

***Private & Confidential***



কাজী জহির খান এন্ড কোং  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants  
Since 1980

Associated Firm of

**EHK Consulting**  
Always adding value

***Independent Auditors' Report  
&  
Financial Statements  
of  
SEA PEARL BEACH RESORT & SPA LTD.  
as on and for the year ended 30 June, 2021***

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**SEA PEARL BEACH RESORT & SPA LTD.**  
**for the year ended 30 June, 2021**

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**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF SEA PEARL BEACH RESORT & SPA LTD.**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of SEA PEARL BEACH RESORT & SPA LTD. ("the Company"), which comprise the statement of financial position as at 30 June, 2021, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

**i) Utilization of Capacity and Ability of the Company to Pay Debt:**

The utilization of capacity of the company is poor which decreased than the last year by 9.21%. Total utilization of attainable capacity of the Company is only 44.28%, which was 53.49% in the previous year. The management of the Company opined that the shortfall was made due to lock down policy of Government for COVID-19 situation and increase of attainable capacity of the Company to 102,252 nos. rooms per year. Further, it is mentioned that as of 30 June, 2021 the Company has indebted to the extent of Tk. 4,625,781,265 consisting of long term loan, short term loan, SPBRS 20% Convertible Secured Bond and lease finance. The total debt represents 78.72% of the Equity & Liabilities of the Company. Moreover, the Company has failed to pay regular installment of SPBRS 20% Convertible Secured Bond since April, 2020. All these facts indicate uncertainty to be a going concern.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Key Audit Matters**

Key audit matters are those matters that, in the auditors' professional judgement, were most significance in the audit of the financial statements for the year ended 30 June, 2021. The matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion in these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.







**Independent Auditors' Report (Continued)**

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<b>Revenue:</b>  Revenue of Tk. 643,944,797 is recognized in the income statement of Sea Pearl Beach Resort & Spa Ltd. for the year ended 30 June 2021. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.  As described in the accounting policy 4.8 to the financial statements, the Company recognizes revenue upon rendering services to the customers/clients as per IFRS 15 Revenue from Contract with Customers.	<p>In case of Revenue, we assessed the Company's processes and controls for recognizing revenue as part of audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including:</p> <ul style="list-style-type: none"><li>- We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 Revenue from Contracts with Customers.</li><li>- We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customers' invoices and receipts on a sample basis.</li><li>- We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.</li><li>- Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, to examine whether sales transactions were recorded in the correct recording periods.</li></ul>





## Independent Auditors' Report (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<b>Property, Plant &amp; Equipment and Capital-Work-in-Progress:</b>	
<p>The carrying value of Property, plant &amp; equipment amounts to Tk. 4,734,536,069 and Capital-work-in-progress amounts to Tk. 795,955,625. This represents a significant amount in the Company's statement of financial position as at 30 June, 2021.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> <li>- determining which costs meet the criteria for capitalization;</li> <li>- determining the date on which the assets is recognized to property, plant &amp; equipment and depreciation commences;</li> <li>- the estimation of economic useful lives and residual values assigned to property, plant &amp; equipment.</li> </ul> <p>We identified the carrying value of property, plant &amp; equipment as a key audit matter because of the high level of management judgement involved and because of its significance to the financial statements.</p> <p>See note no 4.2, 4.3, 6 &amp; 8 to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant &amp; equipment and capital-work-in-progress included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> <li>- Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant &amp; equipment and capital-work-in progress, including the key internal controls over the estimation of useful economic lives and residual values.</li> <li>- Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization.</li> <li>- Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant &amp; equipment.</li> <li>- Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents.</li> <li>- We assessed the Company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy.</li> <li>- We traced payments to supporting documents.</li> <li>- We assessed whether the costs capitalized met the recognition criteria set forth in IAS 23-Borrowing costs, in relation to the capitalization of borrowing costs.</li> <li>- We assessed the adequacy of the disclosures of the financial statements.</li> </ul>





## Independent Auditors' Report (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<b>Implementation of IFRS 16: Leases:</b>	
<p>With reference to Note 4.22 to the financial statements, "IFRS 16 Leases" becomes effective for annual reporting beginning on or after 01 July 2019 which replaces the existing standard IAS 17. The Company applied IFRS 16 Leases to its leases of vehicles and rent of office premises.</p> <p>The Company reported the right-of-use (ROU) asset for the amount of Tk. 13,047,659 and lease liability for the amount of Tk. 7,354,145 at the year ended 30 June, 2021.</p> <p>We considered the implementation of IFRS 16 Leases as a key audit matter, since the balances recorded are material, management had to apply several judgements and estimates such as lease term, discount rates, measurement basis among others and undertake a significant data extraction exercise to summaries the lease data for input into their lease calculation model.</p>	<p>We obtained an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> <li>- Obtained and read the accounting policy for compliance with IFRS 16.</li> <li>- Obtained Listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16. In respect of the contracts selected for testing</li> <li>- Obtained and read bank borrowing rates correspondences.</li> <li>- Tested the assumptions used in the calculation model for the sample contracts selected for testing.</li> <li>- Performed rest of details on a sample basis on different categories of lease for valuation of the right of use of asset and lease liability.</li> <li>- Assessed the disclosures within the financial statements.</li> </ul>

Key Audit Matter	How our audit addressed the key audit matter
<b>Measurement of Deferred Tax Liability:</b>	
<p>The net deferred tax liability totaling Tk. 52,010,512 as at 30 June, 2021.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> <li>- we obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Company's future taxable income.</li> <li>- we involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities.</li> <li>- we also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.</li> </ul>





## Independent Auditors' Report (Continued)

### Reporting on Other Information

Management is responsible for the other information. The other information comprises the directors' report, management discussion and analysis, statement of corporate governance, financial highlights, economic value added statement (EVA), value added statement, certification of corporate governance etc. but other than the financial statements and our auditors' report thereon. The directors' report, management discussion and analysis, statement of corporate governance, financial highlights, economic value added statement (EVA), value added statement, certification of corporate governance etc. are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and, accordingly, we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if, we conclude that there is a material misstatement therein; we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as explained in note 3 & 4 and for such internal control as management determines in necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 and the BSEC guidelines require the management to ensure effective internal audit, internal controls and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of the control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.







## Independent Auditors' Report (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In according with the Companies Act, 1994 and the 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 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 purposes of the Company's business.

Dated: Dhaka  
23 August, 2021

**KAZI ZAHIR KHAN & CO.**

**Chartered Accountants**

DVC: 2108260915AS642298

Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA

Engagement Partner (Enrolment No. 0915)






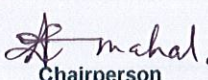
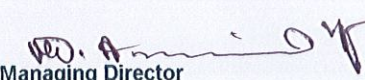
**SEA PEARL BEACH RESORT & SPA LTD.**  
**Statement of Financial Position**  
**as at 30 June, 2021**

Particulars	Notes	30 June, 2021 Taka	30 June, 2020 Taka
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>		<b>5,543,539,353</b>	<b>5,259,715,916</b>
Property, Plant & Equipment	6	4,734,536,069	3,080,712,062
Right of Use Asset	7	13,047,659	15,240,491
Capital Work-in-Progress	8	795,955,625	2,163,763,363
<b>CURRENT ASSETS</b>		<b>487,411,559</b>	<b>346,307,346</b>
Stock of Construction Material	9	-	3,958,029
Inventories	10	40,996,117	35,289,568
Investment in Marketable Securities (Fair Value)	11	19,920,699	18,166,764
Trade & Other Receivables	12	64,442,946	53,033,626
Advances, Deposits & Pre-payments	13	199,196,174	139,140,233
Cash & Cash Equivalents	14	162,855,623	96,719,126
<b>TOTAL ASSETS</b>		<b>6,030,950,912</b>	<b>5,606,023,262</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>		<b>1,283,598,264</b>	<b>1,214,522,392</b>
Share Capital	15	1,207,500,000	1,207,500,000
Retained Earnings	16	76,988,600	7,022,392
Fair Value Gain/(Loss)	17	(890,336)	-
<b>NON-CURRENT LIABILITIES</b>		<b>3,647,626,563</b>	<b>3,563,220,537</b>
Non-Current Portion of Long Term Borrowings	18	4,444,324	-
Non-Current Portion of SPBRSL 20% Convertible Secured Bond	18	3,589,022,608	3,524,265,808
Non-Current Portion of Lease Liability	19	2,149,119	5,041,332
Deferred Tax Liabilities	20	52,010,512	33,913,397
<b>CURRENT LIABILITIES</b>		<b>1,099,726,085</b>	<b>828,280,333</b>
Current Portion of Long Term Borrowings	18	3,042,833	11,332,438
Current Portion of SPBRSL 20% Convertible Secured Bond	18	982,430,644	660,317,130
Current Portion of Lease Liability	19	5,205,026	5,307,200
Short Term Borrowings	21	39,486,711	39,767,221
Dividend Payable	22	951,771	-
Accounts & Other Payables	23	3,503,183	57,587,042
Accruals & Provisions	24	65,105,917	53,969,302
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>6,030,950,912</b>	<b>5,606,023,262</b>
<b>NET ASSET VALUE PER SHARE (NAVPS)</b>	32	<b>10.63</b>	<b>10.06</b>

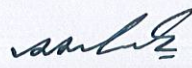
The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of 22 August, 2021 and signed for and on behalf of the board.

