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Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

PRIVATE & CONFIDENTIAL

Sea Pearl Beach Resort & Spa Limited

UTC Tower (Level-14), 8 panthapath

Karwanbazar, Dhaka-1215.

AUDITOR'S REPORT

&

FINANCIAL STATEMENTS

As at and for the year ended June 30, 2020



Sea Pearl Beach Resort & Spa Limited
UTC Tower (Level-14), 8 panthapath
Karwanbazar, Dhaka-1215.

AUDITOR'S REPORT
&
FINANCIAL STATEMENTS
As at and for the year ended June 30, 2020

MAHFEL HUQ & CO.
CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To the Shareholders of SEA PEARL BEACH RESORT & SPA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Sea Pearl Beach Resort & Spa Limited**, which comprise the statement of financial position as at June 30, 2020 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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 the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality Uncertainty Related to Going Concern

We draw attention to Note - 30 in the financial statements, which indicates that the company incurred net loss of BDT 11,045,356 during the year ended 30 June, 2020 and, as of that date; the company's current liabilities exceeded its total current assets by BDT 481,972,987. As stated in Note - 3.7, these events or conditions indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note - 4.20 of the financial statements, which describes that the Nomination and Remuneration Committee (NRC) of the company reviewed all post employee benefits and the policies are under process for final review of the Board. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 of this other information, we are required to communicate the matter to those charged with governance.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters 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 on these matters.

SL	Risk	Our response to the risk
1.	<p>Addition of Property, Plant and Equipment</p> <p>Refer to note 6.0 to the financial statements.</p> <p>The Company has reported PPE carrying value of BDT 3,080.71 million in the financial statements for the year ended 30 June 2020, which represent a significant balance recorded in the statement of financial position.</p> <p>The value of property, plant, and equipment was identified as a key audit matter due to the significance of this balance to the financial statements and management's judgments.</p> <p>In considering the value of property, plant, and equipment, we primarily focused on inherent risks associated with property, plant and equipment and potential misstatements in property, plant, and equipment on account of frauds and errors.</p>	<p>Our audit procedures included, among others, considering the risk of Property, Plant and Equipment, in addition to we also performed the following substantive audit procedures:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the internal control over property, plant, and equipment. • Substantiate the existence of property, plant, and equipment. • Assessed compliance with relevant accounting standards. • We critically assessed and verified the Company's policy of asset addition. • We also recalculated the depreciation to assess the sensitivity of the key assumptions including depreciation rate. • We assessed the appropriateness of the related disclosures in Note 6.0 of the financial statements. • We verified records e.g. L/C related all documents for import of a particular asset, land deed for acquisition of land and mode of payment, board approval etc.
2.	<p>Measurement of deferred tax liability</p> <p>Refer to note 18 to the financial statements.</p> <p>Company reported net deferred tax liability totaling BDT 33.91 million as at 30 June, 2020.</p>	<p>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 liability and the assumptions used in estimating the Company's future taxable income.</p>



	Significant judgment is required in relation to deferred tax liability as their recoverability is dependent on forecasts of future profitability over a number of years.	<p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We also assessed the appropriateness of presentation and disclosures in relation to deferred tax.</p>
3.	<p>Implementation of IFRS 16: Leases</p> <p>IFRS 16 “Leases” becomes effective for annual reporting beginning on or after 01 January 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 Taka 15,240,491 and lease liability for the amount of Taka 10,348,532 at the year ended 30 June 2020.</p> <p>Given the first time adoption of IFRS 16 “Leases”, there are connections with other line items of the financial statements including depreciation and interest, and higher level of management judgments were required for identifying the lease, lease period, discount rate etc.</p>	<p>We reviewed appropriateness of management’s application of IFRS 16 and assessment of the impact on the financial statements. Our audit procedures included testing classification and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16.</p> <p>We checked the present value calculation for lease and also reviewed loan agreements and made calculation to ascertain the appropriateness of the incremental borrowing rate used.</p> <p>We also examined the accuracy and appropriateness of accounting adjustments in the financial statements arising from the adoption of IFRS 16 as well as verified the sufficiency and appropriateness of disclosures in the financial statements.</p>

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 a 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 judgments 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 omissions, misrepresentations, or the override of internal 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.
- 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 Company's financial statements, including the disclosures, 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 auditor's 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.



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Report on other Legal and Regulatory Requirements

In accordance 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 explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka, Bangladesh
Dated: 27 October, 2020

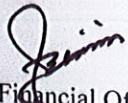

Md. Abu Kaiser, FCA
Mahfel Huq & Co.
Chartered Accountants

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SEA PEARL BEACH RESORT & SPA LIMITED
Statement of Financial Position
As at 30 June 2020

Particulars	Notes	Amount in Taka	
		30 Jun 2020	30 Jun 2019
ASSETS			
NON-CURRENT ASSETS		5,259,715,916	4,785,825,908
Property, Plant and Equipment	6	3,080,712,062	2,792,735,668
Right of Use Asset	7	15,240,491	-
Capital Work in Progress	8	2,163,763,363	1,993,090,240
CURRENT ASSETS		346,307,346	427,680,181
Stock of Construction Material	9	3,958,029	20,977,580
Inventories	10	35,289,568	23,738,936
Investment	11	18,166,764	32,369,108
Trade and Other Receivables	12	53,033,626	141,325,684
Advances, Deposits and Prepayments	13	139,140,233	99,443,690
Cash and Cash Equivalents	14	96,719,126	109,825,183
TOTAL ASSETS		5,606,023,262	5,213,506,089
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		1,214,522,392	1,225,567,748
Share Capital	15	1,207,500,000	1,150,000,000
Retained Earnings	16	7,022,392	75,567,748
NON-CURRENT LIABILITIES		3,563,220,537	3,436,000,894
Non-current portion of long term borrowings	17	-	8,059,350
Non-current portion of SPBRSL 20% Convertible Secured Bond	17	3,524,265,808	3,393,506,700
Non-current portion of Lease Liability	18	5,041,332	-
Deferred Tax Liabilities	19	33,913,397	34,434,844
CURRENT LIABILITIES		828,280,333	551,937,447
Current portion of long term borrowings	17	11,332,438	13,888,862
Current portion of SPBRSL 20% Convertible Secured Bond	17	660,317,130	439,613,308
Current portion of Lease Liability	18	5,307,200	-
Short term borrowings	20	39,767,221	13,722,116
Accounts and other Payables	21	57,587,042	31,001,114
Accruals and Provisions	22	53,969,302	53,712,047
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,606,023,262	5,213,506,089
NET ASSET VALUE PER SHARE (NAVPS)	23	10.06	10.66


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


Chief Financial Officer


Company Secretary


Director


Chairperson


Managing Director

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

Dated, Dhaka;
27 October 2020

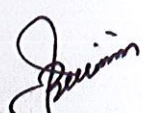

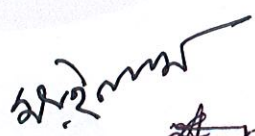
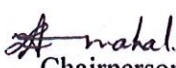




