIED**, which comprise the Statement of Financial Position as at 30 June 2018, and 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 Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchange Rules 1987 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.

Auditor's 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 the auditor's 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, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

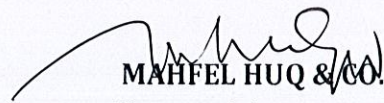
In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of affairs of the Company's as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Securities and Exchange Rules 1987, 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 the Securities and Exchange Rules 1987, we further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purpose of company's business.

Dhaka
August 16, 2018


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Chartered Accountants



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SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Financial Position

As at 30 June 2018

ASSETS	Notes	Amount in Taka	
		30 Jun 2018	30 Jun 2017
NON-CURRENT ASSETS		4,331,010,753	4,043,249,321
Property, Plant and Equipment	6	2,825,715,149	1,829,024,264
Capital Work in Progress	7	1,505,295,604	2,214,225,057
CURRENT ASSETS		456,269,527	85,927,027
Stock of Construction Material	8	25,417,104	19,580,024
Inventories	9	20,502,060	4,250,966
Trade and Other Receivables	10	69,711,187	7,163,467
Advances, Deposits and Prepayments	11	109,674,605	44,014,405
Cash and Cash Equivalents	12	230,964,572	10,918,165
TOTAL ASSETS		4,787,280,280	4,129,176,348
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		1,047,657,095	86,565,145
Share Capital	13	1,000,000,000	85,000,000
Retained Earnings	14	47,657,095	1,565,145
NON-CURRENT LIABILITIES		3,523,101,485	3,690,713,031
Non-current portion of long term secured borrowings	15	22,362,448	3,202,870,765
SPBRS 20% Convertible Secured Bond	15	3,472,159,066	-
Share money deposit	16	-	486,999,495
Deferred Tax Liabilities	17	28,579,971	842,771
CURRENT LIABILITIES		216,521,699	351,898,172
Current portion of long term secured borrowings	15	12,819,436	147,543,985
Short term borrowings	18	113,385,751	136,714,545
Accounts and other Payables	19	49,108,173	58,203,186
Accruals and Provisions	20	41,208,339	9,436,456
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,787,280,280	4,129,176,348
Net Asset Value Per Share (NAVPS)		10.48	10.18

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


Chief Financial Officer


Company Secretary


Managing Director


Director

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

Dated, Dhaka;
16 August 2018




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


SEA PEARL BEACH RESORT & SPA LIMITED


Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2018

	Notes	Amount in Taka	
		30-Jun-18	30-Jun-17
Operating Revenues	21	468,895,376	331,565,052
Costs of sales	22	(102,054,551)	(67,712,481)
Gross profit		366,840,825	263,852,571
Administrative and Other Expenses	23	(176,765,201)	(117,591,372)
Distribution & Selling Expenses	24	(4,214,397)	(3,228,186)
Operating profit		185,861,227	143,033,013
Net Finance Cost	25	(97,940,475)	(96,464,826)
Profit Before Tax & WPPF		87,920,752	46,568,187
Workers Profit Participation Fund		(4,186,702)	-
Profit before Tax		83,734,050	46,568,187
Income Tax (Expenses)/Benefit	26	(37,642,100)	(16,298,866)
Net Profit/(Loss) for the year		46,091,950	30,269,321
Earnings Per Share (EPS)	27	0.67	0.53

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


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SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Changes in Equity

For the year ended 30 June 2018

Amount in Taka

Particulars	Ordinary Share Capital	Retained Earnings	Total
For 2017-2018:			
Balance at 1st July 2017	85,000,000	1,565,145	86,565,145
Issuance of share capital	915,000,000		915,000,000
Net Profit/(loss) during the year	-	46,091,950	46,091,950
Balance at 30 June 2018	1,000,000,000	47,657,095	1,047,657,095





Statement of Changes in Equity

For the year ended 30 June 2017

Amount in Taka

Particulars	Ordinary Share Capital	Retained Earnings	Total
For 2016-2017:			
Balance at 1st July 2016	62,500,000	(28,704,176)	33,795,824
Issuance of shares	22,500,000		22,500,000
Net Profit/(loss) during the year	-	30,269,321	30,269,321
Balance at 30 June 2017	85,000,000	1,565,145	86,565,145

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

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  Company Secretary
  Managing Director
  Director

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

Dated, Dhaka;
16 August 2018




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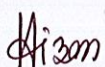



SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Cash Flows

For the year ended 30 June 2018

	Notes	Amount in Taka	
		30-Jun-18	30-Jun-17
Cash Flow from Operating Activities:			
Collection from turnover & other receipts	28	408,897,656	327,379,431
Payment for operating costs & other expenses	29	(223,806,107)	(156,260,627)
Income tax paid	30	(2,346,371)	(1,287,029)
Net Cash (used in)/generated by operating activities		182,745,178	169,831,775
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	31	(30,019,735)	(917,300)
Capital Work in progress	32	(252,867,961)	(307,515,038)
Proceeds from sale of fixed assets		600,000	-
Advances, Deposits and Prepayments	33	(79,081,686)	(4,483,765)
Net Cash (used in)/generated by investing activities		(361,369,382)	(312,916,103)
Cash Flow from Financing Activities			
Short Term borrowing Received/(Repaid)-Net		(23,328,794)	6,590,617
Finance Cost	34	(37,006,450)	(96,464,826)
Secured Term Loans Received/(Repaid)-Net	35	(3,222,939,462)	231,303,983
SPBRS 20% Convertible Secured Bond	36	3,250,000,000	-
Payable to related party		3,944,811	-
Proceeds from fresh issuance of share capital	37	428,000,505	-
Total Cash used in Financing Activities		398,670,611	141,429,774
Net changes increase /(decrease) in cash and cash equivalents		220,046,407	(1,654,553)
Opening cash and cash equivalents		10,918,165	12,572,718
Closing Cash and Cash Equivalents		230,964,572	10,918,165
Operating cash inflow/(outflow) per share		2.65	2.97