  
Chief Financial Officer  
  
Company Secretary  
Signed in terms of our separate report of even date.

 Director  
 Chairperson  
 Managing Director

Dated: Dhaka  
23 August, 2021

  
**KAZI ZAHIR KHAN & CO.**  
Chartered Accountants  
DVC: 2108260915AS642298  
Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA  
Engagement Partner (Enrolment No. 0915)



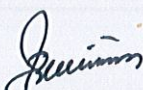
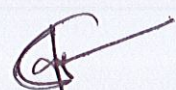

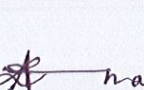
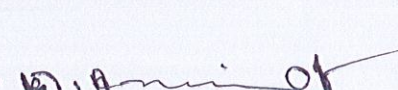


**SEA PEARL BEACH RESORT & SPA LTD.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the year ended 30 June, 2021**

Particulars	Notes	Year Ended	
		30 June, 2021	30 June, 2020
		Taka	Taka
Operating Revenue	25	643,944,797	458,507,744
Costs of Sales	26	(133,818,811)	(92,832,423)
<b>Gross Profit</b>		<b>510,125,986</b>	<b>365,675,321</b>
Administrative & Other Expenses	27	(193,616,012)	(161,569,752)
Distribution & Selling Expenses	28	(10,278,596)	(8,805,969)
<b>Operating Profit</b>		<b>306,231,378</b>	<b>195,299,600</b>
Other Income/(Loss)		5,931,122	(6,967,498)
Net Finance Cost	29	(211,808,373)	(197,068,106)
<b>Profit/(Loss) before Tax &amp; WPPF</b>		<b>100,354,127</b>	<b>(8,736,004)</b>
Workers Profit Participation Fund		(4,778,768)	-
<b>Profit/(Loss) Before Tax</b>		<b>95,575,359</b>	<b>(8,736,004)</b>
Income Tax Expenses	30	(21,892,328)	(2,309,352)
<b>Net Profit/(Loss) for the year</b>		<b>73,683,031</b>	<b>(11,045,356)</b>
<b>Other Comprehensive Income:</b>			
Fair Value Gain/(Loss)		1,812,751	-
<b>Total Comprehensive Income</b>		<b>75,495,782</b>	<b>(11,045,356)</b>
<b>Basic Earnings Per Share (EPS)</b>	31	<b>0.61</b>	<b>(0.09)</b>


The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of 22 August, 2021 and signed for and on behalf of the board.

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

Signed in terms of our separate report of even date.

Dated: Dhaka  
23 August, 2021

  
**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
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 Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA  
 Engagement Partner (Enrolment No. 0915)





**SEA PEARL BEACH RESORT & SPA LTD.**  
**Statement of Changes in Equity**  
**for the year ended 30 June, 2021**

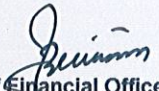
Particulars	Ordinary Share Capital	Fair Value Gain/(Loss)	Retained Earnings	Total Amount (in Taka)
Balance at 01 July, 2020	1,207,500,000	-	7,022,392	1,214,522,392
Cash Dividend	-	-	(6,419,910)	(6,419,910)
Net Profit for the year	-	-	73,683,031	73,683,031
Fair Value Gain/(Loss) on Marketable Securities	-	1,812,751	-	1,812,751
Prior year Adjustment	-	(2,703,087)	2,703,087	-
<b>Balance as at 30 June, 2021</b>	<b>1,207,500,000</b>	<b>(890,336)</b>	<b>76,988,600</b>	<b>1,283,598,264</b>

**Statement of Changes in Equity**  
**for the year ended 30 June, 2020**

Particulars	Ordinary Share Capital	Fair Value Gain/(Loss)	Retained Earnings	Total Amount (in Taka)
Balance at 01 July, 2019	1,150,000,000	-	75,567,748	1,225,567,748
Stock Dividend	57,500,000	-	(57,500,000)	-
Net Profit for the year	-	-	(11,045,356)	(11,045,356)
<b>Balance as at 30 June, 2020</b>	<b>1,207,500,000</b>	<b>-</b>	<b>7,022,392</b>	<b>1,214,522,392</b>

The accounting policies and other notes form an integral part of these financial statements.

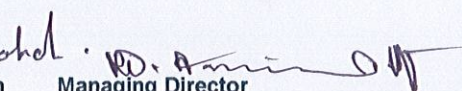
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Signed in terms of our separate report of even date.

Dated: Dhaka  
23 August, 2021



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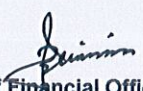


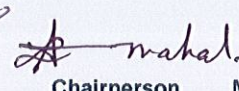
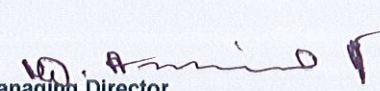


SEA PEARL BEACH RESORT & SPA LTD.  
Statement of Cash Flows  
for the year ended 30 June, 2021

Particulars	Notes	Year Ended	
		30 June, 2021	30 June, 2020
		Taka	Taka
<b>Cash Flow from Operating Activities:</b>			
Receipts from Customers and Others	34	638,466,599	465,625,512
Payment for Operating Costs & Other Expenses	35	(315,692,511)	(178,516,537)
Income Tax Paid	36	(4,111,415)	(4,962,698)
<b>Net Cash (Used in)/Generated by Operating Activities</b>		<b>318,662,673</b>	<b>282,146,277</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Property, Plant and Equipment	37	(36,025,568)	(23,323,429)
Right of Use Asset		(2,508,133)	(12,334,371)
Land & Land Development from IPO Fund		-	(26,660,000)
Capital Work-in-Progress	38	(148,728,315)	(339,204,576)
Investment in Marketable Securities & Others		58,816	12,796,010
<b>Net Cash (Used in)/Generated by Investing Activities</b>		<b>(187,203,200)</b>	<b>(388,726,366)</b>
<b>Cash Flow from Financing Activities</b>			
Short Term Borrowing Received/(Repaid)-Net		(280,510)	26,045,105
Net Finance (Cost)/Income	39	(2,734,659)	(815,436)
Secured Term Loans Received/(Repaid)-Net	40	(3,845,281)	(10,615,774)
SPBRS 20% Convertible Secured Bond	41	-	(50,000,000)
Lease Liability Received/(Repaid)-Net		(2,994,387)	3,860,137
Receipt from/Payment to Related Party		(50,000,000)	50,000,000
Dividend Paid		(5,468,139)	-
Proceeds from Fresh Issuance of Share Capital	42	-	75,000,000
<b>Total Cash used in Financing Activities</b>		<b>(65,322,976)</b>	<b>93,474,032</b>
Net Changes Increase/(Decrease) in Cash and Cash Equivalents		66,136,497	(13,106,057)
Opening Cash & Cash Equivalents		96,719,126	109,825,183
<b>Closing Cash &amp; Cash Equivalents</b>		<b>162,855,623</b>	<b>96,719,126</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	33	<b>2.64</b>	<b>2.34</b>

The accounting policies and other notes form an integral part of these financial statements.

The Financial Statements were approved and authorized for issue by the Board of Directors on the date of 22 August, 2021 and signed for and on behalf of the board.

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

Signed in terms of our separate report of even date.

Dated: Dhaka  
23 August, 2021

  
**KAZI ZAHIR KHAN & CO.**  
**Chartered Accountants**  
 DVC: 2108260915AS642298  
 Abdulla-Al-Mahmud FCA, FCMA, FCS, LL.B, CISA  
 Engagement Partner (Enrolment No. 0915)





**SEA PEARL BEACH RESORT & SPA LTD.**  
**Notes to the Financial Statements**  
**as at & for the year ended 30 June, 2021**

**1. Legal Status of the Company:**

**1.1 Reporting Entity:**

Sea Pearl Beach Resort & Spa Ltd. ("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. The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

**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, Karwan Bazar, Dhaka-1215.

**1.4 Operation Office:**

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

**2. Nature of Business Activities:**

Sea Pearl Beach Resort & Spa Ltd. (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 period/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 Ltd. (the "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. The Company has also commenced commercial operation of its Water Park which is at the immediate vicinity of the resort.

