

SEA PEARL BEACH RESORT & SPA LIMITED

4 K.B., Ismail Road

Mymensingh

AUDITOR'S REPORT

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FINANCIAL STATEMENTS

As at and for the year ended June 30, 2019

MAHFEL HUQ & CO.

CHARTERED ACCOUNTANTS

B G I C Tower (4th FLOOR)

34 Topkhana Road, Dhaka-1000

PHONE : +88-02-9553143, 9581786

e-mail: abukaiser@mahfelhuq.com

web: www.mahfelhuq.com



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : mh@mahfelhuq.com
Web: www.mahfelhuq.com

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, 2019, 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, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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.

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.

Sn	Risk	Our response to the risk
1.	<p>Addition of Property, Plant and Equipment</p> <p>Refer to note 06 to the financial statements.</p> <p>The Company made significant addition to Property Plant & Equipment BDT 30.75 million. There is therefore a risk that the Assets and depreciation charge may be misstated.</p>	<p>Our audit procedures included, among others, considering the risk of addition to Property, Plant and Equipment associated with the different types of asset:</p> <p>We critically assessed and verified the Company's policy of asset addition.</p> <p>We assessed the appropriateness of the value of the assets.</p> <p>We also recalculated the depreciation to assess the sensitivity of the key assumptions including depreciation rate.</p>
2.	<p>Measurement of deferred tax liability</p> <p>Refer to note 17 to the financial statements.</p> <p>Company reported net deferred tax liability totaling BDT 34.43 million as at 30 June, 2019.</p> <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>	<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> <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 of disclosures against IAS 12 Income Tax.</p>

Other Information

Management is responsible for the other information. The other information comprises the information including Director's report included in the annual report but does not include in the financial statements and our auditors' report thereon.

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 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. If, based

on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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.

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: 28 October, 2019

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

SEA PEARL BEACH RESORT & SPA LIMITED
Statement of Financial Position
As at 30 June 2019

Particulars	Notes	Amount in Taka	
		30 Jun 2019	30 Jun 2018
ASSETS			
NON-CURRENT ASSETS		4,785,825,908	4,331,010,753
Property, Plant and Equipment	6	2,792,735,668	2,825,715,149
Capital Work in Progress	7	1,993,090,240	1,505,295,604
CURRENT ASSETS		427,680,181	456,269,527
Stock of Construction Material	8	20,977,580	25,417,104
Inventories	9	23,738,936	20,502,060
Investment	10	32,369,108	-
Trade and Other Receivables	11	141,325,684	69,711,187
Advances, Deposits and Prepayments	12	99,443,690	109,674,605
Cash and Cash Equivalents	13	109,825,183	230,964,572
TOTAL ASSETS		5,213,506,089	4,787,280,280
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		1,225,567,748	1,047,657,095
Share Capital	14	1,150,000,000	1,000,000,000
Retained Earnings	15	75,567,748	47,657,095
NON-CURRENT LIABILITIES		3,436,000,894	3,523,101,485
Non-current portion of long term secured borrowings	16	8,059,350	22,362,448
SPBRS 20% Convertible Secured Bond	16	3,393,506,700	3,472,159,066
Deferred Tax Liabilities	17	34,434,844	28,579,971
CURRENT LIABILITIES		551,937,447	216,521,699
Current portion of long term secured borrowings	16	13,888,862	12,819,436
SPBRS 20% Convertible Secured Bond	16	439,613,308	-
Short term borrowings	18	13,722,116	113,385,751
Accounts and other Payables	19	31,001,114	49,108,173
Accruals and Provisions	20	53,712,047	41,208,339
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,213,506,089	4,787,280,280
NET ASSET VALUE PER SHARE (NAVPS)	47	10.66	10.48