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

 Chief Financial Officer
  Company Secretary
  Managing Director
  Director

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

Dated, Dhaka;
16 August 2018




 Mahfel Huq & Co.
Chartered Accountants

SEA PEARL BEACH RESORT & SPA LIMITED

Notes to the Financial Statements

For the year ended 30 June 2018

1. Legal status of the Company

1.1 Reporting entity

Sea Pearl Beach Resort & Spa Limited ("the Company") is a Public Limited Company by shares. The Company was incorporated on 26 May 2009 having registration no. C-77653/09/2009 under the Companies Act 1994 as a Private Limited Company in Bangladesh and subsequently the Company was converted into a Public Limited Company by special resolution dated 14 November 2017.

1.2 Registered office

The registered office of the company is located at 4 K. B., Ismail Road, Mymensingh.

1.3 Corporate office

Corporate office of the Company is located at UTC Tower (Level-14), 8 panthapath, Karwanbazar, Dhaka-1215.

1.4 Operation office

Operation office of the Company is located at Jaliapolong, Inani, Ukhia, Cox's Bazar-4750, Bangladesh.

2. Nature of business activities

Sea Pearl Beach Resort & Spa Limited (the owner of "Royal Tulip Cox's Bazar") a Five Star Resort & hotel in Bangladesh, started its commercial operation from 17 September 2015. The principal activities of the Company throughout the year were carrying on Resort & Hotel business. The business activities connected with the Resort & Hotel business are carried out through a Franchise Agreement between Sea Pearl Beach Resort & Spa Limited (Franchisee) and GT Investments BV (the "Franchisor"), a limited liability company organized under the laws of the Netherlands, having its registered office at Arnhemseweg 2, 387 CH Amersfoort, the Netherlands dated 01 June 2014. Franchisor are 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.

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) 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,

Financial Reporting Act, 2015

The Regulation 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 as at 30 June 2018,
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018,
- iii) Statement of Changes in Equity for the year ended 30 June 2018,
- iv) Statement of Cash Flows for the year ended 30 June 2018,
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended 30 June 2018.

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. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

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 judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected 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 year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of 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 year from 01 July 2017 to 30 June 2018.

4 Significant accounting policies

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



4.1 Foreign currency transactions

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

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

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

(b) Non-monetary items that are measured in terms of historical 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 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.

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 & Maintenance' when it is incurred.

Depreciation on fixed assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant & Equipment. Depreciation is charged when the related assets are available for use as per management's intention. No depreciation is charged after the date of disposal of an asset. Depreciation is charged on all fixed assets after assessing useful life on **reducing balance method as follows:**

Particular of Assets	Rate of Depreciation
Land & Land Development	0.00%
Building & Other Civil Works	1.25%
Furniture & Fixture	10.00%
Computer Accessories & Equipment	10.00%
Machineries & Equipments	5.00%
Vehicle	10.00%

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



4.3 Capital works in-progress

Property, plant and equipment under construction or which are not available for use as per managements intention are accounted for as capital works in progress and are measured at cost until completion of construction or installation or available for use as per managements intention. In conformity with BAS 16: property, plant & equipment no depreciation is charged on Capital work in progress as it is not available for use.

4.4 Inventories

Inventories (Stock and Stores) are measured at the lower of cost and net realizable value. The Cost of Inventory is assigned by using average cost formula. The costs of inventories consist of purchase, costs of conversion, import duties and other non-refundable taxes and other costs if any 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 which are held and available for use by the company without any restriction.

4.6 Trade and other receivable

Trade 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 recognised. No impairment of trade and other receivables occurred during the year under review.

4.7 Earnings per share (EPS)

Basic earnings:

Earnings per share (EPS) is calculated in accordance with Bangladesh Accounting Standard BAS-33 "Earnings per Share" by dividing the profit or loss attributable to ordinary equity holder of the entity by the number of ordinary shares outstanding during the period. For the purpose of basic earnings per share, the amount attributable to the ordinary equity holders of the entity in respect of profit or loss from continuing operations attributable to the entity is adjusted for the after tax amount of preference dividend.

Diluted earnings per share:

For the purpose of calculating diluted earnings per shares , an entity adjust profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. During the year the company has issued SPBRS 20% Convertible Secured Bond and therefore there are dilutive potential ordinary shares for which diluted earning per share has been calculated and disclosed in note # 27.

Retrospective adjustment in earnings per Share:

The basic and diluted earnings per share for all periods presented is adjusted retrospectively for any increase in the number of ordinary or potential ordinary shares outstanding as a result of capitalization, bonus issues or share split. The per share calculations for those and any prior period financial statements presented is based on the new number of shares.



4.8 Revenue

Revenue (Room rent, Sales proceeds of beverage, income from laundry and shop rental & other revenues) 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 BFRS 15: "Revenue from contracts with customers".