**3. Basis of Preparation:**

**3.1 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.

**3.2 Risk and Uncertainty for use of Estimates and Judgments:**

The preparation of financial statements in conformity with International Accounting Standards and International Financial Reporting 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 year in which the estimate is revised and in any future period/years affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".



### 3.3 Statement of Compliance:

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

Applicable International Accounting Standards (IASs) are as follows:

Sl. No.	IAS Title	IAS No.	Compliance
1	Presentation of Financial Statements	1	Complied
2	Inventories	2	Complied
3	Statement of Cash Flows	7	Complied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
5	Events After the Reporting Period	10	Complied
6	Income Taxes	12	Complied
7	Property, Plant and Equipment	16	Complied
8	Employee Benefits	19	Complied
9	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
10	The Effects of Changes in Foreign Exchange Rates	21	Complied
11	Borrowing Costs	23	Complied
12	Related Party Disclosures	24	Complied
13	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
14	Separate Financial Statements	27	Not Applicable
15	Investments in Associates and Joint Ventures	28	Not Applicable
16	Financial Reporting in Hyperinflationary Economies	29	Not Applicable
17	Financial Instruments: Presentation	32	Complied
18	Earnings Per Share	33	Complied
19	Impairment of Assets	36	Complied
20	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
21	Intangible Assets	38	Complied
22	Investment Property	40	Not Applicable
23	Agriculture	41	Not Applicable

Applicable International Financial Reporting Standards (IFRSs) are as follows:

Sl. No.	IFRS Title	IFRS No.	Compliance
1	First-time Adoption of International Financial Reporting Standards	1	Complied
2	Share-based Payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contracts	4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosures	7	Complied
8	Operating Segments	8	Not Applicable
9	Financial Instruments	9	Complied
10	Consolidated Financial Statements	10	Not Applicable
11	Joint Arrangements	11	Not Applicable
12	Disclosure of Interests in Other Entities	12	Not Applicable
13	Fair Value Measurement	13	Complied
14	Regulatory Deferral Accounts	14	Not Applicable
15	Revenue from Contracts with Customers	15	Complied
16	Leases	16	Complied



**3.4 Other Regulatory Compliances:**

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

- The Securities & Exchange Rules, 1987;
- The Securities & Exchange Ordinance, 1969;
- The 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.

**3.5 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 IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises:

- i) Statement of Financial Position as at 30 June, 2021;
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended on 30 June, 2021;
- iii) Statement of Changes in Equity for the year ended on 30 June, 2021;
- iv) Statement of Cash Flows for the year ended on 30 June, 2021; and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements as at & for the year ended on 30 June, 2021.

**3.6 Functional & Presentation Currency:**

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

**3.7 Going Concern:**

As per IAS-1 para 25, a Company is required to make assessment at the end of each period/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 twelve months from 01 July, 2020 to 30 June, 2021.

**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 IAS 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 year or in previous financial statements is recognized in profit or loss in the period in which they arise.

#### 4.2 Property, Plant & Equipment:

##### Initial Recognition and Measurement:

Property, plant & equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant & 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 & equipment's 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 & equipment are recognized in the profit or 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 IAS 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 & Machineries	10.00%
Equipment's	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 & equipment under construction or not available for use are accounted for as capital works-in-progress and are measured at cost until completion of construction or installation or available for use. In conformity with IAS 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 & 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 & 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 recognized. No impairment of trade and other receivables occurred during the period/year under review.



**4.7 Earnings per Share (EPS):**

**Basic Earnings:**

Earnings per Share (EPS) is calculated in accordance with International Accounting Standard IAS-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 year. 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.

**4.8 Revenue:**

Revenue (Room rent, sales proceeds of beverage, income from laundry, water park, shop rental and other revenues) is recognized at fair value of the consideration received or receivable in the year during which the services are provided. Revenue is recognized the parties to the contract have approved the contract, the entity can identify each party's rights and payment terms for the goods or services to be transferred, the contract has commercial substance, the entitled in exchange for services that will be transferred to the customer, 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 IFRS 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 IAS 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 year in which it incurs in accordance with IAS-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 22 August, 2021 for issue after completion of review.

**4.12 Provisions, Accrued Expenses & Other Payables:**

Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 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 IFRS 8: "Segment reporting".

**4.15 Statement of Cash Flows:**

The statements of cash flows has been prepared in accordance with requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been prepared using the "Direct Method" in accordance with IAS 7.

**4.16 Related Party Disclosures:**

The Company carried out transaction with related parties in the normal course of business and on arm's length basis during the reporting period. The information as required by IAS 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 on 30 June, 2021 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 recognized 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 utilized, 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 utilized.

**4.18 Contingent Assets & 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 IAS 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 IAS 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 IAS 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 Labor Act 2006 as amended in 2013.

Other post employment benefits to comply with IAS 19: Employee Benefits are under implementation which has been approved by the Board.

#### 4.21 Comparative Information:

Comparative information has been disclosed in respect of the previous year 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/year financial statements. Previous period/year has been re-arranged/re-stated whenever considered necessary to ensure comparability with the current year presentation as per IAS-1: Presentation of Financial Statements and IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors in notes wherever applicable.

#### 4.22 Implementation, Relevant Assumptions and Disclosures of IFRS 16:

IFRS-16: "Leases" has come into force on 01 January, 2019 as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The Company has applied IFRS-16 as it has entered into contracts for Motor Vehicles & Office Premises that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Right-of-Use Assets:

A Company recognize right of use assets at the inception date which is measured as cost, less any accumulated depreciation. Right of use assets are depreciated on a straight line basis over the lease term. The right of use assets are presented under Non-current Asset in Statement of Financial Position.

##### Lease Liability:

At the commence date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term using the incremental borrowing rate. Lease liabilities is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment.



**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 Ltd. 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 Ltd. 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 Cox's Bazar" 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.



Notes	Particulars	30 June, 2021 Taka	30 June, 2020 Taka
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**6 Property Plant & Equipment:**

**A. Cost:**

Opening Balance	3,333,419,848	2,981,284,498
Addition during the year	1,731,324,540	352,135,350
Closing Balance	5,064,744,388	3,333,419,848

**B. Less: Accumulated Depreciation**

Opening Balance	252,707,786	188,548,830
Addition during the year	77,500,533	64,158,956
Closing Balance	330,208,319	252,707,786
Written Down Value (A-B)	4,734,536,069	3,080,712,062

A detailed schedule on property, plant & equipment has been given in Annexure-A.

**7 Right of Use Asset:**

**A. Cost:**

Opening Balance	18,822,766	-
Addition during the year	2,508,133	18,822,766
Closing Balance	21,330,899	18,822,766

**B. Less: Accumulated Depreciation**

Opening Balance	3,582,275	-
Addition during the year	4,700,965	3,582,275
Closing Balance	8,283,240	3,582,275
Written Down Value (A-B)	13,047,659	15,240,491

A detailed schedule on Right of Use Asset in accordance with IFRS-16 Leases has been given in Annexure-B.

**8 Capital Work-in-Progress:**

795,955,625      2,163,763,363

Break-up of above as under :

Sl. No.	Particulars	Opening Balance as on 01-07-2020	Addition during the period	Total	Transfer to Property Plant & Equipment's	Closing Balance as on 30-06-2021
01.	Building & Other Civil	1,881,448,157	233,920,069	2,115,368,226	1,326,727,601	788,640,625
02.	Furniture & Fixture	150,258,006	80,802,731	231,060,737	231,060,737	-
03.	Machineries	51,419,155	-	51,419,155	51,419,155	-
04.	Equipments	80,638,045	-	80,638,045	73,323,045	7,315,000
Total		2,163,763,363	314,722,800	2,478,486,163	1,682,530,538	795,955,625

The above balance represents cost incurred up to the Statement of Financial Position date for property, plant & equipments (PPE), these are under progress and not available for use. Total balance of capital work-in-progress of Tk. 1,682,530,538 has been transferred to Property, Plant & Equipment's during the year which is included Tk. 106,827,300 that has been done through utilization of IPO fund.

**9 Stock of Construction Materials:**

This is made up as under:

Bricks	-	45,892
Rod	-	71,248
Sand	-	744,460
Stone Chips	-	45,861
Sanitary Material	-	1,845,982
Other Materials	-	1,204,586
Total	-	3,958,029

There was no stock of construction materials in hand as on Statement of Financial Position date.

**10 Inventories:**

This is made up as under:

Food	6,710,965	6,938,308
Beverage	6,898,272	7,303,280
General store	27,386,880	21,047,980
Total	40,996,117	35,289,568

Quantity wise break-up 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.