Mahfel Huq & Co.
Chartered Accountants

SEA PEARL BEACH RESORT & SPA LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

Particulars	Note	Amount in Taka	
		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Operating Revenues	24	458,507,744	512,794,073
Costs of Sales	25	(92,832,423)	(102,988,275)
Gross Profit		365,675,321	409,805,798
Administrative and Other Expenses	26	(161,569,752)	(166,958,928)
Distribution & Selling Expenses	27	(8,805,969)	(8,727,870)
Operating Profit		195,299,600	234,119,000
Other Income/(Loss)		(6,967,498)	933,915
Net Finance Cost	28	(197,068,106)	(178,779,759)
Profit/(Loss) Before Tax & WPPF		(8,736,004)	56,273,156
Workers Profit Participation Fund		-	(2,679,674)
Profit/(Loss) Before Tax		(8,736,004)	53,593,482
Income Tax Expenses	29	(2,309,352)	(9,170,129)
Net Profit/(Loss) for the year		(11,045,356)	44,423,353
Basic Earnings Per Share (EPS)	30	(0.09)	0.41
Diluted Earnings Per Share	30	-	-


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

 Chief Financial Officer
  Company Secretary
  Director
  Chairperson
  Managing Director

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

Dated, Dhaka;
27 October 2020




 Mahfel Huq & Co.
 Chartered Accountants

SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Changes in Equity

For the year ended 30 June 2020

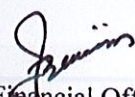
Particulars	Ordinary Share Capital	Retained Earnings	Total Amount (in Tk.)
Balance at 01 July 2019	1,150,000,000	75,567,748	1,225,567,748
Stock Dividend	57,500,000	(57,500,000)	-
Net Profit for the year	-	(11,045,356)	(11,045,356)
Balance as at 30 June 2020	1,207,500,000	7,022,392	1,214,522,392

Statement of Changes in Equity

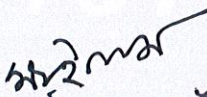
For the year ended 30 June 2019

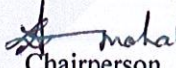
Particulars	Ordinary Share Capital	Retained Earnings	Total Amount (in Tk.)
Balance at 1st July 2018	1,000,000,000	47,657,095	1,047,657,095
Issuance of shares	150,000,000	-	150,000,000
IPO Expenses	-	(16,512,700)	(16,512,700)
Net Profit for the year	-	44,423,353	44,423,353
Balance as at 30 June 2019	1,150,000,000	75,567,748	1,225,567,748

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


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Director


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Managing Director

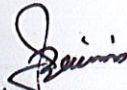
Dated, Dhaka;
27 October 2020



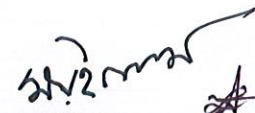
SEA PEARL BEACH RESORT & SPA LIMITED
Statement of Cash Flows
For the year ended 30 June 2020

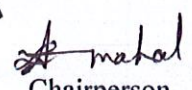
Particulars	Notes	Amount in Taka	
		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Cash Flow from Operating Activities:			
Collection from turnover	32	471,799,802	513,629,576
Payment for operating costs & other expenses	33	(178,516,537)	(222,433,197)
Income tax paid	34	(4,962,698)	(6,036,828)
Net Cash (used in)/generated by operating activities		288,320,567	285,159,551
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	35	(23,323,429)	(27,697,140)
Right of Use Asset		(12,334,371)	-
Land & Land Development from IPO Fund		(26,660,000)	-
Capital Work in progress	36	(339,204,576)	(280,618,894)
Investment in share		13,409,135	(34,278,986)
Other Income/(Loss)		(6,174,290)	2,843,793
Advances, Deposits and Prepayments	37	(613,125)	(8,416,659)
Net Cash (used in)/generated by investing activities		(394,900,656)	(348,167,886)
Cash Flow from Financing Activities			
Short Term borrowing Received/(Repaid)-Net		26,045,105	(99,663,635)
Net Finance (Cost)/Income	38	(815,436)	223,764
Secured Term Loans Received/(Repaid)-Net	39	(10,615,774)	(13,233,672)
SPBRSL 20% Convertible Secured Bond	40	(50,000,000)	-
Lease Loan Received/(Repaid)-Net		3,860,137	-
Receipt from/payment to related party		50,000,000	(3,944,811)
Share issue cost		-	(16,512,700)
Proceeds from fresh issuance of share capital	41	75,000,000	75,000,000
Total Cash used in Financing Activities		93,474,032	(58,131,054)
Net changes increase /(decrease) in cash and cash equivalents		(13,106,057)	(121,139,389)
Opening cash and cash equivalents		109,825,183	230,964,572
Closing Cash and Cash Equivalents		96,719,126	109,825,183
Net Operating Cash Flows per Share (NOCFPS)	31	2.39	2.66

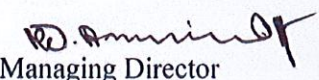
The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.


Chief Financial Officer


Company Secretary


Director


Chairperson


Managing Director

Dated, Dhaka;
27 October 2020



SEA PEARL BEACH RESORT & SPA LIMITED

Notes to the Financial Statements

As at & for the year ended 30 June 2020

1. Legal status of the Company

1.1 Reporting entity

Sea Pearl Beach Resort & Spa Limited ("the Company") is a Public Limited Company by shares. The Company was incorporated on 26 May 2009 having registration no. C-77653/09/2009 under the Companies Act 1994 as a Private Limited Company in Bangladesh and subsequently the Company was converted into a Public Limited Company by special resolution dated 14 November 2017. 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, Karwanbazar, Dhaka-1215.

1.4 Operation office

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

2. Nature of business activities

Sea Pearl Beach Resort & Spa Limited (the owner of "Royal Tulip Cox's Bazar") a Five Star Resort & hotel in Bangladesh, started its commercial operation from 17 September 2015. The principal activities of the Company throughout the year were carrying on Resort & Hotel business. The business activities connected with the Resort & Hotel business are carried out through a Franchise Agreement between Sea Pearl Beach Resort & Spa Limited (Franchisee") and GT Investments BV (the "Franchisor)", a limited liability company organized under the laws of the Netherlands, having its registered office at Arnhemseweg 2, 387 CH Amersfoort, the Netherlands dated 01 June 2014. Franchisor are knowledgeable and experienced in managing and promoting five star hotels and resorts and has (and/or its Affiliates have) performed such services throughout the world. 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 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	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	Interim Financial Reporting	34	Complied
20	Impairment of Assets	36	Complied
21	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
22	Intangible Assets	38	Complied
23	Investment Property	40	Not Applicable
24	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

3.2 Other regulatory compliances

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

The Securities & Exchange Rules 1987,

The Securities & Exchange Ordinance 1969,

The Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited,

The Income Tax Ordinance 1984,

The Income Tax Rules 1984,

The Value Added Tax Act 1991,

The Value Added Tax Rules 1991,

The Customs Act 1969.