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;
28 October 2019

SEA PEARL BEACH RESORT & SPA LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
Operating Revenues	21	512,794,073	468,895,376
Costs of sales	22	(102,988,275)	(102,054,551)
Gross profit		409,805,798	366,840,825
Administrative and Other Expenses	23	(166,958,928)	(176,765,201)
Distribution & Selling Expenses	24	(8,727,870)	(4,214,397)
Operating profit		234,119,000	185,861,227
Other Income		933,915	-
Net Finance Cost	25	(178,779,759)	(97,940,475)
Profit Before Tax & WPPF		56,273,156	87,920,752
Workers Profit Participation Fund		(2,679,674)	(4,186,702)
Profit before Tax		53,593,482	83,734,050
Income Tax Expenses	26	(9,170,129)	(37,642,100)
Net Profit for the year		44,423,353	46,091,950
Basic Earnings Per Share (EPS)	27	0.44	0.67
Diluted earnings per share	27	-	-

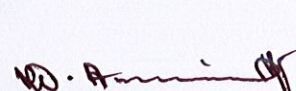
The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.


Chief Financial Officer


Company Secretary



Director


Chairperson


Managing Director

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

Dated, Dhaka;
28 October 2019


Mahfel Huq & Co.
Chartered Accountants





SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Changes in Equity

For the year ended 30 June 2019

Amount in Taka			
Particulars	Ordinary Share Capital	Retained Earnings	Total
For 2018-2019:			
Balance at 01 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

Statement of Changes in Equity

For the year ended 30 June 2018

Amount in Taka			
Particulars	Ordinary Share Capital	Retained Earnings	Total
For 2017-2018:			
Balance at 01 July 2017	85,000,000	1,565,145	86,565,145
Issuance of shares	915,000,000	-	915,000,000
Net Profit for the year	-	46,091,950	46,091,950
Balance as at 30 June 2018	1,000,000,000	47,657,095	1,047,657,095

 Chief Financial Officer  Company Secretary  Director  Chairperson  Managing Director




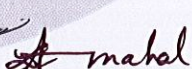
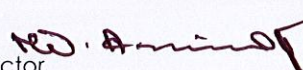
Dated, Dhaka;
28 October 2019



SEA PEARL BEACH RESORT & SPA LIMITED
Statement of Cash Flows
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
Cash Flow from Operating Activities:			
Collection from turnover & other receipts	28	516,473,369	408,897,656
Payment for operating costs & other expenses	29	(222,433,197)	(223,806,107)
Income tax paid	30	(6,036,828)	(2,346,371)
Net Cash (used in)/generated by operating activities		288,003,343	182,745,178
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	31	(27,697,140)	(30,019,735)
Capital Work in progress	32	(280,618,894)	(252,867,961)
Sales proceed from sale of fixed assets		-	600,000
Investment in share		(34,278,986)	-
Advances, Deposits and Prepayments	33	(8,416,659)	(79,081,686)
Net Cash (used in)/generated by investing activities		(351,011,679)	(361,369,382)
Cash Flow from Financing Activities			
Short Term borrowing Received/(Repaid)-Net		(99,663,635)	(23,328,794)
Net Finance (Cost)/Income	34	223,764	(37,006,450)
Secured Term Loans Received/(Repaid)-Net	35	(13,233,672)	(3,222,939,462)
SPBRS 20% Convertible Secured Bond	36	-	3,250,000,000
Receipt from/payment to related party		(3,944,811)	3,944,811
Share issue cost		(16,512,700)	-
Proceeds from fresh issuance of share capital	37	75,000,000	428,000,505
Total Cash used in Financing Activities		(58,131,054)	398,670,611
Net changes increase /(decrease) in cash and cash equivalents		(121,139,389)	220,046,407
Opening cash and cash equivalents		230,964,572	10,918,165
Closing Cash and Cash Equivalents		109,825,183	230,964,572
Operating cash inflow/(outflow) per share	38	2.83	2.65

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;
28 October 2019



SEA PEARL BEACH RESORT & SPA LIMITED
Notes to the Financial Statements
For the year ended 30 June 2019

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 Jaliapalong, Inani, Ukhia, Cox's Bazar-4750, Bangladesh.