Notes	Particulars	30 June, 2021	30 June, 2020
		Taka	Taka

**11 Investment in Marketable Securities (Fair Value):**

This is made up as under:

Name of the Company	as at 30 June, 2021			as at 30 June, 2020
	Book Value	Fair Value	Gain/(Loss)	Fair Value
Mozaffar Hossain Spinning Mills Ltd.	-	-	-	3,174,717
Oimex Electrode Limited	20,811,034	19,920,699	(890,335)	4,769,038
First Security Islami Bank Limited	-	-	-	482,681
Queen South Textile Mills Ltd.	-	-	-	9,740,328
<b>Total</b>	<b>20,811,034</b>	<b>19,920,699</b>	<b>(890,335)</b>	<b>18,166,764</b>

**12 Trade & Other Receivables:**

This is made up as under:

Trade Receivable-Net	64,442,946	53,033,626
<b>Total</b>	<b>64,442,946</b>	<b>53,033,626</b>

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

Sl. No.	Particulars	Amount in Taka	Amount in Taka
I	Debts considered good and in respect of which the Company is fully secured	-	-
II	Debts considered good for which the Company holds no security other than the debtor personal security	64,442,946	53,033,626
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 period to be shown by way of a note	-	-
<b>Total</b>		<b>64,442,946</b>	<b>53,033,626</b>

The aging of above Trade Receivable is as follows:

Less than three months	6,411,454	43,669,351
Above three months but less than six months	53,012,568	2,578,954
Above six months	5,018,924	6,785,321
<b>Total</b>	<b>64,442,946</b>	<b>53,033,626</b>

**13 Advances, Deposits & Pre-payments:**

This is made up as under:

Advances (Note-13.1)	186,033,963	125,922,007
Security Deposits (Note-13.2)	10,563,900	10,563,900
Pre-payments	2,598,311	2,654,326
<b>Total</b>	<b>199,196,174</b>	<b>139,140,233</b>

**13.1 Advances:**

This is made up as under:

Advance Income Tax (Note-13.1.1)	23,317,764	19,206,349
Advance to Parties/ Suppliers	152,448,337	83,869,091
Advance to Employees	95,034	158,505
Advance against Land	5,450,000	5,250,000
Advance to Bandarban Project	3,977,551	16,692,785
Others	745,277	745,277
<b>Total</b>	<b>186,033,963</b>	<b>125,922,007</b>



Notes	Particulars	30 June, 2021	30 June, 2020
		Taka	Taka

**13.1.1 Advance Income Tax:**

This is made up as under:

Opening	19,206,349	14,243,651
Add: Income tax during the year	4,111,415	4,962,698
Less: Income tax paid/adjustment during the year	-	-
<b>Total</b>	<b>23,317,764</b>	<b>19,206,349</b>

**13.2 Security Deposits:**

This consists of as follows:

Security Deposit-REB	9,580,000	9,580,000
T & T	3,500	3,500
Ansar Guard	455,400	455,400
Gawsia Traders	10,000	10,000
Cox's Bazar Pally Bidyut Samity	15,000	15,000
Central Depository Bangladesh Limited	500,000	500,000
<b>Total</b>	<b>10,563,900</b>	<b>10,563,900</b>

**14 Cash & Cash Equivalents:**

This consists of as follows:

Cash in Hand	489,323	458,350
Cash-in-Transits	6,206,319	15,824
Cash at Bank	156,159,981	96,244,952
<b>Total</b>	<b>162,855,623</b>	<b>96,719,126</b>

**A. Corporate Office:**

Cash in Hand:	35,825	95,350
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Cash at Bank:

This is made up as under:

Bank Name & Account Number:

Prime Bank Ltd., A/C CD-17411060002770	8,281,128	13,788,374
Prime Bank Ltd., A/C CD-13211060017092	462,039	191,086
Prime Bank Ltd., A/C CD-8730	66,795	5,077
Prime Bank Ltd., A/C CD-33826	1,136,960	2,019,274
Prime Bank Ltd., A/C SND-9630	239,762	239,524
Prime Bank Ltd., A/C SND-9537	65,154	65,550
Prime Bank Ltd.-IPO A/C-BDT-30420	1,793,296	12,505,626
Eastern Bank Ltd., A/C CD-1161360084794	68,383	68,004
Mercantile A/C CD-96205	578,548	580,198
UCB A/C CD- 0828	46,667	42,328
Islami Bank Ltd., A/C CD- 306	183,042	183,916
Modhumoti Bank Ltd., A/C RCD-225	830	1,520
Alpha Capital Management Limited	46,346	18,758,977
First Security Islami Capital & Investment Ltd.	18,584,721	-
The Premier Bank Ltd., A/C CD-80357	955,678	-
The Premier Bank Ltd., A/C OD-2018	24,103,664	-
The Premier Bank Ltd., A/C CD-79023	78,788	85,446
The Premier Bank Ltd., A/C SND-2959	58,526	127,224
The Premier Bank Ltd., A/C SND-2988	5,889	6,699
<b>Total</b>	<b>56,756,216</b>	<b>48,668,823</b>

**B. The Royal Tulip Cox's Bazar:**

Cash in Hand:	453,498	363,000
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Cash-in-Transits:

This is made up as under:

City Bank Ltd.	52,955	-
DBBL	35,628	10,824
Brac Bank Ltd.	17,736	5,000
Prime Bank Ltd.	6,100,000	-
<b>Total</b>	<b>6,206,319</b>	<b>15,824</b>



Notes	Particulars	30 June, 2021	30 June, 2020
		Taka	Taka
	<b>Cash at Bank:</b>		
	This is made up as under:		
	<b>Bank Name &amp; Account Number</b>		
	Prime Bank Ltd., A/C-12017	11,699,945	19,866,898
	Prime Bank Ltd., A/C-22433	5,265,780	1,594,362
	National Credit & Commerce Bank Ltd., A/C-26465	171,629	2,852,704
	Dutch Bangla Bank Ltd., A/C-32500	17,967,236	395,552
	City Bank Ltd., A/C-4001	5,161,067	5,164,987
	City Bank Ltd., Gulshan-A/C-3001	9,952,000	2,465,538
	Bank Asia Ltd., A/C-0018	97,850	97,641
	Agrani Bank Ltd., A/C-4459	1,427,761	1,194,621
	Rupali Bank Ltd., A/C-10489	42,607,671	-
	The Premier Bank Ltd., A/C SND-164	5,052,826	13,943,826
	<b>Total</b>	<b>99,403,765</b>	<b>47,576,129</b>
		<b>106,063,582</b>	<b>47,954,953</b>
	<b>Total: (A+B)</b>	<b>162,855,623</b>	<b>96,719,126</b>

**15 Share Capital:**

**A. Authorized Share Capital:**

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

2,000,000,000 2,000,000,000

**Total**

**2,000,000,000 2,000,000,000**

**B. Issued, Subscribed and Paid-up Capital:**

Ordinary shares of Tk. 10 each fully paid

1,207,500,000 1,207,500,000

**Total**

**1,207,500,000 1,207,500,000**

The Company got consent from BSEC to raise its paid-up capital by Tk. 150,000,000 through IPO by issuing 15,000,000 shares of Tk. 10/= each vide BSEC letter # BSEC/C/I/PO-281/2018/231 dated 25 March, 2019. The subscription of such IPO was closed on 06 May, 2019. The Company has allotted 15,000,000 shares on 23 May, 2019. The Company has allotted 5,750,000 no. ordinary shares as stock dividend which was approved by the shareholder in its 10th AGM held on 26 December, 2019.

**C. Shareholding Position:**

The shareholding of each class of equity security setting out the number of holders and percentage are as follows:

Category of Shareholder	% of Shares		Number of Shares	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
Sponsors and Directors	46.83%	46.83%	56,550,900	56,550,900
Companies and Financial Institutions	30.20%	29.49%	36,463,359	35,609,175
Foreign Individual and Companies	0.19%	0.00%	226,009	-
General Public	22.78%	23.68%	27,509,732	28,589,925
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>120,750,000</b>	<b>120,750,000</b>

**D. Detailed break-up of Share Issued:**

Disclosure regarding the date of issue of shares is detailed below:

Particulars	Basis of Consideration			Total Number of Share Issued	Amount (in TK.)
	In Cash (Nos.)	Other than Cash (Nos.)	Bonus Share (Nos.)		
Subscription to the	250,000	-	-	250,000	2,500,000
Issue as on April 27, 2014	6,000,000	-	-	6,000,000	60,000,000
Issue as on June 29, 2017	2,250,000	-	-	2,250,000	22,500,000
Issue as on August 23, 2017	48,699,949	-	-	48,699,949	486,999,490
Issue as on March 22, 2018	42,800,051	-	-	42,800,051	428,000,510
Issue as on May 23, 2019	15,000,000	-	-	15,000,000	150,000,000
Issue as on December 26, 2019	-	-	5,750,000	5,750,000	57,500,000
<b>Total</b>	<b>115,000,000</b>	<b>-</b>	<b>5,750,000</b>	<b>120,750,000</b>	<b>1,207,500,000</b>