3.3 Structure, content and presentation of financial statements

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

i) Statement of Financial Position as at 30 June 2020,

ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended on 30 June 2020,

iii) Statement of Changes in Equity for the year ended on 30 June 2020,

iv) Statement of Cash Flows for the year ended on 30 June 2020,

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 2020.



3.4 Basis of Measurement of Elements of Financial Statements

The financial statements have been prepared on the Historical Cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

3.5 Functional and presentation currency

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

3.6 Risk and uncertainty for use of estimates and judgments

The preparation of financial statements in conformity with 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 years affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3.7 Going concern

As per IAS-1 para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each period/year. The Company made net loss during the year because of the unprecedented impact of COVID-19 as almost 4 months (from March to June) it's operation was closed in accordance with government instruction to prevent the virus. The company has adequate resources to continue in operation for the foreseeable future as it resumes its operation with huge market demand since the lockdown has come to an end and shall have enough operating cash inflow to payoff its current 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 2019 to 30 June 2020.

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 and equipment

Initial recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use, inclusive of inward freight, duties, non-refundable taxes and un-allocated expenditures etc.



Subsequent costs

The cost of replacing part of an item of property, plant and 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 and 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 & Equipment	10.00%
Machineries	5.00%
Equipments	5.00%
Vehicle	10.00%

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

4.3 Capital works in-progress

Property, plant and equipment under construction or 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 and cash equivalents

Cash and cash equivalents consists of cash in hand and with banks on current and deposit accounts and short-term investments which are held and available for use by the company without any restriction.

4.6 Trade and other receivable

Trade and other receivable are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to uncollectible of any amount so recognized. No impairment of trade and other receivables occurred during the year under review.

4.7 Earnings per share (EPS)

Basic earnings:

Earnings per share (EPS) is calculated in accordance with 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.

Diluted earnings per share:

For the purpose of calculating diluted earnings per shares, an entity adjust profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding for the effects of all dilutive, potential ordinary shares. During the year the company has issued SPBRS 20% Convertible Secured Bond and therefore there are dilutive potential ordinary shares for which diluted earning per share has been calculated and disclosed in note (30)



Retrospective adjustment in earnings per Share:

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

4.8 Revenue

Revenue (Room rent, Sales proceeds of beverage, income from laundry, water park and shop rental & 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 (51%) 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 27 October 2020 for issue after completion of review.

4.12 Provisions, accrued expenses and other payables

Provisions and accrued expenses are recognized in the financial statements in line with the 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 Flow

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 30 June 2020 has been made in the Financial Statements.

Deferred Tax:

Deferred Tax Liability:

Deferred Tax Liabilities is the amount of income taxes payable in future period in respect of taxable temporary difference. A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

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

Deferred Tax Assets:

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be 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 and Liabilities

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

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

A contingent assets is disclosed as per 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.

During the year the Company has not recognized Workers' Profit Participation and Welfare Funds as there was no net profit before tax after charging such expenses as per Bangladesh Labour Act 2006 as amended in 2013.

The Nomination and Remuneration Committee (NRC), a sub-committee of Board formed to ensure good governance in the company as per Corporate Governance Code in notification No. BSEC/CMRRCD/2006 of Bangladesh Securities and Exchange Commission reviews all post employee benefits to comply with IAS 19 Employee Benefits and the policies are under process of final review of 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 year financial statements. Previous 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 during the year 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 Limited has not borrowed funds at flexible interest rate, hence, not involved in the interest rate risk. The company has been repaying borrowed funds on a continuous basis.

5.2 Exchange Rate Risk

Exchange rate risk arises due to changes in exchange rates. As the Company imports equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. When exchange rate is increased against local currency opportunity is created for generating more profit.



Management Perception:

Sea Pearl Beach Resort & Spa Limited management changes the price of their services to cope with the change in exchange rate to mitigate the affect of unfavorable volatility in exchange rate on the company's earnings.

5.3 Industry Risks

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

Management Perception:

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

5.4 Market Risks

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

Management Perception:

The company's brand "Royal Tulip 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.



6 Property Plant and Equipment

A. Cost:

Opening Balance

Addition during the year

Closing Balance

B. Less: Accumulated Depreciation

Opening Balance

Addition during the year

Closing Balance

Written down value (A-B)

Amount in Taka	
As at 30-Jun-20	As at 30-Jun-19

2,981,284,498	2,950,532,112
352,135,350	30,752,386
3,333,419,848	2,981,284,498

188,548,830	124,816,963
64,158,956	63,731,867
252,707,786	188,548,830

3,080,712,062	2,792,735,668
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A detailed schedule on property, plant & equipment has been given in Annexure-A.

7 Right of Use Asset

A. Cost:

Opening Balance

Addition during the year

Closing Balance

B. Less: Accumulated Depreciation

Opening Balance

Addition during the year

Closing Balance

Written down value (A-B)

-	-
18,822,766	-
18,822,766	-

-	-
3,582,275	-
3,582,275	-

15,240,491	-
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A detailed schedule on Right of Use Asset in accordance with IFRS-16 Leases has been given in Annexure-A.

8 Capital Work in Progress

Break-up of above as under :

Sl. No.	Particulars	Opening Balance as on 01-07-2019	Addition during the year	Total	Transfer to Property Plant & Equipment's	Closing Balance as on 30-06-2020
01.	Building & Other Civil Works	1,683,620,310	447,601,593	2,131,221,903	249,773,746	1,881,448,157
02.	Furniture & Fixture	123,944,298	26,507,000	150,451,298	193,292	150,258,006
03.	Machineries	104,887,587	-	104,887,587	53,468,432	51,419,155
04.	Equipments	80,638,045	-	80,638,045	-	80,638,045
	Total	1,993,090,240	474,108,593	2,467,198,833	303,435,470	2,163,763,363

The above balance represents cost incurred up to the Statement of Financial Position date for property, plant and equipments (PPE) which includes tk. 26,507,000 for Furniture & Fixture from IPO fund, these are under progress and not available for use. During the year an amount of Tk. 303,435,470 has been transferred to Property Plant, & Equipments as the construction/installation of PPE has been completed and also available for use.