2. Nature of business activities

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

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with the applicable 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	Leases	17	Complied
9	Employee Benefits	19	Complied
10	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
11	The Effects of Changes in Foreign Exchange Rates	21	Complied
12	Borrowing Costs	23	Complied
13	Related Party Disclosures	24	Complied
14	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
15	Separate Financial Statements	27	Not Applicable

16	Investments in Associates and Joint Ventures	28	Not Applicable
17	Financial Reporting in Hyperinflationary Economies	29	Not Applicable
18	Financial Instruments: Presentation	32	Complied
19	Earnings Per Share	33	Complied
20	Interim Financial Reporting	34	Not Applicable
21	Impairment of Assets	36	Complied
22	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
23	Intangible Assets	38	Complied
24	Financial Instruments: Recognition and Measurement	39	Complied
25	Investment Property	40	Not Applicable
26	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 2019,

ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019,

iii) Statement of Changes in Equity for the year ended 30 June 2019,

iv) Statement of Cash Flows for the year ended 30 June 2019,

v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended 30 June 2019.



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 period in which the estimate is revised and in any future periods 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 has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

3.8 Accrual basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

3.9 Reporting period

The financial statements of the company covers twelve months from 01 July 2018 to 30 June 2019.

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

4.2 Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of 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 which are not available for use as per managements intention are accounted for as capital works in progress and are measured at cost until completion of construction or installation or available for use as per managements intention. In conformity with 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 period. For the purpose of basic earnings per share, the amount attributable to the ordinary equity holders of the entity in respect of profit or loss from continuing operations attributable to the entity is adjusted for the after tax amount of preference dividend.



Diluted earnings per share:

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

Retrospective adjustment in earnings per Share:

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

4.8 Revenue

Revenue (Room rent, Sales proceeds of beverage, income from laundry and shop rental & other revenues) is recognized at fair value of the consideration received or receivable in the period during which the services are provided. Revenue is recognized 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 period in which it incurs in accordance with IAS-23 "Borrowing Cost".

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

4.11 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 28 October 2019 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", as the Company operates in a single industry segment.

4.15 Statement of Cash Flow

The statements of cash flows has been prepared in accordance with requirements of 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 a number of transactions with related parties in the normal course of business and on arm's length basis. 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/period ended 30 June 2019 has been made in the Financial Statements.

Deferred Tax:

Deferred Tax Liabilities:

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)

The Board of Directors of the Company has recommended bonus/stock dividend @ 05% for the year ended 30 June 2019 at its Board meeting held on 28 October 2019.

4.20 Employee Benefits

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

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

4.21 Comparative Information

Comparative information has been disclosed in respect of the previous period for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements.

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

5. Risk Exposure

5.1 Interest Rate Risk

Interest rate risk is that which the company faces due to unfavorable movements of the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception:

Since the Sea Pearl Beach Resort & Spa Limited has not borrowed funds at flexible interest rate, hence, not involved in the interest rate risk. The company has been repaying borrowed funds on a continuous basis.

5.2 Exchange Rate Risk

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

Management Perception:

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

5.3 Industry Risks

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

Management Perception:

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

5.4 Market Risks

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

Management Perception:

The company's brand "Royal Tulip Cox'sbazar" 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.



Amount in Taka	
30-Jun-19	30-Jun-18

6 Property Plant and Equipment

A. Cost:

Opening Balance
Addition during the year/period
Disposal during the year/period

2,950,532,112	1,890,224,583
30,752,386	1,061,877,529
-	(1,570,000)
2,981,284,498	2,950,532,112

B. Less: Accumulated Depreciation

Opening Balance
Charged during the year/period
Disposal during the year/period

124,816,963	61,200,319
63,731,867	63,883,641
-	(266,997)
188,548,830	124,816,963
2,792,735,668	2,825,715,149

Written down value (A-B)

The PPE includes lease Car which have been recognised as per IFRS -16, "Leases". A detailed schedule on property, plant & equipment has been given in Annexure-A.