Notes	Particulars	30 June, 2021	30 June, 2020
		Taka	Taka

**E. Distribution Schedule of each Class of Equity Security Setting out the Number of Holders and Percentage :**

Share Holding Range	Number of Shareholders	No. of Shares	Ownership (%)
0000000001-0000010000	3,467	4,970,598	4.12%
0000010001-0000020000	160	2,388,888	1.98%
0000020001-0000030000	57	1,418,443	1.17%
0000030001-0000040000	25	901,606	0.75%
0000040001-0000050000	20	924,576	0.77%
0000050001-0000060000	14	768,628	0.64%
0000060001-0000070000	10	661,252	0.55%
0000070001-0000080000	12	900,995	0.75%
0000080001-0000090000	5	424,935	0.35%
0000090001-1000000000	79	107,390,079	88.94%
<b>Total</b>	<b>3,849</b>	<b>120,750,000</b>	<b>100.00%</b>

The closing share price of Sea Pearl Beach Resort & Spa Ltd. in Dhaka Stock Exchange Limited was Tk. 42.70 & Tk. 79.10 per share on 30 June, 2021 & 30 June, 2020 respectively. Whereas the closing share price in Chittagong Stock Exchange Limited was Tk. 43.20 & Tk. 78.90 per share on 30 June, 2021 & 30 June, 2020 respectively.

**16 Retained Earnings:**

This is made up as under:

Opening Balance	7,022,392	75,567,748
Net Profit during the year	73,683,031	(11,045,356)
Cash/Stock Dividend	(6,419,910)	(57,500,000)
Prior year Adjustment	2,703,087	-
<b>Total</b>	<b>76,988,600</b>	<b>7,022,392</b>

**17 Fair Value Gain/(Loss):**

This is made up as under:

Opening Balance	-	-
Prior year Adjustment	(2,703,087)	-
Change in Fair Value	1,812,751	-
<b>Total</b>	<b>(890,336)</b>	<b>-</b>

**18 Long Term Borrowings:**

This is made up as under:

<b>Premier Leasing &amp; Finance Limited</b>		
Non-Current Portion of Long Term Borrowings	-	-
Current Portion of Long Term Borrowings	803,177	11,332,438
<b>Sub-Total (A)</b>	<b>803,177</b>	<b>11,332,438</b>
<b>The Premier Bank Limited</b>		
Non-Current Portion of Long Term Borrowings	4,444,324	-
Current Portion of Long Term Borrowings	2,239,656	-
<b>Sub-Total (B)</b>	<b>6,683,980</b>	<b>-</b>
<b>SPBRSL 20% Convertible Secured Bond</b>		
Non-Current Portion of SPBRSL 20% Convertible Secured Bond	3,589,022,608	3,524,265,808
Current Portion of SPBRSL 20% Convertible Secured Bond	982,430,644	660,317,130
<b>Sub-Total (C)</b>	<b>4,571,453,252</b>	<b>4,184,582,938</b>
<b>Total (A+B+C)</b>	<b>4,578,940,409</b>	<b>4,195,915,376</b>

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 and accordingly raised fund by issuing of 325 units of SPBRSL 20% Convertible Secured Bond @ Tk. 10,000,000 each totaling Taka 3,250,000,000 on 31 October 2017. The main features of the said bond are as follows:



Notes	Particulars	30 June, 2021 Taka	30 June, 2020 Taka
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**Main Features of SPBRSL 20% Convertible Secured Bond is as follows:**

Particulars	Details
Nature:	SPBRSL 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 (from 31.10.2017).
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% p.a.
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

**Main features of finance from Premier Leasing & Finance Limited is as under:**

Particulars	Details
Nature:	Term Finance
Purpose:	For smooth running of business
Tenure:	Five years
Repayment:	From Hotel Revenue
Rate of Interest:	15.5% p.a.
Security:	40 decimals land in the name of Aminul Haque Shamim & 43 decimals land in the name of Shamim Enterprise (Pvt.) Ltd., Personal guarantee All directors of SPBRSL and Corporate guarantee of Shamim Enterprise (Pvt.) Ltd.

**Main features of Finance from The Premier Bank Limited is as under:**

Particulars	Details
Nature:	Term Finance
Purpose:	For vehicle purpose
Tenure:	Four years
Repayment:	From Hotel Revenue
Rate of Interest:	9% p.a.
Security:	Personal guarantee of Directors & ownership of the vehicles.

**19 Lease Liability:**

This is made up as under:

Lease Liability-Vehicle	(Note: 19.1)	5,228,608	5,355,124
Lease Liability-Office Space	(Note: 19.2)	2,125,537	4,993,408
<b>Total</b>		<b>7,354,145</b>	<b>10,348,532</b>

**Current/Non-current Portion Classification:**

Non-Current Portion of Lease Liability	2,149,119	5,041,332
Current Portion of Lease Liability	5,205,026	5,307,200
<b>Total</b>	<b>7,354,145</b>	<b>10,348,532</b>

**19.1 Lease Liability-Vehicle:**

This is made up as under:

IPDC Finance Limited	2,777,268	3,860,137
Rangs Motors Limited	2,451,340	1,494,987
<b>Total</b>	<b>5,228,608</b>	<b>5,355,124</b>

**Main features of finance from IPDC Finance Limited is as under:**

Particulars	Details
Nature:	Lease Finance
Purpose:	For procure vehicle for business purpose
Tenure:	Four years
Repayment:	From Hotel Revenue
Rate of Interest:	15.00% p.a.
Security:	Personal guarantee of Directors & ownership of the leased vehicles.



Notes	Particulars	30 June, 2021 Taka	30 June, 2020 Taka
19.2	Lease Liability-Office Space:		
	Office Space-Corporate Office	1,306,032	3,518,096
	Office Space-Blue Bay Resort	755,682	1,161,732
	Office Space-Chattogram Sales Office	63,823	313,580
	<b>Total</b>	<b>2,125,537</b>	<b>4,993,408</b>

20 Deferred Tax Liabilities:  
This has been arrived as under:

30-Jun-21

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant & Equipment	4,531,665,114	3,305,748,861	1,225,916,253	22.50%	275,831,157
Unused Tax Loss (Note-30.1)	-	994,758,424	(994,758,424)	22.50%	(223,820,645)
Deferred Tax (Assets)/Liability at the end of the year					<b>52,010,512</b>

30-Jun-20

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Asset)/Liability
Property, Plant and Equipment	2,909,738,705	2,016,594,626	893,144,079	25.00%	223,286,020
Fair Value Loss	18,166,764	20,869,851	(2,703,087)	10.00%	(270,309)
Unused Tax Loss (Note-30.1)	-	756,409,255	(756,409,255)	25.00%	(189,102,314)
Deferred Tax (Assets)/Liability at the end of the year					<b>33,913,397</b>

Deferred Tax Expenses/(Benefit) during the year:

Closing Deferred Tax (Assets)/Liabilities	52,010,512	33,913,397
Opening Deferred Tax (Assets)/Liabilities	33,913,397	34,434,844
Deferred Tax Expenses/(Benefit)	<b>18,097,115</b>	<b>(521,447)</b>

21 Short Term Borrowings:

This consists of as follows:

Premier Bank Ltd. Banani Branch, SOD Account No. 2018	-	39,767,221
Premier Bank Ltd. Banani Branch, OD Account No. 0001	39,486,711	-
<b>Total</b>	<b>39,486,711</b>	<b>39,767,221</b>

Main features of SOD loan of Premier Bank Ltd., Banani Branch, Account No. 2018 is as follows:

Particulars	Details
Nature:	Short Term Loan
Purpose:	Working Capital Investment
Tenure:	One year
Repayment:	From Hotel Revenue
Rate of Interest:	9.00% p.a.
Security:	Corporate Guarantee & 28,98 sft. flat at Gulshan, Dhaka.

Main features of OD Loan of Premier Bank Ltd., Banani Branch, Account No. 0001 is as follows:

Particulars	Details
Nature:	Short Term Loan
Purpose:	Working Capital
Tenure:	One year
Repayment:	From Hotel Revenue
Rate of Interest:	9.00% p.a. (4.5% of the interest shall be subsidy interest for a period of one year as per BRPD Circular No.8 dated: 12.04.2020)
Security:	Simple charge on fixed and floating asset.