9 Stock of Construction Materials

This is made up as under:

Bricks

Rod

Sand

Stone chips

Sanitary material

Other materials

Total

45,892	2,119,027
71,248	6,997,387
744,460	2,275,229
45,861	2,224,080
1,845,982	4,474,213
1,204,586	2,887,644
3,958,029	20,977,580

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

10 Inventories

This is made up as under:

Food

Beverage

General store

Total

6,938,308	5,926,828
7,303,280	6,498,583
21,047,980	11,313,525
35,289,568	23,738,936

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



11 Investment

This is made up as under:

Golden Harvest Agro Industries Ltd.
Mozaffar Hossain Spinning Mills Ltd.
Fu-wang Foods Ltd
ICB AMCL Third NRB Mutul Fund
Queen South Textile Mills Ltd.
Total

As at 30 June 2020			30-Jun-19
Book value	Fair value	Gain/(Loss)	Fair Value
-	-	-	31,239,900
3,770,049	3,174,717	(595,332)	1,129,208
5,393,472	4,769,038	(624,434)	-
530,222	482,681	(47,541)	-
11,176,108	9,740,328	(1,435,780)	-
20,869,851	18,166,764	(2,703,087)	32,369,108

12 Trade and Other Receivables

This is made up as under:

Trade receivable - net
Receivable from Dhaka Stock Exchange Limited
Total

53,033,626	66,325,684
-	75,000,000
53,033,626	141,325,684

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 (Tk.)	Amount in (Tk.)
I	Debts considered good and in respect of which the company is fully secured.	-	75,000,000
II	Debts considered good for which the company holds no security other than the debtor personal security.	53,033,626	66,325,684
III	Debts considered doubtful or bad.	-	-
IV	Debts due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated.	-	-
V	Debts due by companies under the same management to be disclosed with the names of the companies.	-	-
VI	The maximum amount due by directors or other officer of the company at the time during the year to be shown by way of a note.	-	-
Total		53,033,626	141,325,684

The aging of above trade receivable is as follows:

Less than three months

Above three months but less than six months

Above six months

Total

43,669,351	112,380,951
2,578,954	23,512,578
6,785,321	5,432,155
53,033,626	141,325,684

13 Advances, Deposits and Prepayments

This is made up as under:

Advances (Note-13.1)
Security Deposits (Note-13.2)
Prepayments
Total

125,922,007	84,286,030
10,563,900	10,563,900
2,654,326	4,593,760
139,140,233	99,443,690

13.1 Advances

This is made up as under:

Advance Income Tax (Note-12.1.1)
Advance to Parties/ Suppliers*
Advance to Employees
Advance against land
Advance to Bandarban Project
Others
Total

19,206,349	14,243,651
83,869,091	46,636,883
158,505	171,059
5,250,000	5,250,000
16,692,785	16,079,660
745,277	1,904,777
125,922,007	84,286,030

* Advance to Parties/ Suppliers includes an amount of Tk. 69,637,409 paid to Shristi Shaily from IPO Fund for interior, finishing, furniture & fixture of rooms.



12.1.1 Advance Income Tax

This is made up as under:

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

Amount in Taka	
As at 30-Jun-20	As at 30-Jun-19
14,243,651	8,206,823
4,962,698	6,036,828
-	-
19,206,349	14,243,651

13.2 Security Deposits:

This consists of as follows:

Security Deposit-REB
T & T
Ansar Guard
Gawsia Traders
Cox's Bazar Pally Bidyut Samity
Central Depository Bangladesh Limited
Total

9,580,000	9,580,000
3,500	3,500
455,400	455,400
10,000	10,000
15,000	15,000
500,000	500,000
10,563,900	10,563,900

14 Cash & Cash Equivalents

This consists of as follows:

Cash in Hand
Cash in transits
Cash at Bank
Total

458,350	343,069
15,824	478,370
96,244,952	109,003,744
96,719,126	109,825,183

A. CORPORATE OFFICE**Cash in hand**

95,350	138,530
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Cash at Bank

This is made up as under:

Bank Name & Account Number:

Prime Bank Ltd A/C CD - 17411060002770
Prime Bank Ltd A/C CD - 13211060017092
Prime Bank Ltd A/C CD - 8730
Prime Bank Ltd A/C CD - 33826
Prime Bank Ltd A/C SND - 9630
Prime Bank Ltd A/C SND - 9537
Prime Bank Ltd-IPO A/C-BDT-30420
Prime Bank Ltd-IPO A/C-USD-30422
Prime Bank Ltd-IPO A/C-EURO-30423
Eastern Bank Ltd A/C CD - 1161360084794
Mercantile A/C CD - 96205
UCB A/C CD- 0828
Islami Bank Ltd A/C CD - 306
Modhumoti Bank Ltd. A/c RCD-225
Alpha Capital Management Limited
The Premier Bank Ltd A/c CD-79023
The Premier Bank Ltd A/c SND-2959
The Premier Bank Ltd A/c SND-2988
Total

13,788,374	39,050
191,086	409,223
5,077	9,256
2,019,274	689,998
239,524	236,477
65,550	65,170
12,505,626	60,402,838
-	15,031,409
-	30,777
68,004	67,438
580,198	581,618
42,328	19,546
183,916	184,756
1,520	6,410
18,758,977	11,524,700
85,446	119,922
127,224	81,643
6,699	-
48,668,823	89,500,231

B. The Royal Tulip Cox's bazar:**Cash in hand**

363,000	204,539
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Cash in transits

This is made up as under:

City Bank Ltd.
DBBL
Brac Bank Ltd.
Total

-	90,259
10,824	2,273
5,000	385,838
15,824	478,370



Cash at Bank

This is made up as under:

Bank Name & Account Number

Prime Bank Ltd, A/C-12017
Prime Bank Ltd, A/C-22433
National Credit & Commerce Bank Ltd-A/C-26465
Dutch Bangla Bank Ltd-A/C-32500
City Bank Ltd-A/C-4001
City Bank Ltd-Gulshan-A/C-3001
Bank Asia Ltd - A/C-0018
Agrani Bank Ltd -A/C-4459
The Premier Bank Ltd A/c SND-164
Total

Total : (A+B)

Amount in Taka	
As at 30-Jun-20	As at 30-Jun-19
19,866,898	5,614,393
1,594,362	302,039
2,852,704	929,366
395,552	85,412
5,164,987	5,169,213
2,465,538	5,046,086
97,641	99,260
1,194,621	571,234
13,943,826	1,686,510
47,576,129	19,503,513
47,954,953	20,186,422
96,719,126	109,825,183

15 Share Capital**A. Authorized Share Capital**200,000,000 Ordinary Shares of Tk. 10 each
Total

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

B. Issued, Subscribed and paid- up capitalOrdinary shares of Tk. 10 each fully paid
Total

1,207,500,000	1,150,000,000
1,207,500,000	1,150,000,000

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/CI/IPO-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. During the year 5,750,000 no. ordinary shares have been allotted as stock dividend which was approved by the shareholder in its 10th AGM held on 26th 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	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019
Sponsors and Directors	46.83%	46.83%	56,550,848	53,858,000
Companies and Financial Institutions	29.49%	27.77%	35,609,175	31,935,500
Foreign Individual and Companies	0.00%	0.03%	-	34,500
General Public	23.68%	25.37%	28,589,977	29,172,000
Total	100%	100%	120,750,000	115,000,000

D. Detailed brake-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 Memorandum & Articles of Association at the time of incorporation	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
Total	115,000,000	-	5,750,000	120,750,000	1,207,500,000

16 Retained Earnings

This is made up as under:

Opening Balance
Add: Net profit during the year
Less: Stock Dividend
Less: IPO Expenses
Total

75,567,748	47,657,095
(11,045,356)	44,423,353
(57,500,000)	-
-	(16,512,700)
7,022,392	75,567,748



Amount in Taka	
As at 30-Jun-20	As at 30-Jun-19
4,195,915,376	3,855,068,220

- 17 Long term borrowings
This is made up as under:

Premier Leasing & Finance Limited

Non-current portion of long term borrowings

Current portion of long term borrowings

Sub-Total (A)

-	8,059,350
11,332,438	13,888,862
11,332,438	21,948,212

SPBRSL 20% Convertible Secured Bond

Non-current portion of SPBRSL 20% Convertible Secured Bond

Current portion of SPBRSL 20% Convertible Secured Bond

Sub-Total (B)

3,524,265,808	3,393,506,700
660,317,130	439,613,308
4,184,582,938	3,833,120,008

Total (A+B)

4,195,915,376	3,855,068,220
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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:

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.), Personal guarantee All directors of SPBRSL and Corporate guarantee of Shamim Enterprise pvt. I.td.