7 Capital Work in Progress

1,993,090,240	1,505,295,604
----------------------	----------------------

Break-up of above as under :

Sl. No.	Particulars	Opening Balance as on 01-07-2018	Addition for the year	Balance as on 30-06-2019	Transfer to Property Plant & Equipments	Closing Balance as on 30-06-2019
01.	Building & Other Civil Works	1,201,653,999	483,613,666	1,685,267,665	1,647,355	1,683,620,310
02.	Furniture & Fixture	123,696,818	247,480	123,944,298	-	123,944,298
03.	Machineries	104,887,587	-	104,887,587	-	104,887,587
04.	Equipments	75,057,200	5,580,845	80,638,045	-	80,638,045
	Total	1,505,295,604	489,441,991	1,994,737,595	1,647,355	1,993,090,240

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

The Company has been capitalized of Taka Tk. 189,337,504 out of total finance cost of Taka 370,410,275 on the ratio of total rooms and rooms which are not available for use as per managements intention to building & other civil works during the year.

8 Stock of Construction Materials

Bricks
Rod
Sand
Stone chips
Sanitary material
Other materials

2,119,027	2,831,600
6,997,387	7,456,800
2,275,229	2,372,980
2,224,080	2,339,800
4,474,213	5,823,620
2,887,644	4,592,304
20,977,580	25,417,104

Total

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



9 Inventories

These consist of the following :

Food
Beverage
General store

Total

Amount in Taka	
30-Jun-19	30-Jun-18
5,926,828	7,320,048
6,498,583	6,264,613
11,313,525	6,917,399
23,738,936	20,502,060

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

10 Investment

Golden Harvest Agro Industries Ltd.
Mozaffar Hossain Spinning Mills Ltd.

As at 30 June 2019			30-Jun-18
Book value	Fair value	Gain/(Loss)	Gain/(Loss)
32,951,235	31,239,900	(1,711,335)	-
1,327,751	1,129,208	(198,543)	-
34,278,986	32,369,108	(1,909,878)	-

11 Trade and Other Receivables

The break-up of the amount is given below:

Trade receivable -net
FDR Interest Receivable
Receivable from Dhaka Stock Exchange Limited

Total

66,325,684	67,161,187
-	2,550,000
75,000,000	-
141,325,684	69,711,187

Receivable from Dhaka Stock Exchange Limited represents the amount for allotment of shares on 23 May 2019 to the eligible investors which is received by the company on 10 July 2019.

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

Sl. No.	Particulars	Amount in Taka	Amount in Taka
I	Debts considered good and in respect of which the company is fully secured	75,000,000	2,550,000
II	Debts considered good for which the company holds no security other than the debtor personal security	66,325,684	67,161,187
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		141,325,684	69,711,187

The aging of above trade receivable is as follows:

Less than three months
Above three months but less than six months
Above six months

112,380,951	40,844,693
23,512,578	22,918,305
5,432,155	5,948,189
141,325,684	69,711,187



12 Advances, Deposits and Prepayments

The break-up of the amount is given below:

Advances (Note-12.1)

Deposits (Note-12.2)

Prepayments

Total**12.1 Advances:**

Advance Income Tax (Note-12.1.1)

Parties/ suppliers

Advance to Employees

Advance against land

Advance to Bandarban Project

Others

Sub-Total**12.1.1 Advance Income Tax**

Opening

Add: Income tax during the year

Less: Income tax paid/adjustment during the year

12.2 Deposits:

Security Deposit-REB

T & T

Ansar Guard

Gawsia Traders

Cox's Bazar Pally Bidyut Samity

Central Depository Bangladesh Limited

Sub-Total**13 Cash & Cash Equivalents**

This consists of as follows:

Cash in Hand

Cash in transits

Cash at Bank

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

Prime Bank Ltd A/C CD - 17411060002770

Prime Bank Ltd A/C-CD - 17411060005556

Prime Bank Ltd A/C CD - 13211060017092

Prime Bank Ltd A/C CD - 0002

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

Marchantile A/C CD - 96205

UCB A/C CD- 0828

Islami Bank Ltd A/C CD - 306

Modhumoti Bank Ltd. A/c RCD-79023

Alpha Capital Management Limited

The Premier Bank Ltd A/c CD-79023

The Premier Bank Ltd A/c SND-2959

FDR at Premier Bank Limited

Amount in Taka	
30-Jun-19	30-Jun-18

84,286,030	96,417,083
10,563,900	10,038,900
4,593,760	3,218,622
99,443,690	109,674,605