Notes	Particulars	30 June, 2021	30 June, 2020
		Taka	Taka
<b>22 Dividend Payable:</b>			
	This consists of as follows:		
	Opening Balance	-	-
	Add: Approved during the year	6,419,910	-
		<u>6,419,910</u>	<u>-</u>
	Less: Paid during the year	5,468,139	-
	<b>Total</b>	<u><u>951,771</u></u>	<u><u>-</u></u>
<b>23 Accounts &amp; Other Payables:</b>			
	This consists of as follows:		
	Payable for Goods & Services	3,102,552	7,186,411
	Payable to Related Party-Shamim Enterprise (Pvt.) Ltd.	-	50,000,000
	Payable for Property, Plant & Equipment's	400,631	400,631
	<b>Total</b>	<u><u>3,503,183</u></u>	<u><u>57,587,042</u></u>
<b>24 Accruals &amp; Provisions:</b>			
	This consists of as follows:		
	TDS, VAT , Duty & Service Charge Payable	565,082	3,291,659
	Provision for Income Tax (Note-24.1)	19,027,088	15,231,875
	Workers Profit Participation Fund (Note-24.2)	4,778,768	-
	Franchise Fees (Note-24.3)	21,676,543	16,860,930
	Accrued Expenses & Liabilities	14,631,971	15,760,263
	Statutory Audit Fees	375,000	375,000
	CG Certification Fees	30,000	47,250
	Others	4,021,465	2,402,325
	<b>Total</b>	<u><u>65,105,917</u></u>	<u><u>53,969,302</u></u>
<b>24.1 Provision for Income Tax:</b>			
	This consists of as follows:		
	Opening Balance	15,231,875	12,401,076
	Add: Provided during the year	3,795,213	2,830,799
	Add : Prior years Short Provision	-	-
		<u>19,027,088</u>	<u>15,231,875</u>
	Less: Paid/Adjusted during the year	-	-
	<b>Total</b>	<u><u>19,027,088</u></u>	<u><u>15,231,875</u></u>
<b>24.2 Workers' Profit Participation Fund:</b>			
	This consists of as follows:		
	Opening Balance	-	2,679,674
	Add: Provided during the year	4,778,768	-
		<u>4,778,768</u>	<u>2,679,674</u>
	Less: Paid during the year	-	(2,679,674)
	<b>Total</b>	<u><u>4,778,768</u></u>	<u><u>-</u></u>
<b>24.3 Franchise Fees:</b>			
	This consists of as follows:		
	Opening Balance	16,860,930	12,916,392
	Add: Provided during the year	4,815,613	3,944,538
		<u>21,676,543</u>	<u>16,860,930</u>
	Less: Paid during the year	-	-
	<b>Total</b>	<u><u>21,676,543</u></u>	<u><u>16,860,930</u></u>



Notes	Particulars	01 July, 2020 to 30 June, 2021	01 July, 2019 to 30 June, 2020
		Taka	Taka

**25 Operating Revenue:**

This consists of as follows:

Room Revenue	275,177,861	225,402,199
Food & Beverage Revenue	212,243,678	169,496,469
Minor Operating Department	32,269,918	12,561,022
Space Rent & Other Revenue	9,494,302	22,687,467
Water Park	114,759,038	28,360,587
<b>Total</b>	<b>643,944,797</b>	<b>458,507,744</b>

**26 Costs of Sales:**

This consists of as follows:

Salary & Wages	49,122,612	32,239,739
Cost of Materials & Other related Expenses	51,665,543	38,377,936
Operating & Guest Supplies	8,949,748	4,740,514
Laundry, Dry Cleaning & Uniforms	4,925,515	3,703,563
Kitchen Fuel & Gas	5,984,464	4,535,731
Complementary Guest Services	1,665,040	1,753,752
Linen, China, Glass & Silver	1,827,466	1,202,245
In-house TV, Video, Movies, Music	464,900	447,800
Travel Agents' Commission	798,008	524,980
Travelling & Communication	1,797,047	1,950,852
Pest Control	1,195,125	998,000
Postage	94,398	69,546
Spa Cost	276,240	262,531
Cleaning Supplies-Water Park	3,631,983	827,764
Others	1,420,722	1,197,470
<b>Total</b>	<b>133,818,811</b>	<b>92,832,423</b>

**27 Administrative & Other Expenses:**

This consist of the followings:

Administrative & General Expenses (Note-27.1)	126,652,049	106,711,659
Repairs & Maintenance & Property Operation (Note-27.2)	66,963,963	54,858,093
<b>Total</b>	<b>193,616,012</b>	<b>161,569,752</b>

**27.1 Administrative & General Expenses:**

This consist of the followings;

Salaries, Wages, Bonus & Benefits	21,486,436	19,343,976
Postage	74,398	59,546
Travel & Communication	814,219	899,288
Entertainment	386,563	313,482
Security Services	60,104	79,618
Internet Expenses	891,812	1,362,182
Licenses & Taxes	1,951,014	1,956,718
Donation	427,876	412,646
Telephone Expenses	800,658	853,563
Credit Card Commission	5,307,106	2,392,643
Statutory Audit Fees	375,000	375,000
CG Certification Fees	30,000	47,250
Legal & Profession Fees	530,000	630,000
Insurance Expenses	4,148,737	4,168,456
Franchise Fees	4,815,613	3,944,538
Board Meeting Fees	210,000	231,000
Trustee Fees	600,000	600,000
Depreciation	82,201,498	67,741,231
Other Expenses	1,541,015	1,300,522
<b>Total</b>	<b>126,652,049</b>	<b>106,711,659</b>



Notes	Particulars	01 July, 2020 to 30 June, 2021	01 July, 2019 to 30 June, 2020
		Taka	Taka

**27.2 Repairs, Maintenance & Property Operation:**

This consist of the followings:

Salaries, Wages, Bonus & Benefits	9,922,295	9,672,154
Travel & Communication	103,171	101,944
Electricity Expenses	37,185,487	27,733,929
Fuel-Oil	8,224,891	7,087,225
Repair & Maintenance	8,667,276	7,466,346
Laundry Equipment's	1,745,803	1,627,847
Water Treatment	660,614	724,075
Other Expenses	454,426	444,573
<b>Total</b>	<b>66,963,963</b>	<b>54,858,093</b>

**28 Distribution & Selling Expenses:**

This consist of the followings;

Salaries, Wages, Bonus & Benefits	7,881,780	5,655,995
Rent & Service Charges	974,747	2,119,972
Advertising & Promotion	822,561	510,402
Signs, Events & Functions	599,508	519,600
<b>Total</b>	<b>10,278,596</b>	<b>8,805,969</b>

**29 Net Finance Cost:**

This consist of the followings:

Bank Charges & Commission	376,811	333,777
Interest on Short & Long Term Secured Borrowings	211,479,861	198,874,275
Interest on Lease Loan	416,481	283,943
Interest Expenses on Office Space	233,895	271,940
	<b>212,507,048</b>	<b>199,763,935</b>
Less: Bank Interest	(698,675)	(2,695,829)
<b>Total</b>	<b>211,808,373</b>	<b>197,068,106</b>

**30 Income Tax Expenses/(Benefit):**

This has been arrived as under:

Current Tax Expenses (Note: 30.1)	3,795,213	2,830,799
Prior periods Short Provision	-	-
Tax on Other Income	-	-
Deferred Tax Expenses/(Benefit)	18,097,115	(521,447)
<b>Total</b>	<b>21,892,328</b>	<b>2,309,352</b>

**30.1 Current Tax Expenses:**

This has been arrived as under:

Net Profit/(Loss) before Tax	95,575,359	(8,736,004)
Other Income	(5,931,122)	6,967,498
Workers Profit Participation Fund	4,778,768	-
Payment of Worker Profit Participant Fund	-	(2,679,674)
Add: Accounting Depreciation	77,500,533	64,158,956
Less: Tax Depreciation	(410,272,707)	(258,109,676)
<b>Taxable Current Profit/(Loss)</b>	<b>(238,349,169)</b>	<b>(198,398,900)</b>
<b>Income Tax Rate</b>	<b>22.50%</b>	<b>25%</b>
<b>Current Tax Expenses</b>	<b>-</b>	<b>-</b>
<b>But Minimum Tax@ 0.6% on Gross Receipts</b>	<b>3,795,213</b>	<b>2,830,799</b>
Unused Tax (Profit)/Loss-Opening Balance	756,409,255	558,010,355
Unused Tax (Profit)/Loss-during the period	238,349,169	198,398,900
<b>Unused Tax Loss Carry Forwarded to next period</b>	<b>994,758,424</b>	<b>756,409,255</b>