- 18 Lease Liability

This is made up as under:

Lease Loan/Payable

(Note: 18.1)

5,355,124	-
4,993,408	-
10,348,532	-

Lease Liability-Office Space

(Note: 18.2)

Total

Current/Non-current Portion Classification:

Non-current portion of Lease Liability

Current portion of Lease Liability

Total

5,041,332	-
5,307,200	-
10,348,532	-

- 18.1 Lease Loan/Payable

This is made up as under:

IPDC Finance Limited

Rangs Motors Limited

Total



3,860,137	-
1,494,987	-
5,355,124	-

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.

18.2 Lease Liability-Office Space

Office Space-Corporate Office
Office Space-Blue Bay resort
Office Space-Chattoqram Sales Office
Total

3,518,096	-
1,161,732	-
313,580	-
4,993,408	-

19 Deferred Tax Liabilities

This has been arrived as under:

30-Jun-20

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant and Equipment	2,909,738,705	2,016,594,626	893,144,079	25.00%	223,286,020
WPPF	-	-	-	25.00%	-
Fair Value (Gain)/Loss on investment in share	18,166,764	20,869,851	(2,703,087)	10.00%	(270,309)
Unused tax loss (Note-29.1)	-	756,409,255	(756,409,255)	25.00%	(189,102,314)
Deferred Tax (Assets)/Liability at the end of the year					33,913,397

30-Jun-19

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Asset)/Liability
Property, Plant and Equipment	2,655,742,979	1,956,549,619	699,193,360	25.00%	174,798,340
WPPF	2,679,674	-	(2,679,674)	25.00%	(669,919)
Fair Value (Gain)/Loss on investment in share	32,369,108	34,278,986	(1,909,878)	10.00%	(190,988)
Unused tax loss (Note-26.1)	-	558,010,355	(558,010,355)	25.00%	(139,502,589)
Deferred Tax (Assets)/Liability at the end of the year					34,434,844

Deferred Tax Expenses/(Benefit) during the year:

Closing Deferred Tax (Assets)/Liabilities	33,913,397	34,434,844
Opening Deferred Tax (Assets)/Liabilities	34,434,844	28,579,971
Deferred Tax Expenses/(Benefit)	(521,447)	5,854,873

20 Short term borrowings

This consists of as follows:

Premier Bank Ltd. Banani Branch, SOD Account
Total

39,767,221	13,722,116
39,767,221	13,722,116

Main features of the above Premier Bank Ltd. Loan is as follows:

Particulars	Details
Nature:	Short term loan
Purpose:	Working capital Investment.
Tenure:	One year
Repayment:	From Hotel revenue
Rate of Interest:	12.00% p.a.
Security:	Corporate Guarantee & 28,98 sft. flat at Gulshan, Dhaka.



21 Accounts and other Payables

This consists of as follows:

Payable for goods and services
 Payable to related party-Shamim Enterprise (Pvt.) Ltd.
 Payable for Property, Plant & Equipment's
Total

Amount in Taka	
As at 30-Jun-20	As at 30-Jun-19
7,186,411	5,407,225
50,000,000	-
400,631	25,593,889
57,587,042	31,001,114

22 Accruals and Provisions

This consists of as follows:

TDS, VAT , Duty & Service charge Payable
 Provision for income tax (Note-22.1)
 Workers Profit Participation Fund (Note-22.2)
 Franchise fee (Note-22.3)
 Accrued Expenses and Liabilities
 Audit Fees
 IPO Expenses
 Others
Total

3,291,659	9,902,074
15,231,875	12,401,076
-	2,679,674
16,860,930	12,916,392
15,760,263	8,066,282
422,250	345,000
-	6,579,175
2,402,325	822,374
53,969,302	53,712,047

22.1 Provision for income tax

This consists of as follows:

Opening Balance
 Add: provided during the year
 Add : Prior years short provision

Less: Paid / Adjusted during the year
Total

12,401,076	9,085,820
2,830,799	3,315,256
-	-
15,231,875	12,401,076
-	-
15,231,875	12,401,076

22.2 Workers Profit Participation Fund

This consists of as follows:

Opening Balance
 Add: provided during the year

Less: Paid during the year
Total

2,679,674	4,186,702
-	2,679,674
2,679,674	6,866,376
(2,679,674)	(4,186,702)
-	2,679,674

22.3 Franchise fee

This consists of as follows:

Opening Balance
 Add: provided during the year

Less: Paid during the year
Total

12,916,392	7,953,195
3,944,538	4,963,197
16,860,930	12,916,392
-	-
16,860,930	12,916,392

23 Net Asset Value Per Share (NAVPS)

This has been arrived as under:

Total Assets
 Total Liabilities
Net Asset Value
 Number of Share

Net Asset Value Per Share (NAVPS)

5,606,023,262	5,213,506,089
4,391,500,870	3,987,938,341
1,214,522,392	1,225,567,748
120,750,000	115,000,000
10.06	10.66



Amount in Taka	
01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019

24 Operating Revenues

This consists of as follows:

- Room Revenue
- Food & Beverage Revenue
- Minor Operating department
- Space rent and Other revenue
- Water Park
- Total**

225,402,199	283,611,245
169,496,469	199,711,043
12,561,022	28,066,801
22,687,467	1,404,984
28,360,587	-
458,507,744	512,794,073

25 Costs of sales

This consists of as follows:

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

32,239,739	38,691,128
38,377,936	43,337,296
4,740,514	4,447,249
3,703,563	2,486,554
4,535,731	3,933,208
1,753,752	1,947,561
1,202,245	1,599,724
447,800	478,600
524,980	600,339
1,950,852	2,054,068
998,000	845,000
69,546	383,841
262,531	853,299
827,764	-
1,197,470	1,330,408
92,832,423	102,988,275

26 Administrative and Other Expenses

This consist of the followings:

- Administrative and general expenses Note- (26.1)
- Repairs & maintenance and property operation Note- (26.2)
- Total**

106,711,659	105,405,681
54,858,093	61,553,247
161,569,752	166,958,928

26.1 Administrative and general expenses

This consist of the followings;