4.9 Impairment of assets

All assets except inventory, assets arising from construction contracts and financial assets is assessed at the end of each reporting period to determine whether there is any indication that an assets 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 year and for this reason no provision has been made for impairment of assets.

4.10 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 Cost".

The company capitalizes borrowing cost on the ratio of total rooms and rooms which are not available for use as per managements intention.

4.11 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 16 August 2018 for issue after completion of review.

4.12 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.



4.13 Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, fixed deposit with bank, borrowings and other payables and are shown at transaction cost.

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.

4.14 Segment Reporting

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

4.15 Statement of Cash Flow

The statements 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" in accordance with BAS 7.

4.16 Related Party Disclosures

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

4.17 Taxation:

Current Tax Liability :

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. The Provision for Current Tax on the profit for the year ended 30 June 2018 has been made in the Financial Statements.

Deferred Tax:

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 Assets:

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- (a) is not a business combination; and
- (b) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liability/assets 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.



Unused tax losses and unused tax credits

A deferred tax assets shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

4.18 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.

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

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.

4.19 Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period)

4.20 Employee Benefits

The Company has accounted for employee benefits in compliance with the provision of BAS 19: Employee Benefits.

Employee benefits include:

a) Short-term employee benefits such as wages, salaries, social security contribution, paid annual leave, profit-sharing, bonuses and other non-monetary benefits like medical care, housing, cars, free or subsidized goods or services etc.

b) Post-employment benefits such as pension and lump sum payments on retirement

c) Other long term employee benefits such as long term paid absences, jubilee, long term disability benefits etc. and

d) Termination benefits

During the period the Company has recognized Workers' Profit Participation and Welfare Funds @ 5% on net profit before tax after charging such expenses as per Bangladesh Labour Act 2006 as amended in 2013.



4.21 Comparative Information

Comparative information has been disclosed in respect of the previous period for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. Previous period has been re-arranged/re-stated whenever considered necessary to ensure comparability with the current period presentation as per BAS-1: Presentation of Financial Statements and BAS-8: Accounting Policies, Changes in Accounting Estimates and Errors in notes wherever applicable.

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 Sea Pearl Beach Resort & Spa 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:

Sea Pearl Beach Resort & Spa 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 share 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 "Royal Tulip" has a very strong image in the local and international market. GT Investments BV also have 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.



6 Property Plant and Equipment

A. Cost:

	As at 30-Jun-18	As at 30-Jun-17
Opening Balance	1,890,224,583	1,009,350,377
Addition during the year	1,061,877,529	880,874,206
Disposal during the year	(1,570,000)	-
	2,950,532,112	1,890,224,583

B. Less: Accumulated Depreciation

Opening Balance	61,200,319	23,989,994
Charged during the year	63,883,641	37,210,325
Disposal during the year	(266,997)	-
	124,816,963	61,200,319

Written down value (A-B)

2,825,715,149	1,829,024,264
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The PPE includes leased Car which have been recognised as per BAS -17, Leases. A detailed schedule on property, plant & equipment has been given in Annexure-A.

7 Capital Work in Progress

Break-up of above as under :

Sl. No.	Particulars	Opening Balance as on 01-07-2017	Addition for the year	Balance as on 30-06-2018	Transfer to Property Plant & Equipments	Closing Balance as on 30-06-2018
01.	Building & Other Civil Works	1,827,607,054	264,908,141	2,092,515,195	890,861,196	1,201,653,999
02.	Furniture & Fixture	251,936,502	4,050,000	255,986,502	132,289,684	123,696,818
03.	Machineries	108,197,890	-	108,197,890	3,310,303	104,887,587
04.	Equipments	26,483,611	52,000,200	78,483,811	3,426,611	75,057,200
	Total	2,214,225,057	320,958,341	2,535,183,398	1,029,887,794	1,505,295,604

The above balance represents cost incurred up to the Statement of Financial Position date for property, plant and equipments (PPE) under progress which are not available for use as per management intention. These amount shall be transferred to Property Plant, & Equipments when the construction/installation of PPE will be completed and also available for use as per management's intention.

During the year the company has adjusted total outstanding balance of syndicated term loan on 31 October 2017 for which interest amount of Tk. 208,774,953 for the period from 01 January 2017 to 30 September 2017 has been waived by the banks/financial institutions out of which Tk. 154,349,282 relates to the period from 01 January 2017 to 30 June 2017. An amount of Tk. 111,131,483 had been capitalized to Building and other civil works for the year ended 30 June 2017 which is adjusted with capital work in progress for waiver of the said interest during the period. On the other hand Tk. 150,160,494 has been capitalized out of total finance cost Tk. 293,766,364 on the ratio as mentioned above. So net Tk. 39,029,012 capitalized to building and other civil works during the period.

8 Stock of Construction Materials

Bricks	2,831,600	3,156,330
Rod	7,456,800	7,586,420
Sand	2,372,980	1,186,920
Stone chips	2,339,800	2,643,000
Sanitary material	5,823,620	1,265,200
Other materials	4,592,304	3,742,154
	25,417,104	19,580,024

The above balance represents cost of sundry construction materials in hand as on Statement of Financial Position date.



9 Inventories

Food
Beverage
General store

Total

Amount in Taka	
As at 30-Jun-18	As at 30-Jun-17
7,320,048	3,265,095
6,264,613	574,767
6,917,399	411,104
20,502,060	4,250,966

Quantity wise breakup of Food, Beverage and General Stores could not be given as it was difficult to quantify each item separately and distinct category due to variety of items.