14,243,651	8,206,823
46,636,883	70,563,785
171,059	92,559
5,250,000	450,000
16,079,660	14,363,139
1,904,777	2,740,777
84,286,030	96,417,083

8,206,823	6,719,290
6,036,828	2,346,371
-	(858,838)
14,243,651	8,206,823

9,580,000	9,580,000
3,500	3,500
455,400	455,400
10,000	-
15,000	-
500,000	-
10,563,900	10,038,900

343,069	1,651,535
478,370	1,133,067
109,003,744	228,179,970
109,825,183	230,964,572

138,530	600,000
138,530	600,000

39,050	2,049,930
-	903,679
409,223	278,722
-	928
9,256	51,885
689,998	932,789
236,477	1,551,159
65,170	65,148
60,402,838	-
15,031,409	-
30,777	-
67,438	60,755
581,618	583,498
19,546	69,875
184,756	186,056
6,410	14,000
11,524,700	-
119,922	20,759,106
81,643	-
89,500,231	27,507,530

-	150,000,000
-	150,000,000
89,500,231	177,507,530



B. The Royal Tulp Cox'sbazar**Cash in hand :**

Local currency

Cash in transits:

City Bank Ltd.

DBBL

Brac Bank Ltd.

Bank Name & Account Number:

Prime Bank Ltd, A/C-12017

Prime Bank Ltd, A/C-22433

National Credit & Commerce Bank Ltd-A/C-26465

Dutch Bangla Bank Ltd-A/C-32500

City Bank Ltd-A/C-4001

City Bank Ltd-Gulshan-A/C-3001

Bank Asia Ltd - A/C-0018

Agrani Bank Ltd -A/C-4459

The Premier Bank Ltd A/c SND-164

Total : (A+B)**14 Share Capital****A. Authorized Share Capital**

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

B. Issued, Subscribed and paid- up capital

115,000,000 Ordinary shares of Tk. 10 each fully paid

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.

C. Shareholding position

	No. of shares	Percentage		
Sponsors and Directors	53,858,000	46.83%	538,580,000	538,580,000
Companies and Financial Institutions	31,935,500	27.77%	319,355,000	294,669,490
Foreign Individual and Companies	34,500	0.03%	345,000	-
General Public	29,172,000	25.37%	291,720,000	166,750,510
	115,000,000	100.00%	1,150,000,000	1,000,000,000

15 Retained Earnings

Opening Balance

Add: Net profit during the year

Less: IPO Expenses

Amount in Taka	
30-Jun-19	30-Jun-18

204,539	1,051,535
204,539	1,051,535

90,259	-
2,273	12,493
385,838	1,120,574
478,370	1,133,067

5,614,393	6,966,317
302,039	10,229,575
929,366	17,196,785
85,412	1,482,536
5,169,213	5,188,393
5,046,086	9,608,834
99,260	-
571,234	-
1,686,510	-
19,503,513	50,672,440
20,186,422	52,857,042
109,825,183	230,964,572

2,000,000,000	2,000,000,000
2,000,000,000	2,000,000,000
1,150,000,000	1,000,000,000
1,150,000,000	1,000,000,000

47,657,095	1,565,145
44,423,353	46,091,950
(16,512,700)	-
75,567,748	47,657,095



16 Non-current portion of long term secured borrowings

The loan was taken from following banks.

Syndication term loan

Premier Leasing & Finance Limited

Current and non current distinction

Non Current Liabilities

Current Liabilities

Total

SPBRSL 20% Convertible Secured Bond

Non-current portion of convertible secured bond

Total

SPBRSL 20% Convertible Secured Bond

Non Current Liabilities

Current Liabilities

Total

Amount in Taka	
30-Jun-19	30-Jun-18
8,059,350	22,362,448

-	-
21,948,212	35,181,884
21,948,212	35,181,884

8,059,350	22,362,448
13,888,862	12,819,436
21,948,212	35,181,884

3,833,120,008	3,472,159,066
3,833,120,008	3,472,159,066

3,393,506,700	-
439,613,308	-
3,833,120,008	-

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:

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% per annum
Trustee	Green Delta Insurance Company Ltd.
Investors	Investment Corporation of Bangladesh
Security:	First right registered mortgage of Hotel properties, i.e. floor space, proportionate land and machinery & equipment of ROYAL TULIP SEA PEARL BEACH RESORT & SPA, COX'S BAZAR

The balance of the bond includes accrued interest of Taka 583,120,008 for moratorium period for the Period from 31 October 2017 to 30 Jun 2019.