- Salaries, wages, bonus & benefits
- Postage
- Rent
- Travel & communication
- Entertainment
- Security services
- Internet Expenses
- Licenses & Taxes
- Donation
- Telephone Expenses
- Credit card commission
- Audit Fees
- Legal & Profession Fees

19,343,976	18,722,278
59,546	27,088
-	2,400,000
899,288	1,221,989
313,482	422,411
79,618	76,233
1,362,182	1,355,410
1,956,718	2,251,289
412,646	269,299
853,563	931,498
2,392,643	2,851,585
375,000	345,000
677,250	747,631



Insurance Expenses	4,168,456	3,249,140
Franchise fee	3,944,538	4,963,197
Board Meeting fees	231,000	371,000
Trustee fee	600,000	600,000
Depreciation	67,741,231	63,731,867
Other expenses	1,300,522	868,766
Total	106,711,659	105,405,681

Amount in Taka

26.2 Repairs & maintenance and property operation

This consist of the followings;

	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Salaries, wages, bonus & benefits	9,672,154	8,355,104
Travel & communication	101,944	108,373
Electricity expenses	27,733,929	30,280,735
Fuel - Oil	7,087,225	10,923,050
Repair & maintenance	7,466,346	8,203,702
Laundry equipments	1,627,847	2,536,596
Water treatment	724,075	855,120
Other expenses	444,573	290,567
Total	54,858,093	61,553,247

27 Distribution & Selling Expenses

This consist of the followings;

Salaries, wages, bonus & benefits	5,655,995	5,381,793
Rent & Service Charge	2,119,972	1,763,971
Advertising & Promotion	510,402	779,641
Signs, events & functions	519,600	802,465
Total	8,805,969	8,727,870

28 Net Finance Cost

This consist of the followings:

Bank Charges & Commission	333,777	309,974
Interest on short and long term secured borrowings	198,874,275	181,072,771
Interest on Lease Loan	283,943	-
Interest Expenses on Office Space	271,940	-
	199,763,935	181,382,745
Less: Bank Interest	(2,695,829)	(2,602,986)
Total	197,068,106	178,779,759

29 Income Tax Expenses/(Benefit)

This has been arrived as under:

Current Tax Expenses (Note: 29.1)	2,830,799	3,081,777
Prior periods short provision	-	-
Tax on Other Income	-	233,479
Deferred Tax Expenses/(Benefit)	(521,447)	5,854,873
Total	2,309,352	9,170,129



29.1 Current Tax Expenses

This has been arrived as under:

Net Profit/(Loss) before Tax

Other Income

Workers Profit Participation Fund

Payment of Worker Profit Participant Fund

Add: Accounting Depreciation

Less: Tax Depreciation

Taxable Current Profit/(Loss)

Income Tax Rate

Current Tax Expenses

But Minimum tax@ 0.6% on gross receipts

Unused Tax Loss-Opening Balance

Unused Tax Loss-during the period

Unused Tax Loss Carry forwarded to next period

Amount in Taka	
01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019

(8,736,004)	53,593,482
6,967,498	(933,915)
-	2,679,674
(2,679,674)	-
64,158,956	63,731,867
(258,109,676)	(250,353,501)
(198,398,900)	(131,282,393)

25%	25%
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-	-
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2,830,799	3,081,777
------------------	------------------

558,010,355	426,727,962
-------------	-------------

198,398,900	131,282,393
-------------	-------------

756,409,255	558,010,355
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30 Earnings per Share (EPS)

The Computation of EPS is given below:

Earning attributable to the Shareholders (net profit after tax)

Weighted average number of shares (Note: 30.01)

Basic Earning per Share (EPS)

(Face Value per Share Tk.10/=)

(11,045,356)	44,423,353
120,750,000	107,352,740
(0.09)	0.41

30.01 Calculation of weighted average number of shares:

This is made up as follows:

Opening Balance

Weighted number of shares of 15,000,000 Nos. IPO shares issued on :

Bonus Share issued on 26th December, 2019

Total Number of Shares

115,000,000	100,000,000
-	1,602,740
5,750,000	5,750,000
120,750,000	107,352,740

* Calculation of weighted number of shares issued on 23 May, 2019 through IPO for FY 2018-2019:

Days of utilization of shares	
Total number of IPO Shares Issued X ----- =	1,602,740
Days of whole year	

Dilutive Earnings par Share:

This consist of the followings;

Net profit after tax

Interest save for conversion of shares (Net off tax)

Net profit after tax

(11,045,356)	44,423,353
60,219,440	46,924,922
49,174,084	91,348,275



Number of shares

Outstanding number of shares

Conversion of shares

120,750,000

14,590,348

135,340,348

107,352,740

41,139,241

148,491,981**Diluted Earnings Per Share****Anti-Diluted Earnings Per Share****0.36****0.62**

Anti diluted earning per share has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income.

Total face value of bond

Conversion option 20%

Number of shares under option

3,250,000,000

145,903,479

14,590,348

3,250,000,000

411,392,405

41,139,241

Face value

Market price as on 30 June of respective year

Total Price**Conversion Strike Price = (Face value + market value)/2**

10.00

79.10

89.10**44.55**

10.00

21.60

31.60**15.80**

80.0% of the principal amounts will be repaid in cash and the remaining 20.0% will be converted into ordinary equity shares (Investors Option) at the average value of the Market Price of SPBRSL and the Face Value of the equity shares of the company.

31 Net Operating Cash Flows Per Share (NOCFPS)

This has been arrived as under:

Net Cash Generated from Operating Activities

Weighted average number of shares (Note: 30.01)

Net Operating Cash Flows Per Share (NOCFPS)

288,320,567

120,750,000

2.39

285,159,551

107,352,740

2.66**32 Received from Customers:**

This has been arrived as under:

Revenue

Accounts Receivable Opening

Accounts Receivable Closing

Total

458,507,744

66,325,684

(53,033,626)

471,799,802

512,794,073

67,161,187

(66,325,684)

513,629,576**33 Payment to Creditors, Suppliers, Employees & Others**

This has been arrived as under:

Costs of sales

Administrative and Other Expenses

Distribution & Selling Expenses

Adjustment for Depreciation

(Increase)/Decrease in inventory

Adjustment for advance

(Increase)/Decreases in Trade and Other Payables except payable for Property, Plant & Equipments and Payable to

Payment from WPPF

(Increase)/Decreases in Liabilities for expense except

Provision for Income Tax and WPPF

Total

(92,832,423)

(161,569,752)

(8,805,969)

67,741,231

(11,550,632)

29,295,366

1,779,186

(2,679,674)

106,130

(178,516,537)

(102,988,275)

(166,958,928)

(8,727,870)

63,731,867

(3,236,876)

(8,241,856)

(2,520,037)

(4,186,702)

10,695,480

(222,433,197)