Notes	Particulars	01 July, 2020 to 30 June, 2021 Taka	01 July, 2019 to 30 June, 2020 Taka
<b>31 Earnings per Share (EPS):</b>			
	The Computation of EPS is given below:		
	Earning attributable to the Shareholders (net profit after tax)	73,683,031	(11,045,356)
	Weighted average Number of Shares (Note: 31.01)	120,750,000	120,750,000
	<b>Basic Earning per Share (EPS)</b> (Face Value per Share Tk.10/=)	<b>0.61</b>	<b>(0.09)</b>
<b>31.01 Calculation of Weighted average Number of Shares:</b>			
	This is made up as follows:		
	Number of Shares at the beginning of the period	120,750,000	115,000,000
	Bonus Share issued on 26 December, 2019	-	5,750,000
	<b>Total Weighted Average Number of Shares</b>	<b>120,750,000</b>	<b>120,750,000</b>
<b>32 Net Asset Value Per Share (NAVPS):</b>			
	This has been arrived as under:		
	Total Assets	6,030,950,912	5,606,023,262
	Total Liabilities	4,747,352,648	4,391,500,870
	<b>Net Asset Value</b>	<b>1,283,598,264</b>	<b>1,214,522,392</b>
	Number of Shares	120,750,000	120,750,000
	<b>Net Asset Value Per Share (NAVPS)</b>	<b>10.63</b>	<b>10.06</b>
<b>33 Net Operating Cash Flows Per Share (NOCFPS):</b>			
	This has been arrived as under:		
	Net Cash Generated from Operating Activities	318,662,673	282,146,277
	Weighted average Number of Shares (Note: 31.01)	120,750,000	120,750,000
	<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>2.64</b>	<b>2.34</b>
<b>34 Receipts from Customers &amp; Others:</b>			
	This has been arrived as under:		
	Revenue	643,944,797	458,507,744
	Accounts Receivable Opening	53,033,626	66,325,684
	Accounts Receivable Closing	(64,442,946)	(53,033,626)
	Other Receipt	5,931,122	(6,174,290)
	<b>Total</b>	<b>638,466,599</b>	<b>465,625,512</b>
<b>35 Payment to Creditors, Suppliers, Employees &amp; Others:</b>			
	This has been arrived as under:		
	Costs of Sales	(133,818,811)	(92,832,423)
	Administrative and Other Expenses	(193,616,012)	(161,569,752)
	Distribution & Selling Expenses	(10,278,596)	(8,805,969)
	Adjustment for Depreciation	82,201,498	67,741,231
	(Increase)/Decrease in Inventory	(5,706,549)	(11,550,632)
	Adjustment for Advances	(52,952,816)	29,295,366
	(Increase)/Decreases in Trade and Other Payables Except Payable for Property, Plant & Equipment's and Payable to Related Party	(4,083,859)	1,779,186
	Payment from WPPF	-	(2,679,674)
	(Increase )/Decreases in Liabilities for expense except Provision for Income Tax and WPPF	2,562,634	106,130
	<b>Total</b>	<b>(315,692,511)</b>	<b>(178,516,537)</b>



Notes	Particulars	01 July, 2020 to 30 June, 2021	01 July, 2019 to 30 June, 2020
		Taka	Taka
<b>36</b>	<b>Income Tax Paid:</b>		
	This has been arrived as under:		
	Opening Advance Income Tax	19,206,349	14,243,651
	Closing Advance Income Tax	(23,317,764)	(19,206,349)
	Closing Provision for Income Tax	19,027,088	15,231,875
	Opening Provision for Income Tax	(15,231,875)	(12,401,076)
	Prior period Short Provision	-	-
	Current Tax during the year	(3,795,213)	(2,830,799)
	<b>Total</b>	<b>(4,111,415)</b>	<b>(4,962,698)</b>
<b>37</b>	<b>Property, Plant &amp; Equipment:</b>		
	This has been arrived as under:		
	Property, Plant & Equipment Purchased	(48,794,002)	(22,039,880)
	Increased Advanced of Assets	12,768,434	(1,283,549)
	<b>Total</b>	<b>(36,025,568)</b>	<b>(23,323,429)</b>
<b>38</b>	<b>Capital Work-in-Progress:</b>		
	This has been arrived as under:		
	Addition during the year	(314,722,800)	(474,108,593)
	(Increased)/Decreased Inventory of Construction Material	3,958,029	17,019,551
	Adjustment for Accounts Payable for PPE	-	(25,193,258)
	Adjustment for Bond Interest Payable	177,796,600	205,210,260
	Adjustment for Advances	(15,760,144)	(62,132,536)
	<b>Total</b>	<b>(148,728,315)</b>	<b>(339,204,576)</b>
<b>39</b>	<b>Finance Cost:</b>		
	This has been arrived as under:		
	Net Finance Cost	(211,808,373)	(197,068,106)
	Adjustment for Interest Payable on Convertible Bond	209,073,714	196,252,670
	<b>Total</b>	<b>(2,734,659)</b>	<b>(815,436)</b>
<b>40</b>	<b>Secured Term Loans Received/(Repaid)-Net :</b>		
	This has been arrived as under:		
	Increased/(Decreased) Long Term Secured Loan	(3,845,281)	(10,615,774)
	<b>Total</b>	<b>(3,845,281)</b>	<b>(10,615,774)</b>
<b>41</b>	<b>SPBRS 20% Convertible Secured Bond:</b>		
	This has been arrived as under:		
	Increased/(Decreased) Convertible Bond	386,870,314	351,462,930
	Adjustment for Interest Payable on Convertible Bond	(386,870,314)	(401,462,930)
	<b>Total</b>	<b>-</b>	<b>(50,000,000)</b>
<b>42</b>	<b>Proceeds from Fresh Issuance of Share Capital:</b>		
	This has been arrived as under:		
	Share Capital Increased	-	-
	Adjustment for Share Money Receivable	-	75,000,000
	<b>Total</b>	<b>-</b>	<b>75,000,000</b>



Notes	Particulars	01 July, 2020 to 30 June, 2021	01 July, 2019 to 30 June, 2020
		Taka	Taka
43	<b>Reconciliation of Net profit with Cash Flow from Operating Activities:</b>		
	This has been arrived as under:		
	Net Profit before Tax and WPPF	100,354,127	(8,736,004)
	Accounts Receivable Opening	53,033,626	66,325,684
	Accounts Receivable Closing	(64,442,946)	(53,033,626)
	Unrealized/Realized Gain/(Losses) on Investment	-	793,208
	Adjustment for Depreciation	82,201,498	67,741,231
	(Increase)/Decrease in Inventory	(5,706,549)	(11,550,632)
	(Increase)/Decrease in Advances, Deposits & Pre-payments	(52,952,816)	29,295,366
	Increase/(Decrease) Trade and Other Payable	(4,083,859)	1,779,186
	Increase/(Decrease) Liabilities for Expenses	2,562,634	106,130
	Payment of WPPF	-	(2,679,674)
	Adjustment of Finance Cost shown in Financing Activities	211,808,373	197,068,106
	Income Tax Paid	(4,111,415)	(4,962,698)
	<b>Cash Flow from Operating Activities</b>	<b>318,662,673</b>	<b>282,146,277</b>

**44 Additional Disclosure**

**44.1 Deviation on NAVPS:**

Net Asset Value of the Company as on 30 June, 2021 is tk. 1,283,598,264 which has been increased by Tk.69,075,872 from the date of previous year financial position. Thus NAVPS of the company as on 30 June 2021 has been increased by 0.57 as it earned net profit of Tk.73,683,031 during the year whereas the Company incurred net loss after Tax Tk.(11,045,356) for the year ended on 30 June, 2020.

**44.2 Deviation on EPS:**

The company has experienced increase in revenue by Tk. 185,437,053 & Net Profit after Tax Tk. 84,728,387 due to increase in demand of local tourism which increase the number of local guest followed by the restriction imposed on international travel and relaxation on local travel after the initial deadly breakout of Covid-19 pandemic. Thus Earning Per Share (EPS) of the Company has increased by Tk. 0.70 from the year ended on 30 June 2020.

**44.3 Deviation on NOCFPS:**

Net cash generated by operating activities of the company for the year ended on 30 June, 2021 is Tk.318,662,673 which has increased by Tk. 36,516,396 from the corresponding year ended on 30 June, 2020. So, the Net Operating Cash Inflow Per Share (NOCFPS) has been increased by Tk. 0.30 due to the increase in revenue by Tk. 185,437,053 which has generated more cash inflow to the Company.

**44.4 Reclassification of Cash Flow from Other Income/(Loss):**

The Company has changed its presentation for Other Income/(Loss) in cash flow which has now presented in cash flow from operating activities after review to ensure more appropriate presentation in accordance with IAS-1, para-45 (a). Detail information of such change as per IAS-1, para-41 has been presented below:

**a) The Nature of the Re-classification:**

The Company generated Other Income/(Loss) from marketable securities which was previously presented under cash flow from Investing Activities. But now it has presented under the collection from turnover & other receipts in cash flow from operating activities.

**(b) The amount of item that is Re-classified:**

Cash generated from Other Income/(Loss) Tk. (6,174,290) during the year ended on 30 June, 2020 was presented under cash flow from investing activities in the Cash Flow Statement. But such presentation has been change in the cash flow statement for the year ended on 30 June, 2021 and presented under cash flow from operating activities. Due to such reclassification NOCFPS of previous period has been decreased by Tk. 0.05.