10 Trade and Other Receivables

The break-up of the amount is given below;

Trade receivable -net
FDR Interest receivable

Total

67,161,187	7,163,467
2,550,000	-
69,711,187	7,163,467

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	Amount in
I	Debts considered good and in respect of which the company is fully secured	2,550,000	-
II	Debts considered good for which the company holds no security other than the debtor personal security	67,161,187	7,163,467
III	Debts considered doubtful or bad	-	-
IV	Debts due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated	-	-
V	Debts due by companies under the same management to be disclosed with the names of the companies	-	-
VI	The maximum amount due by directors or other officer of the company at the time during the year to be shown by way of a note	-	-
Total		69,711,187	7,163,467

The aging of above receivable is as follows:

Less than three months	40,844,693	2,340,131
Above three months but less than six months	22,918,305	2,565,983
Above six months	5,948,189	2,257,353
	69,711,187	7,163,467

11 Advances, Deposits and Prepayments

The break-up of the amount is given below;

Advances (Note-11.1)
Deposits (Note-11.2)
Prepayments

Total

96,417,083	33,751,950
10,038,900	9,583,500
3,218,622	678,955
109,674,605	44,014,405

11.1 Advances:

Advance Income Tax (Note-11.1.1)
Parties/ suppliers
Advance to Employees
Advance against land
Advance against L/c
Advance to Bandarban Project
Others

Sub-Total

8,206,823	6,719,290
70,563,785	13,481,799
92,559	173,823
450,000	2,420,000
-	71,831
14,363,139	6,948,430
2,740,777	3,936,777
96,417,083	33,751,950



11.1.1 Advance Income Tax

Opening
 Add: Income tax during the year
 Less: Income tax paid/adjustment during the year

11.2 Deposits:

Security Deposit-REB
 T & T
 Ansar Guard

Sub-Total**12 Cash & Cash Equivalents**

This consists of as follows:

Cash in Hand
 Cash in transits
 Cash at Bank

A. GENERAL**Cash in hand:****Cash in transits:****Bank Name & Account Number:**

Prime Bank Ltd A/C CD - 17411060002770
 Prime Bank Ltd A/C-CD - 17411060005556
 Prime Bank Ltd A/C CD - 13211060017092
 Eastern Bank Ltd A/C CD - 1161360084794
 Prime Bank Ltd A/C CD - 0002
 Marchantile A/C CD - 96205
 UCB A/C CD- 0828
 Islami Bank Ltd A/C CD - 306
 Prime Bank Ltd A/C CD - 8730
 Prime Bank Ltd A/C CD - 33826
 Prime Bank Ltd A/C SND - 9630
 Prime Bank Ltd A/C SND - 9537
 The Premier Bank Ltd A/c CD-79023
 Modhumoti Bank Ltd. A/c RCD-79023

FDR at Premier Bank Limited

B. The Royal Tulip**Cash in hand :**

Local currency

Cash in transits:

City Bank Ltd.

DBBL

Brac Bank Ltd.

Bank Name & Account Number:

Prime Bank Ltd, A/C-12017
 Prime Bank Ltd, A/C-22433
 National Credit & Commerce Bank Ltd-A/C-26465
 Dutch Bangla Bank Ltd-A/C-32500
 City Bank Ltd-A/C-4001
 City Bank Ltd-Gulshan-A/C-3001

Total : (A+B)

Amount in Taka	
As at 30-Jun-18	As at 30-Jun-17
6,719,290	5,432,261
2,346,371	1,287,029
(858,838)	-
8,206,823	6,719,290
9,580,000	9,580,000
3,500	3,500
455,400	-
10,038,900	9,583,500
1,651,535	1,049,104
1,133,067	3,579,217
228,179,970	6,289,844
230,964,572	10,918,165
600,000	-
600,000	-
-	-
2,049,930	201
903,679	-
278,722	478,507
60,755	60,385
928	2,078
583,498	585,378
69,875	57,207
186,056	187,586
51,885	123,908
932,789	484,370
1,551,159	-
65,148	-
20,759,106	-
14,000	-
27,507,530	1,979,620
150,000,000	-
150,000,000	-
177,507,530	1,979,620
1,051,535	1,049,104
1,051,535	1,049,104
-	2,973,131
12,493	123,351
1,120,574	482,735
1,133,067	3,579,217
6,966,317	474,547
10,229,575	55,112
17,196,785	1,964,157
1,482,536	1,760
5,188,393	(747)
9,608,834	1,815,395
50,672,440	4,310,224
52,857,042	8,938,545
230,964,572	10,918,165

13 Share Capital

A. Authorized Share Capital

200,000,000 Ordinary Shares of Tk. 10 each

Amount in Taka	
As at 30-Jun-18	As at 30-Jun-17

2,000,000,000	250,000,000
2,000,000,000	250,000,000

B. Issued, Subscribed and paid- up capital

100,000,000 Ordinary shares of Tk. 10 each fully paid

1,000,000,000	85,000,000
1,000,000,000	85,000,000

The company has raised its paid up capital by Taka 915,000,000 through issuance of 91,500,000 shares of Taka 10/= each. The company has been accorded consent from Bangladesh Securities and Exchange Commission for raising of paid up capital vide letter # BSEC/CI/CPLC(Pvt)-581/2014/423 dated 22 August 2017. The company allotted 48,699,949 shares on 23 August 2017 and 42,800,051 shares on 22 March 2018