		Amount in Taka	
		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
34	Income Tax paid		
	This has been arrived as under:		
	Opening advance income tax	14,243,651	8,206,823
	Closing advance income tax	(19,206,349)	(14,243,651)
	Closing provision for income tax	15,231,875	12,401,076
	Opening provision for income tax	(12,401,076)	(9,085,820)
	Current tax during the period	(2,830,799)	(3,315,256)
	Total	(4,962,698)	(6,036,828)
35	Property, Plant and Equipment		
	This has been arrived as under:		
	Property, Plant and Equipment purchased (except purchased through IPO Fund)	(22,039,880)	(29,105,031)
	Increased advanced of assets	(1,283,549)	1,407,891
	Total	(23,323,429)	(27,697,140)
36	Capital Work in progress		
	This has been arrived as under:		
	Addition during the year*	(474,108,593)	(489,441,991)
	(Increased)/Decreased Inventory of Construction Material	17,019,551	4,439,524
	Adjustment for Accounts Payable for PPE	(25,193,258)	(11,642,211)
	Adjustment for bond interest payable	205,210,260	184,507,418
	Adjustment for Advance	(62,132,536)	31,518,367
	Total	(339,204,576)	(280,618,894)
	* Addition during the year includes Tk. 26,507,000 which has incurred for Furniture & Fixture from IPO fund, these are under progress and not available for use.		
37	Advances, Deposits and Prepayments		
	This has been arrived as under:		
	Advances except income tax	(613,125)	(6,516,521)
	Security Deposits	-	(525,000)
	Prepayments	-	(1,375,138)
	Total	(613,125)	(8,416,659)
38	Finance Cost		
	This has been arrived as under:		
	Net Finance Cost	(197,068,106)	(178,779,759)
	Adjustment for Interest payable on Convertible Bond	196,252,670	176,453,523
	Adjustment for Interest waived from Syndicate term loan	-	-
	FDR Interest receivable (increased)/decreased	-	2,550,000
	Total	(815,436)	223,764
39	Secured Term Loans Received/(Repaid)-Net		
	This has been arrived as under:		
	Increased /(Decreased) Long term secured loan	(10,615,774)	(13,233,672)
	Total	(10,615,774)	(13,233,672)



40 SPBRSL 20% Convertible Secured Bond

This has been arrived as under:

Increased /(Decreased) Convertible Bond	351,462,930	360,960,941
Adjustment for Interest payable on Convertible Bond	(401,462,930)	(360,960,941)
Total	(50,000,000)	-

41 Proceeds from fresh issuance of share capital

This has been arrived as under:

Share capital Increased	-	150,000,000
Adjustment for share money deposit	75,000,000	(75,000,000)
Total	75,000,000	75,000,000

42 Reconciliation of Net profit with cash flow from operating activities

This has been arrived as under:

Net Profit Before Tax and WPPF	(8,736,004)	56,273,156
Accounts 'Receivable Opening	66,325,684	67,161,187
Accounts Receivable Closing	(53,033,626)	(66,325,684)
Unrealised/Realised Gain/(Losses) on Investment	6,967,498	(933,915)
Adjustment for Depreciation	67,741,231	63,731,866
(Increase)/Decrease in Inventory	(11,550,632)	(3,236,876)
(Increase)/Decrease in Advances Deposits Prepayments	29,295,366	(8,241,856)
Increase/(Decrease) Trade and other payable	1,779,186	(2,520,037)
Increase/(Decrease) Liabilities for Expenses	106,130	10,695,480
Payment of WPPF	(2,679,674)	(4,186,702)
Adjustment of Finance Cost shown in Financeing activities	197,068,106	178,779,759
Income Tax Paid	(4,962,698)	(6,036,828)
Cash Flow from operating activities	288,320,567	285,159,551

43 Additional disclosure**43.1 Deviation on EPS:**

The company has experienced reduction in both Revenue by Tk. 54,286,329 & Net Profit after Tax Tk. 55,468,709 due to the unprecedented impact of Covid-19 pandemic (specially during the months from March to June 2020) resulting reduction in earning per share by Tk. 0.50 from the year ended on 30 June 2019. The reduction in NPAT also incurred due to increased financial expenses by Tk. 18,288,347 in comparison to corresponding previous year.

43.2 Deviation on NOCFPS:

Net cash generated by operating activities has decreased by Tk. 3,161,016 resulting reduction in net operating cash inflow per share (NOCFPS) by Tk. 0.27 due to the unprecedented impact of Covid-19 pandemic (specially during the months from March to June 2020)

43.3 Deviation on NAVPS:

The company has experienced Net Loss after Tax Tk.11,045,356 due to the unprecedented impact of Covid-19 pandemic (specially during the months from March to June 2020) resulting reduction in net asset value per share by Tk. 0.60 from the year ended on 30 June 2019.

43.3 Restatement of cash flow from Operating Activities:

The company has changed its presentation for Other Income /(Loss) 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 reclassification:

The company generated Other Income /(Loss) from investment in marketable securities which was previously presented under collection from turnover & other receipts in cash flow from operating activities. As the whole cash generated/ (used) from Other Income /(Loss) is from investment activities, the presentation of cash flow from this activities has now shown in Investing Activities under Other Income /(Loss).

(b) The amount of item that is reclassified:

Cash generated from Other Income /(Loss) Tk. 2,843,793 during the year ended on 30 June, 2019 was presented under cash flow from operational activities in the Cash Flow Statement. But such presentation has been change in the cash flow statement for the year ended on 30 June, 2020 and presented under cash flow from investing activities. Due to such restatement NOCFPS of previous year has been reduced by Tk. 0.026.

(c) Reason for the reclassification:

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

43.4 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/CI/IPO-0281/2018/231 dated March 25, 2019 for the acquisition of land, interior, finishing, furniture, fixture of 157 rooms & IPO expenses. The status of utilization of IPO proceeds of the Company as on 30th June 2020 has been presented in the below:

Particulars	Amount in BDT		
	IPO Proceed	Utilized	Un-utilized
Acquisition of land	26,660,000	26,660,000	-
Interior, finishing, furniture, fixture of 157	106,827,300	26,507,000	80,320,300
IPO expenses	16,512,700	16,512,700	-
Total	150,000,000	69,679,700	80,320,300



Related Party Disclosure

During the year 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".

Name of the Party	Relationship	Nature of Transaction	Amount in Taka		
			Balance as on 30 June 2020		
			Opening Balance Cr.	Transaction during the year (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 Fee	-	42,000	-
Md. Aminul Haque	Managing Director	Board Fee	-	49,000	-
Md. Ekramul Hoque	Director	Board Fee	-	35,000	-
Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd.	Director	Board Fee	-	35,000	-
Md. Rafiqul Islam	Independent Director	Board Fee	-	35,000	-
Md. Golam Rabbani	Independent Director	Board Fee	-	35,000	-
Total			-	50,231,000	50,000,000

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 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Short-Term Employee Benefits	6,602,433	6,604,427
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

45 Attendance Status of Board Meeting of Directors:

During the year ended 30 June, 2020 total seven Board of Directors' Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Designation	Meeting held	Attendance
Lucy Akthary Mahal	Chairman	7	6
Md. Aminul Haque	Managing Director	7	7
Md. Ekramul Hoque	Director	7	5
Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd.	Director	7	5
Md. Rafiqul Islam	Independent Director	7	5
Md. Golam Rabbani	Independent Director	7	5



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

Commission, Brokerage or Discount against sales:

There was no brokerage or discount against sales during the year.