**(c) Reason for the Re-classification:**

This change has been made to ensure more appropriate presentation in accordance with IAS-1, para-45 (a).

**44.5 Utilization of IPO Proceed:**

Sea Pearl Beach Resort & Spa Ltd. has raised paid-up capital amounting Tk.150,000,000 through Initial Public offering vied Bangladesh Securities & Exchange Commission consent ref. no. BSEC/CII/IPO-0281/2018/231 dated March 25, 2019 for the acquisition of land, interior, finishing, furniture, fixture of hotel rooms & IPO expenses. The utilization has been completed by 15th of July, 2020 and status of utilization of IPO proceeds of the Company has been presented in the below:

Particulars	Amount in Tk.		
	IPO Proceed	Utilized	Un-utilized
Acquisition of land	26,660,000	26,660,000	-
Interior, finishing, furniture, fixture of 157 rooms	106,827,300	106,827,300	-
IPO expenses	16,512,700	16,512,700	-
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</b>	<b>-</b>



**Notes Particulars**

**45 Related Party Disclosures:**

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

Amount in Taka

Name of the Party	Relationship	Nature of Transaction	Balance as on 30 June, 2021		
			Opening Balance Cr.	Transaction during the Period (Dr.)/Cr.	Closing Balance
Shamim Enterprise (Pvt.) Limited	Common Management	Inter Company Transaction	50,000,000	50,000,000	-
Bengal Vacation Club Limited	Common Management	Inter Company Transaction	-	-	-
Lucy Akthary Mahal	Chairman	Board Fees	-	35,000	-
Md. Aminul Haque	Managing Director	Board Fees	-	35,000	-
Md. Ekramul Hoque	Director	Board Fees	-	35,000	-
Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd.	Director	Board Fees	-	35,000	-
Md. Rafiqul Islam	Independent Director	Board Fees	-	35,000	-
Md. Golam Rabbani	Independent Director	Board Fees	-	35,000	-
<b>Total</b>			<b>50,000,000</b>	<b>50,210,000</b>	<b>-</b>

**Key Management Compensation:**

During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As Para 17 of IAS 24)

Particulars	Amount in Taka	
	01 July, 2020 to 30 June, 2021	01 July, 2019 to 30 June, 2020
Short-Term Employee Benefits	8,640,000	6,602,433
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

**46 Attendance Status of Board Meeting of Directors:**

During the year ended 30 June, 2021 five Board of Directors' Meeting were held. The attendance status of all the meetings is as follows:

Name of the Directors	Designation	Meeting held	Attendance
Lucy Akthary Mahal	Chairman	5	5
Md. Aminul Haque	Managing Director	5	5
Md. Ekramul Hoque	Director	5	5
Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd.	Director	5	5
Md. Rafiqul Islam	Independent Director	5	5
Md. Golam Rabbani	Independent Director	5	5



**47 Disclosure as per Requirement of Schedule XI, Part-II of Companies Act, 1994:**

**47.1 Commission, Brokerage or Discount against Sales:**

- (a) There was no brokerage or discount against sales during the year;  
(b) No commission was paid to sales against during the year.

**47.2 Disclosure as per Requirement of Schedule XI, Part II, Para 4:**

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 period/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.

**Board Meeting Fees:**

During the year ended 30 June, 2021 five Board of Directors' Meeting were held & detail of payment under Board Meeting Fee has been presented below:

Name of the Directors	Designation	Meeting held	Attendance	Board Meeting Fees
Lucy Akthary Mahal	Chairman	5	5	35,000
Md. Aminul Haque	Managing Director	5	5	35,000
Md. Ekramul Hoque	Director	5	5	35,000
Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd.	Director	5	5	35,000
Md. Rafiqul Islam	Independent Director	5	5	35,000
Md. Golam Rabbani	Independent Director	5	5	35,000
<b>Total</b>				<b>210,000</b>

**Disclosure on Other Payment as per Schedule XI, Part II, Para 4:**

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the year from 1 July 2020 to 30 June 2021 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 period.	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

**48 Service (Production) Capacity & Utilization:**

As per the nature of the industry, production quantity of service with the course of the period 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 is presented below: (for the period from 01 July, 2020 to 30 June, 2021)

Description	Available Rooms	Utilize Rooms	% of Capacity Utilization
Guest Rooms	102,252	45,277	44.28%



**49 Subsequent Disclosure of Events after the Balance Sheet Date-Under IAS 10:**

i) The financial statements were authorized for issue on 22 August, 2021 by the Board of Directors who had the power to amend the financial statements after issue. There is no other significant event that has occurred between the Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.

ii) Subsequent to the financial position date, the Board of Directors has recommended cash dividend @ 1% for shareholders and directors of the Company in its board meeting held on 22 August, 2021. The dividend proposal is subject to shareholder's approval at the forthcoming 12th AGM.

There was no circumstances since the statement of financial position date which would require adjustments, or disclosure in the financial statements.

**50 Un-availed Credit Facilities:**

There are no credit facilities available to the Company under any contract (other than credit available in ordinary course of business) at the Statement of Financial Position date.

**51 Value of Import at CIF Basis:**

Import during the period from 1 July 2020 to 30 June 2021.

Particulars	Amount Tk.
	-

**52 Percentage of Materials Consumed to the Total Consumed:**

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

**53 Payment in Foreign Currency:**

Description	Foreign Currency (USD)
N/A	-

**54 Number of Employees:**

All the employees receive salary/wages in excess of Tk. 6,000 per month

Number of Permanent Staff 385

Number of Permanent Workers -

Number of Temporary Staff/Worker -

**Total** 385

**55 General:**

**55.1 Directors Responsibility Statements:**

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

**55.2 Employee Details:**

i) Total number of employees at the end of the period was 385. Out of total employees, 365 numbers of employees employed throughout the period and rest 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 385 employees in the Company.

**55.3 Rounding Off:**

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

Chief Financial Officer

Company Secretary

Director

Chairperson

Managing Director

Dated, Dhaka;  
22 August, 2021



SEA PEARL BEACH RESORT & SPA LTD.  
Schedule of Property, Plant & Equipment  
as at 30 June, 2021

Annexure-A

Sl. No.	Assets	Cost			Dep. Rate (%)	Depreciation			Written Down Value as on 30.06.2021
		Balance as at 01.07.2020	Additions during the year	Disposal during the year		Balance as at 01.07.2020	Charged during the year	Accumulated Depreciation for Disposal	
1	Land & Land Development	170,973,357	31,897,598	-	0%	-	-	-	202,870,955
2	Building & Other Civil Works	2,391,728,639	1,326,727,601	-	1.25%	91,696,150	32,896,430	-	3,593,863,660
3	Furniture & Fixture	143,438,133	231,868,565	-	10%	39,109,327	16,257,127	-	319,940,244
4	Computer Accessories & Equipment	4,078,024	1,305,950	-	10%	748,725	408,308	-	4,226,941
5	Machineries	470,607,178	51,613,955	-	5%	88,688,234	19,746,991	-	413,805,908
6	Equipment's	139,073,017	75,780,871	-	5%	28,725,169	6,507,962	-	179,620,757
7	Vehicle	13,521,500	12,130,000	-	10%	3,760,181	1,883,715	-	20,207,604
Total as at 30 June, 2021		3,333,419,848	1,731,324,540	-		252,707,786	77,500,533	-	4,734,536,069
Total as at 30 June, 2020		2,981,284,498	352,135,350	-		188,548,830	64,158,956	-	3,080,712,062

Addition of Property, Plant & Equipment during the year was Tk.1,731,324,540 which is included transfer of capital work-in-progress for an amount of Tk.1,682,530,538. Moreover addition in furniture and Fixture includes Tk. 106,827,300 that has been done through utilization of IPO fund which has also transferred from capital work-in-progress during the year.

SEA PEARL BEACH RESORT & SPA LTD.  
Schedule of Right of Use Asset  
as at 30 June, 2021

Annexure-B

Sl. No.	Assets	Cost			Dep. Rate (%)	Depreciation			Written Down Value as on 30.06.2021
		Balance as at 01.07.2020	Additions during the year	Disposal during the year		Balance as at 01.07.2020	Charged during the year	Accumulated Depreciation for Disposal	
1	Vehicle	9,304,609	2,508,133	-	10%	445,846	1,136,889	-	10,230,207
2	Office Space	9,518,157	-	-		3,136,429	3,564,276	-	2,817,452
Total as at 30 June, 2021		18,822,766	2,508,133	-		3,582,275	4,700,965	-	13,047,659
Total as at 30 June, 2020		-	18,822,766	-		-	3,582,275	-	15,240,491