C. Shareholding position

	No. of shares	Percentage		
Shamim Enterprise (Pvt.) Ltd	46,458,000	46.46%	464,580,000	49,750,000
Md. Aminul Haque	2,650,000	2.65%	26,500,000	5,875,000
Md. Ekramul Haque	2,400,000	2.40%	24,000,000	6,250,000
Mrs. Lucy Akhtary Mahal	2,350,000	2.35%	23,500,000	625,000
Bengal Vacation Club Limited	9,466,949	9.47%	94,669,490	22,500,000
General shareholder	36,675,051	36.68%	366,750,510	-
	100,000,000	100%	1,000,000,000	85,000,000

14 Retained Earnings

Opening Balance

Add: Net profit during the year

1,565,145	(28,704,176)
46,091,950	30,269,321
47,657,095	1,565,145

15 Non-current portion of long term secured borrowings

The loan was taken from following banks.

Syndicated Term Loan

Premier Leasing & Finance Limited

Total

-	3,304,487,153
35,181,884	45,927,597
35,181,884	3,350,414,750

Current and non current distinction

Non Current Liabilities

Current Liabilities

Total

22,362,448	3,202,870,765
12,819,436	147,543,985
35,181,884	3,350,414,750

SPBRS 20% Convertible Secured Bond

Non-current portion of convertible secured bond

Total

3,472,159,066	-
3,472,159,066	-

During the period, the company has fully paid off the balance of syndicated term loan on 31 october 2017 through raising fund by issuing of 325 units of SPBRS 20% Convertible Secured Bond @ Tk. 10,000,000 each totalling Taka 3,250,000,000. The company has been accorded consent for raising of capital from Bangladesh Securities and Exchange Commission vide letter # BSEC/CI/DS-70/2017/444 dated 29 August 2017. The main features of the said bond are as follows:



Particulars	Details
Nature:	SPBRS 20% Convertible Secured Bond
Face Value	Tk. 10,000,000 per unit
Purpose:	To refinance the existing debts, as well as to finance completion of the ROYAL TULIP SEA PEARL BEACH RESORT & SPA, COX'S BAZAR of Sea Pearl Beach Resort & Spa Ltd.
Tenure:	8 Years from the date of issue, including 2 years moratorium period for both principal and interest payment
Repayment:	The bond will be redeemed semi-annually, at the end of 30th, 36th, 42nd, 48th, 54th, 60th, 66th, 72nd, 78th, 84th, 90th and 96th month from the date of Issue (From 31.10.2017).
Coupon Rate:	10.00% per annum
Trustee	Green Delta Insurance Company Ltd.
Investors	Investment Corporation of Bangladesh
Security:	First right registered mortgage of Hotel properties, i.e. floor space, proportionate land and machinery & equipment of ROYAL TULIP SEA PEARL BEACH RESORT & SPA, COX'S BAZAR

The balance of the bond includes accrued interest of Taka 222,159,066 for moratorium period for the Period from 31 October 2017 to 30 June 2018.

Main features of finance from Premier Leasing & Finance Limited:

Nature:	Term finance
Purpose:	For smooth running of business
Tenure:	Five years
Repayment:	From Hotel Revenue
Rate of Interest:	15.50%
Security:	40 decimals land in the name of Aminul Haque Shamim & 43 decimals land in the name of Shamim Enterprise (pvt.), Personal guarantee All directors of SPBRS and Corporate guarantee of Shamim Enterprise pvt. Ltd.

16 Share money deposit

This consists of as follows:

Shamim Enterprise (Pvt.) Limited

Bengal Vacation Club Limited

Total

-	414,830,000
-	72,169,495
-	486,999,495

The balance of the share money deposit has been transferred to paid up capital as per decision of the Board dated 23 August 2017. The company has accorded consent from Bangladesh Securities and Exchange Commission for raising of paid up capital vide letter # BSEC/CI/CPLC(Pvt)-581/2014/423 dated 22 August 2017.

17 Deferred Tax Liabilities

This has been arrived as under:

30-Jun-18

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant and Equipment	2,825,715,149	2,313,143,424	512,571,725	35.00%	179,400,104
WPPF	4,186,702	-	(4,186,702)	35.00%	(1,465,346)
Unused tax loss (Note-26.1)	-	426,727,962	(426,727,962)	35.00%	(149,354,787)
Deferred Tax (Assets)/Liability at the end of the period					28,579,971

30-Jun-17

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant and Equipment	1,829,024,264	1,535,493,930	293,530,334	35.00%	102,735,617
Unused tax loss (Note-26.1)	-	291,122,418	(291,122,418)	35.00%	(101,892,846)
Deferred Tax (Assets)/Liability at the end of the period					842,771



Deferred Tax Expenses/(Benefit) during the year:

Closing Deferred Tax (Assets)/Liabilities
Opening Deferred Tax (Assets)/Liabilities

Amount in Taka	
As at 30-Jun-18	As at 30-Jun-17
28,579,971	842,771
842,771	(15,456,095)
27,737,200	16,298,866

18 Short term borrowings

This consists of as follows:

Prime Bank Ltd. Banani Branch, SOD Account

Total

113,385,751	136,714,545
113,385,751	136,714,545

Nature:	Short term loan
Purpose:	Working capital investment.
Tenure:	One year
Repayment:	From Hotel revenue
Rate of Interest:	11.00%
Security:	Corporate Guarantee & 2898 sft flat at Gulshan, Dhaka.