Main features of finance from Premier Leasing & Finance Limited:

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



17 Deferred Tax Liabilities

This has been arrived as under:

30-Jun-19

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant and Equipment Except land	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 period					34,434,844

30-Jun-18

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

Amount in Taka	
As at 30-Jun-19	As at 30-Jun-18

Deferred Tax Expenses/(Benefit) during the period:

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

34,434,844	28,579,971
28,579,971	842,771
5,854,873	27,737,200

18 Short term borrowings

This consists of as follows:

Premier Bank Ltd. Banani Branch, SOD Account
Prime Bank Ltd. Banani Branch, SOD Account

Total

13,722,116	-
-	113,385,751
13,722,116	113,385,751

Premier Bank Ltd

Nature:	Short term loan
Purpose:	Working capital investment.
Tenure:	One year
Repayment:	From Hotel revenue
Rate of Interest:	0.12
Security:	Corporate Guarantee & 2898 sft flat at Gulshan, Dhaka.

Prime Bank Ltd

Nature:	Short term loan
Purpose:	Working capital investment.
Tenure:	One year
Repayment:	From Hotel revenue
Rate of Interest:	0.12
Security:	Corporate Guarantee & 2898 sft flat at Gulshan, Dhaka.



19 Accounts and other Payables

This consists of as follows:

Payable for goods and services

Payable to related party-Bengal Vacation Club Limited

Payable for Property, Plant & Equipment's

20 Accruals and Provisions

This consists of as follows:

TDS, VAT, Duty & Service charge Payable

Provision for income tax (Note-20.1)

Workers Profit Participation Fund (Note-20.2)

Franchise fee (Note-20.3)

Accrued Expenses and Liabilities

Audit Fees

IPO Expenses

Others

Total**20.1 Provision for income tax**

Opening Balance

Add: provided during the year

Add: Prior years short provision

Less: Paid / Adjusted during the year

Total**20.2 Workers Profit Participation Fund**

Opening Balance

Add: provided during the year

Less: Paid during the year

Total**20.3 Franchise fee**

Opening Balance

Add: provided during the year

Less: Paid during the year

Total

Amount in Taka	
30-Jun-19	30-Jun-18

5,407,225	7,927,262
-	3,944,811
25,593,889	37,236,100
31,001,114	49,108,173

9,902,074	14,255,944
12,401,076	9,085,820
2,679,674	4,186,702
12,916,392	7,953,195
8,066,282	3,748,866
345,000	300,000
6,579,175	-
822,374	1,677,812
53,712,047	41,208,339

9,085,820	39,758
3,315,256	2,455,684
-	7,449,216
12,401,076	9,944,658
-	(858,838)
12,401,076	9,085,820

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

7,953,195	-
4,963,197	7,953,195
12,916,392	7,953,195
-	-
12,916,392	7,953,195



21 Operating Revenues

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

Amount in Taka	
01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
283,611,245	240,189,758
199,711,043	193,584,090
28,066,801	24,635,511
1,404,984	10,486,017
Total	468,895,376

22 Costs of sales

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

38,691,128	42,544,274
43,337,296	39,933,455
4,447,249	3,901,718
2,486,554	2,177,437
3,933,208	3,379,909
1,947,561	1,901,784
1,599,724	1,533,015
478,600	426,500
600,339	629,610
2,054,068	1,924,484
845,000	782,500
383,841	412,951
853,299	1,222,546
1,330,408	1,284,368
Total	102,054,551