No commission was paid to sales against during the year.

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 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 Fee:

During the year ended 30 June, 2020 total seven Board of Directors' Meetings were held & detail of payment under Board Meeting Fee has been presented below:

Name of the Directors	Designation	Meeting held	Attendance	Board Meeting Fee
Md. Akthary Mahal	Chairman	7	6	42000
Md. Aminul Haque	Managing Director	7	7	49000
Md. Ekramul Hoque	Director	7	5	35000
Shahina Islam Nominated by Meham Enterprise (Pvt.) Ltd.	Director	7	5	35000
Md. Rafiqul Islam	Independent Director	7	5	35000
Md. Golam Rabbani	Independent Director	7	5	35000
				231,000

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 2019 to 30 June 2020 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



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 year under review, actual service, the installed capacity in terms of the counts produced and the utilization rate is presented below: (for the year from 1 July 2019 to 30 June 2020)

Description	Available rooms	Utilize rooms	% of capacity utilization
Guest Rooms	66,275	35,448	53.49%

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

i) The financial statements were authorized for issue on 27th October 2020 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 1% cash dividend in its Board meeting held on 27th October 2020. The dividend proposal is subject to shareholder's approval at the forthcoming AGM.

Except the fact as stated above, no circumstances have arisen since the statement of financial position date which would require adjustments, or disclosure in the financial statements.

49 Dividend Paid to the Shareholder:

During the year under review Stock Dividend for 2018-2019 amounting to Tk. 57,500,000 (5,750,000 Nos. ordinary shares) has been paid/(issued) to the Shareholders.

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 2019 to 30 June 2020.

Particulars:

Lundry Equipment's

Amount Tk.

30,225

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

341

Number of permanent workers

-

Number of temporary staff/worker

-

Total

341

55 General

55.1 Directors Responsibility Statements

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



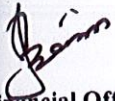
Employee Details:

i) Total number of employees at the end of the year was 341. Out of total employees, 311 numbers of employees employed throughout the year and rest numbers of employees employed for a part of the year. 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 341 employees in the company.

Rounding off

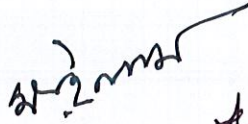
Amounts appearing in these financial statements have been rounded off to the nearest Taka and wherever considered necessary.



Financial Officer



Company Secretary



Director



Chairperson



Managing Director

d, Dhaka;
October, 2020



Sea Pearl Beach Resort & Spa Limited
Property, Plant, Equipment & Right of Use Asset
As at 30 June 2020

Annexure-A

Amount in Taka

Property, Plant & Equipment:

Sl. No.	Assets	Cost			Dep. Rate (%)	Depreciation			Written Down Value as on 30.06.2020
		Balance as at 01.07.2019	Additions during the year	Disposal during the year		Balance as at 30.06.2020	Charged during the year	Accumulated Depreciation for Disposal	
1	Land & Land Development	136,992,689	33,980,668	-	170,973,357	0%	-	-	170,973,357
2	Building & Other Civil Works	2,141,954,893	249,773,746	-	2,391,728,639	1.25%	27,270,014	91,696,150	2,300,032,489
3	Furniture & Fixture	142,870,341	567,792	-	143,438,133	10%	11,559,939	39,109,327	104,328,806
4	Computer Accessories & Equipment	2,481,534	1,596,490	-	4,078,024	10%	299,353	748,725	3,329,299
5	Machineries	406,825,246	63,781,932	-	470,607,178	5%	18,177,403	88,668,234	381,938,944
6	Equipments	136,638,295	2,434,722	-	139,073,017	5%	5,767,656	28,725,169	110,347,848
7	Vehicle	13,521,500	-	-	13,521,500	10%	1,084,591	3,760,181	9,761,319
	Total as at 30 June 2020	2,981,284,498	352,135,350	-	3,333,419,848		64,158,956	252,707,786	3,080,712,062
	Total as at 30 June 2019	2,950,532,112	30,752,386	-	2,981,284,498		63,731,867	188,548,830	2,792,735,668

During the year an amount of Tk. 303,435,470 has been transferred to Property Plant, & Equipments from Capital Work in Progress as the construction/installation of PPE has been completed and also available for use. Detail of such transfer has been given in note no. 7 of the Notes to the Financial Statements.

Right of Use Assets:

Sl. No.	Assets	Cost			Dep. Rate (%)	Depreciation			Written Down Value as on 30.06.2020
		Balance as at 01.07.2019	Additions during the year	Disposal during the year		Balance as at 30.06.2020	Charged during the year	Accumulated Depreciation for Disposal	
1	Vehicle	-	9,304,609	-	9,304,609	10%	445,846	445,846	8,858,763
2	Office Space	-	9,518,157	-	9,518,157		3,136,429	-	6,381,728
	Total as at 30 June 2020	-	18,822,766	-	18,822,766		3,582,275	-	15,240,491



Sea Pearl Beach Resort & Spa Limited
Property, Plant and Equipment Schedule
As at 30 June 2019

Annexure-A

Amount in Taka

Sl. No.	Assets	Cost				Dep. Rate (%)	Depreciation			Written Down Value as on 30.06.2019
		Balance as at 01.07.2018	Additions during the period	Disposal during the period	Balance as at 30.06.2019		Balance as on 01.07.2018	Charged during the period	Accumulated Depreciation for Disposal	
1	Land & Land Development	121,201,697	15,790,992	-	136,992,689	0%	-	-	-	136,992,689
2	Building & Other Civil Works	2,140,307,538	1,647,355	-	2,141,954,893	1.25%	26,282,193	-	64,426,136	2,077,528,757
3	Furniture & Fixture	140,013,295	2,857,046	-	142,870,341	10%	12,652,323	-	27,549,388	115,320,953
4	Computer Accessories & Equipment	1,717,784	763,750	-	2,481,534	10%	182,335	-	449,372	2,032,162
5	Machineries	404,732,579	2,092,667	-	406,825,246	5%	17,638,229	-	70,490,831	336,334,415
6	Equipments	134,282,719	2,355,576	-	136,638,295	5%	5,917,380	-	22,957,513	113,680,782
7	Vehicle	8,276,500	5,245,000	-	13,521,500	10%	1,059,407	-	2,675,590	10,845,910
	Total as at 30 June 2019	2,950,532,112	30,752,386	-	2,981,284,498		63,731,867	-	188,548,830	2,792,735,668
	Total as at 30 June 2018	1,890,224,583	1,061,877,529	1,570,000	2,950,532,112		63,883,641	266,997	124,816,963	2,825,715,149