19 Accounts and other Payables

This consists of as follows:

Payable for goods and services

Payable to related party-Bengal Vacation Club Limited

Payable for Property, Plant & Equipments

7,927,262	17,489,945
3,944,811	-
37,236,100	40,713,241
49,108,173	58,203,186

20 Accruals and Provisions

This consists of as follows:

TDS, VAT, Duty & Service charge Payable

Provision for income tax (Note-20.1)

Accrued Expenses

Workers Profit Participation Fund

Franchise fee

Audit Fees

Others

Total

14,255,944	4,648,791
9,085,820	39,758
3,748,866	2,986,553
4,186,702	-
7,953,195	-
300,000	75,000
1,677,812	1,686,354
41,208,339	9,436,456

20.1 Provision for Income tax

Opening Balance

Add: provided during the period/year

Add : Prior years short provision

Less: Paid / Adjusted during the period/year

Total

39,758	39,758
2,455,684	-
7,449,216	-
9,944,658	39,758
(858,838)	-
9,085,820	39,758



21 Operating Revenues

Room Revenue
Food & Beverage Revenue
Minor Operating department
Space rent and Other revenue
Total

Amount in Taka	
30-Jun-18	30-Jun-17
240,189,758	175,593,360
193,584,090	141,310,740
24,635,511	7,649,200
10,486,017	7,011,752
468,895,376	331,565,052

22 Costs of sales

Salary & wages
Cost of materials & other related exp
Operating and guest supplies
Laundry, dry cleaning and uniforms
Kitchen fuel & Gas
Complementary guest services
Linen, china, glass & silver
In-house TV, video, movies, music
Travel agents' commission
Travelling and communication
Pest control
Postage
Spa Cost
Others
Total

42,544,274	29,840,855
39,933,455	24,204,249
3,901,718	3,024,536
2,177,437	696,287
3,379,909	2,045,261
1,901,784	2,544,563
1,533,015	198,939
426,500	149,204
629,610	132,626
1,924,484	2,549,868
782,500	663,130
412,951	298,409
1,222,546	66,313
1,284,368	1,298,241
102,054,551	67,712,481

23 Administrative and Other Expenses

This consist of the followings;
Administrative and general expenses (23.1)
Repairs & maintenance and property operation (23.2)

116,619,950	60,888,762
60,145,251	56,702,610
176,765,201	117,591,372

23.1 Administrative and general expenses

This consist of the followings;
Salaries, wages, bonus & benefits
Postage
Rent
Travel & communication
Preliminary Expense
Pre-operating Expenditures
Entertainment
Security services
Internet Expenses
Licenses & Taxes
Donation
Telephone Expenses
Credit card commission
Statutory Audit Fees
Legal & Profession
Insurance
Franchise fee
Loss on sale of fixed assets
Bond issue cost
Depreciation
Other expenses

19,319,339	17,521,748
24,375	2,716
2,400,000	1,000,000
1,175,067	548,155
-	92,000
-	196,606
219,524	163,468
31,210	16,357
1,309,341	1,307,326
2,139,214	-
148,100	358,000
811,027	464,338
2,846,163	1,392,786
300,000	75,000
601,900	-
3,169,988	-
7,953,195	-
703,003	-
8,807,831	-
63,883,641	37,210,325
777,032	539,937
116,619,950	60,888,762



23.2 Repairs & maintenance and property operation

This consist of the followings;

Salaries, wages, bonus & benefits
Travel & communication
Electricity expenses
Fuel - Oil
Repair & maintenance
Laundry equipments
Water treatment and Pest Control
Other expenses

Amount in Taka	
30-Jun-18	30-Jun-17
6,800,170	5,822,542
57,315	33,869
31,521,015	28,499,338
10,403,347	12,335,021
7,606,730	7,236,645
2,198,385	1,942,627
977,570	639,818
580,719	192,750
60,145,251	56,702,610

24 Distribution & Selling Expenses

This consist of the followings;

Salaries, wages, bonus & benefits
Rent
Advertising & Promotion
Signs, events & functions

948,000	829,614
1,576,968	720,000
689,894	942,772
999,535	735,800
4,214,397	3,228,186

25 Net Finance Cost

This consist of the followings;

Bank Charges & Commission
Interest on short and long term secured borrowings

Less: FDR & Bank Interest

485,447	290,184
100,388,071	96,236,376
100,873,518	96,526,560
(2,933,043)	(61,734)
97,940,475	96,464,826

26 Income Tax Expenses/(Benefit)

This has been arrived as under;

Current Tax Expenses (Note: 26.1)
Prior years short provision
Deferred Tax Expenses/(Benefit)

Total

2,455,684	-
7,449,216	-
27,737,200	16,298,866
37,642,100	16,298,866

26.1 Current Tax Expenses**This has been arrived as under;**

Net Profit/(Loss) before Tax
Add: Accounting Depreciation
Less: Tax Depreciation
Current Profit/(Loss)

83,734,050	46,568,187
63,883,641	37,210,325
(283,223,235)	(208,223,187)
(135,605,544)	(124,444,675)