23 Administrative and Other Expenses

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

105,405,681	116,619,950
61,553,247	60,145,251
Total	176,765,201

23.1 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
Statutory Audit Fees
Legal & Profession
Insurance
Franchise fee
Board Meeting fees
Loss on sale of fixed assets
Bond Issue Cost
Trustee fee
Depreciation
Other expenses

18,722,278	19,319,339
27,088	24,375
2,400,000	2,400,000
1,221,989	1,175,067
422,411	219,524
76,233	31,210
1,355,410	1,309,341
2,251,289	2,139,214
269,299	148,100
931,498	811,027
2,851,585	2,846,163
345,000	300,000
747,631	601,900
3,249,140	3,169,988
4,963,197	7,953,195
371,000	-
-	703,003
-	8,335,960
600,000	471,871
63,731,867	63,883,641
868,766	777,032
Sub-Total	116,619,950



		Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
23.2 Repairs & maintenance and property operation			
This consist of the followings;			
Salaries, wages, bonus & benefits	8,355,104	6,800,170	
Travel & communication	108,373	57,315	
Electricity expenses	30,280,735	31,521,015	
Fuel - Oil	10,923,050	10,403,347	
Repair & maintenance	8,203,702	7,606,730	
Laundry equipments	2,536,596	2,198,385	
Water treatment	855,120	977,570	
Other expenses	290,567	580,719	
Sub-Total	61,553,247	60,145,251	
24 Distribution & Selling Expenses			
This consist of the followings;			
Salaries, wages, bonus & benefits	5,381,793	948,000	
Rent	1,763,971	1,576,968	
Advertising & Promotion	779,641	689,894	
Signs, events & functions	802,465	999,535	
Total	8,727,870	4,214,397	
25 Net Finance Cost			
This consist of the followings;			
Bank Charges & Commission	309,974	485,447	
Interest on short and long term secured borrowings	181,072,771	100,388,071	
	181,382,745	100,873,518	
Less: FDR & Bank Interest	(2,602,986)	(2,933,043)	
	178,779,759	97,940,475	
26 Income Tax Expenses/(Benefit)			
This has been arrived as under;			
Current Tax Expenses (Note: 26.1)	3,081,777	2,455,684	
Prior years short provision	-	7,449,216	
Other Income	233,479	-	
Deferred Tax Expenses/(Benefit)	5,854,873	27,737,200	
Total	9,170,129	37,642,100	
26.1 Current Tax Expenses			
This has been arrived as under;			
Net Profit/(Loss) before Tax	53,593,482	83,734,050	
Other Income	(933,915)	-	
Workers Profit Participation Fund	2,679,674	-	
Add: Accounting Depreciation	63,731,867	63,883,641	
Less: Tax Depreciation	(250,353,501)	(283,223,235)	
Current Profit/(Loss)	(131,282,393)	(135,605,544)	
Income Tax Rate	25.00%	35.00%	
Current Tax Expenses	-	-	
But Minimum tax@ 0.6% on gross receipts	3,081,777	2,455,684	
Unused Tax Loss-Opening Balance	426,727,962	291,122,418	
Unused Tax Loss-during the period	131,282,393	135,605,544	
Unused Tax Loss Carry forwarded to next period	558,010,355	426,727,962	



27 **Basic Earnings per share (EPS) on Net Profit after tax : (Par Value of Tk.10)**

Amount in Taka	
01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018

0.44 0.67

Earnings attributable to Ordinary Shares:

Net Profit after tax as per Statement of Profit or Loss

A

44,423,353 46,091,950

Number of Shares:

B

101,602,740 69,043,251

Weighted Average Number of shares:	No. of shares	Weight	Weighted Average Number of shares as at 30.06.2019	Weighted Average Number of shares as at 30.06.2018
Shares Outstanding	100,000,000	1.00	100,000,000	8,500,000
Capitalization of Share Money Deposit on 23.08.2017	48,699,949	1.00	-	48,699,949
Fresh Issuance of Shares on 22.03.2018	42,800,051	0.28	-	11,843,302
IPO Issuance of Shares on 23.05.2019	15,000,000	0.11	1,602,740	-
			101,602,740	69,043,251