Income Tax Rate

35.00%**35.00%****Current Tax Expenses**

-	-
2,455,684	-

But Minimum tax@ 0.6% on gross receipts

2,455,684	-
------------------	----------

Unabsorbed Tax Loss-Opening Balance

291,122,418

166,677,743

Unabsorbed Tax Loss-during the period

135,605,544

124,444,675

Unused Tax Loss Carry forwarded to next period**426,727,962****291,122,418**

27 Basic Earnings per share (EPS)

			0.67	0.53
Earnings attributable to Ordinary Shares:	A			
Net Profit after tax as per Statement of Profit or Loss			46,091,950	30,269,321
Number of Shares:	B		69,043,251	57,199,949
Weighted Average Number of shares:	No. of shares	Weight	Weighted Average Number of shares as at 30.06.2018	Weighted Average Number of shares as at 30.06.2017
Shares Outstanding as on 01.07.2017	8,500,000	1.00	8,500,000	6,250,000
Capitalization of Share Money Deposit on 29.06.2017	2,250,000	1.00	-	2,250,000
Capitalization of Share Money Deposit on 23.08.2017	48,699,949	1.00	48,699,949	48,699,949
Fresh Issuance of Shares on 22.03.2018.	42,800,051	0.28	11,843,302	-
			69,043,251	57,199,949
Basic Earnings Per Shares C=(A/B)		365	0.67	0.53

Dilutive Earnings per Share:

Net profit after tax	46,091,950
Interest for conversion of shares (Net off tax)	144,403,393
Net profit after tax	190,495,343
Number of shares	
Outstanding number of shares	69,043,251
Conversion of shares	65,000,000
	134,043,251
Anti-dilutive earnings per shares	1.42

Total face value of bond	3,250,000,000
Conversion option 20%	650,000,000
Number of shares under option @ Tk. 10 each	65,000,000

In absence of future market value of shares under option, face value of shares of Tk. 10 each has been considered in calculation of number of shares under option.

28 Received from Customers & Others:

Revenue during the period	468,895,376	331,565,052
(Increase)/Decrease in accounts receivable & others	(59,997,720)	(4,185,621)
	408,897,656	327,379,431



29 Payment to Creditors, Suppliers, Employees & Others

Costs of sales	(102,054,551)	(67,712,481)
Administrative and Other Expenses	(176,540,201)	(117,591,372)
Distribution & Selling Expenses	(4,214,397)	(3,228,186)
Adjustment for Depreciation	63,883,641	37,210,325
(Increase)/Decrease in inventory	(16,251,094)	(3,073,952)
Adjustment for Loss on sale of fixed assets	703,003	-
Adjustment for Preliminary Expenses	-	92,000
Adjustment for Pre-operating Expenses	-	196,606
Adjustment for advance	1,916,055	4,100,327
(Increase)/Decreases in Trade and Other Payables except payable for Property, Plant & Equipments and Payable to related party	(9,562,683)	317,728
(Increase)/Decreases in Liabilities for expense except Provision for Income Tax and WPPF	18,314,119	(6,571,622)
	<u>(223,806,107)</u>	<u>(156,260,627)</u>

30 Income Tax paid

Opening Advance income tax	6,719,290	5,432,261
Closing advance income tax	(8,206,823)	(6,719,290)
Closing provision for income tax	9,085,820	39,758
Opening provision for income tax	(39,758)	(39,758)
Previous years short provision	(7,449,216)	-
Current tax during the period	(2,455,684)	-
	<u>(2,346,371)</u>	<u>(1,287,029)</u>

31 Property, Plant and Equipment

Purchased	(1,061,877,529)	(880,874,206)
Transfer from CWIP	1,029,887,794	866,686,726
Adjustments for advance	1,970,000	13,270,180
	<u>(30,019,735)</u>	<u>(917,300)</u>

32 Capital Work in progress

Purchased	(320,958,341)	(335,331,916)
(Increased)/Decreased Inventory of Construction Material	(5,837,080)	(4,199,488)
Adjustment for Accounts Payable for PPE	(3,477,141)	(37,614,871)
Adjustment for bond interest payable	66,381,637	-
Adjustment for Advance	11,022,964	69,631,237
	<u>(252,867,961)</u>	<u>(307,515,038)</u>

33 Advances, Deposits and Prepayments

Advances except income tax	(76,086,619)	(3,801,310)
Deposits	(455,400)	(3,500)
Prepayments	(2,539,667)	(678,955)
	<u>(79,081,686)</u>	<u>(4,483,765)</u>

34 Finance Cost:

Net Finance Cost	(97,940,475)	(96,464,826)
Adjustment for Interest payable on Convertible Bond	108,601,085	-
Adjustment for Interest waived from Syndicate term loan	(45,117,060)	-
FDR Interest receivable increased	(2,550,000)	-
	<u>(37,006,450)</u>	<u>(96,464,826)</u>



35 Secured Term Loans Received/(Repaid)-Net :

Increased /(Decreased) Long term secured loan
Adjustment for Interest waved from Syndicate term loan

Amount in Taka	
30-Jun-18	30-Jun-17
(3,315,232,866)	231,303,983
92,293,404	-
(3,222,939,462)	231,303,983

36 SPBRL 20% Convertible Secured Bond

Increased /(Decreased) Convertible Bond
Adjustment for Interest payable on Convertible Bond

3,472,159,066	-
(222,159,066)	-
3,250,000,000	-

37 Proceeds from fresh issuance of share capital

Share capital Increased
Adjustment for share money deposit

915,000,000	-
(486,999,495)	-
428,000,505	-



38 Disclosure as per requirement of schedule XI, Part-II of companies Act, 1994

Commission , Brokerage or Discount against sales:

(a) There was no brokerage or discount against sales during the period.

(b) No commission was paid to sales against during the period.

39 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".

Name of the Party	Relationship	Nature of Transaction	Amount in Taka		
			Balance as on 30 June 2018		
			Opening Balance Cr.	Transaction during the year (Dr.)/Cr.	Closing Balance Cr.
Shamim Enterprise (Pvt.) Limited	Common Management	Share money deposit	414,830,000	(414,830,000)	-
Shamim Enterprise (Pvt.) Limited	Common Management	Construction payment	-	(31,472,500)	-
Bengal Vacation Club Limited	Common Management	Share money deposit	72,169,495	(72,169,495)	-
Bengal Vacation Club Limited	Common Management	Inter company transaction	-	3,944,811	3,944,811
Shamim Enterprise Properties Limited	Common Management	Inter company transaction	-	(3,971,000)	-
Total			486,999,495	(518,498,184)	3,944,811

Transaction with Key Management Personnel of the entity:

As per Company Act , 1994 part-II , Schedule-XI (4) The profit and loss account will give by way of a note detailed information , showing separately the following payments provided or made during the financial year to the directors , including managing director , the managing agents or manager , if any ,by the company , subsidiaries of the company and any other person

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year from 1 July 2017 to 30 June 2018 to the directors, including managing directors, a managing agent or manager	Nil
(b)	Net cash inflow/(outflow) for the period (A+B+C)	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Cash and Cash Equivalents at the end of the period	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil



As per BAS-24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a)	short-term employee benefits	Nil
(b)	Post-employee benefits	Nil
(c)	Other long term benefits	Nil
(d)	termination benefits and	Nil
(e)	share-based	Nil

40 Service (Production) capacity & Utilization:

As per the nature of the industry, production quantity of service with the course of the year produce on the basis of service design as per market demand. Therefore, installed capacity in terms of multiple and frequently changeable service mix is not constant factor. During the period under review, actual service, the installed capacity in terms of the counts produced and the utilization rate in appended below: (for the period from 1 July 2017 to 30 June 2018)

Description	Available rooms	Utilize rooms	% of capacity utilization
Guest Rooms	81,249	49,660	61.12%

41 Value of Import at CIF basis:

During the period from 1 July 2017 to 30 June 2018 total value of import in respect of raw material Details are given below:

Particulars:	Amount Tk.
Furniture & Fixture	656,723

42 Percentage of materials consumed to the total consumed:

	Amount (BDT)	Percentage
Material consumed	Amount	Percentage
N/A	-	-

43 Payment in foreign currency:

	Foreign Currency (US\$)
Furniture & Fixture	8167.8

44 Number of Employees

All the employees receive salary /wages in excess of Tk. 6000 per month

Number of permanent staff	334
Number of permanent workers	-
Number of temporary staff/worker	-
Total	<u>334</u>



45 General

45.1 Directors Responsibility Statements

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

45.2 Employee Details:

i) Total number of employees at the end of the period was 334. Out of total employees, 289 numbers of employees employed throughout the period and 45 numbers of employees employed for a part of the period. None of the employees were in receipt of remuneration which in aggregate was less than Tk. 6,000 per month.

ii) At the end of the reporting period, there were 334 employees in the company.

45.3 Rounding off

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

45.4 Rearrangement of last year figures

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified/re-stated whenever considered necessary to conform to current year presentation.



Chief Financial Officer



Company Secretary



Managing Director



Director

Dated, Dhaka;
16 August 2018



Sea Pearl Beach Resort & Spa Limited
Property, Plant and Equipment Schedule
As at 30 June 2018

Annexure-A

Amount in Taka

Sl. No.	Assets	Cost				Dep. Rate (%)	Depreciation				Written Down Value as on 30.06.2018
		Balance as at 01.07.2017	Additions during the year	Disposal during the year	Balance as at 30.06.2018		Balance as at 01.07.2017	Charged during the year	Accumulated Depreciation for Disposal	Balance as at 30.06.2018	
1	Land & Land Development	94,238,682	26,963,015	-	121,201,697	0%	-	-	-	-	121,201,697
2	Building & Other Civil Works	1,249,446,342	890,861,196	-	2,140,307,538	1.25%	13,777,452	24,366,491	-	38,143,943	2,102,163,595
3	Furniture & Fixture	7,723,611	132,289,684	-	140,013,295	10%	995,262	13,901,803	-	14,897,065	125,116,230
4	Computer Accessories & Equipment	1,365,734	352,050	-	1,717,784	10%	105,843	161,194	-	267,037	1,450,747
5	Machineries	401,422,276	3,310,303	-	404,732,579	5%	34,332,603	18,519,999	-	52,852,602	351,879,977
6	Equipments	127,656,438	6,626,281	-	134,282,719	5%	10,869,471	6,170,662	-	17,040,133	117,242,586
7	Vehicle	8,371,500	1,475,000	1,570,000	8,276,500	10%	1,119,688	763,492	266,997	1,616,183	6,660,317
Total as at 30 June 2018		1,890,224,583	1,061,877,529	1,570,000	2,950,532,112		61,200,319	63,883,441	266,997	124,816,963	2,825,715,149
Total as at 30 June 2017		1,009,350,377	880,874,206	-	1,890,224,583	-	23,989,994	37,210,325	-	61,200,319	1,829,024,264