Basic Earnings Per Shares C=(A/B)

365

= 0.44 0.67

Dilutive Earnings par Share:

Net profit after tax

44,423,353 46,091,950

Interest save for conversion of shares (Net off tax)

46,924,922 144,403,393

Net profit after tax

91,348,275 190,495,343

Number of shares

Outstanding number of shares

Conversion of shares

101,602,740 69,043,251

43,333,333 65,000,000

144,936,073 134,043,251

Diluted earnings per share

- -

Anti-diluted earnings per share

0.63 1.42

No diluted earning per shahe has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income as the result of the calculation is anti diluted.

Total face value of bond

3,250,000,000 3,250,000,000

Conversion option 20%

433,333,333 650,000,000

Number of shares under option

43,333,333 65,000,000

Face value

10.00

Market price as on 28 October 2019

20.00

Total Price

30.00

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

15.00

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 SPBRL and the Face Value of the equity shares of the company.

28 **Received from Customers & Others:**

Revenue

512,794,073 468,895,376

Accounts 'Receivable Opening

67,161,187 7,163,467

Accounts Receivable Closing

(66,325,684) (67,161,187)

Other revenue

2,843,793 -

Total

516,473,369 408,897,656

Amount in Taka	
01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018

29 Payment to Creditors, Suppliers, Employees & Others

Costs of sales	(102,988,275)	(102,054,551)
Administrative and Other Expenses	(166,958,928)	(176,765,201)
Distribution & Selling Expenses	(8,727,870)	(4,214,397)
Adjustment for Depreciation	63,731,867	63,883,641
Adjustment for Loss on Fixed assets sale	-	703,003
(Increase)/Decrease in inventory	(3,236,876)	(16,251,094)
Adjustment for advance	(8,241,856)	1,916,055
(Increase)/Decreases in Trade and Other Payables except payable for Property, Plant & Equipments and Payable to related party	(2,520,037)	(9,562,683)
Payment from WPPF	(4,186,702)	-
Adjustment of advance of PPE	-	-
(Increase)/Decreases in Liabilities for expense except Provision for Income Tax and WPPF	10,695,480	18,539,119
Total	(222,433,197)	(223,806,107)

30 Income Tax paid

Opening Advance income tax	8,206,823	6,719,290
Closing advance income tax	(14,243,651)	(8,206,823)
Closing provision for income tax	12,401,076	9,085,820
Opening provision for income tax	(9,085,820)	(39,758)
Prior year short provision	-	(7,449,216)
Current tax during the period	(3,315,256)	(2,455,684)
Total	(6,036,828)	(2,346,371)

31 Property, Plant and Equipment

Purchased	(30,752,386)	(1,061,877,529)
Increased advanced of assets	1,407,891	-
Transfer from CWIP	1,647,355	1,029,887,794
Adjustments for advance	-	1,970,000
Total	(27,697,140)	(30,019,735)

32 Capital Work in progress

Purchased	(489,441,991)	(320,958,341)
(Increased)/Decreased Inventory of Construction Material	4,439,523.5	(5,837,080)
Adjustment for Accounts Payable for PPE	(11,642,211)	(3,477,141)
Adjustment for bond interest payable	184,507,418	66,381,637
Adjustment for Advance	31,518,367.0	11,022,964
Total	(280,618,894)	(252,867,961)

33 Advances, Deposits and Prepayments

Advances except income tax	(6,516,521)	(76,086,619)
Deposits	(525,000)	(455,400)
Prepayments	(1,375,138)	(2,539,667)
Total	(8,416,659)	(79,081,686)



		Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
34 Finance Cost			
Net Finance Cost		(178,779,759)	(97,940,475)
Adjustment for Interest payable on Convertible Bond		176,453,523	108,601,085
Adjustment for Interest waved from Syndicate term loan		-	(45,117,060)
FDR Interest receivable (increased)/decreased		2,550,000	(2,550,000)
Total		223,764	(37,006,450)
35 Secured Term Loans Received/(Repaid)-Net :			
Increased /(Decreased) Long term secured loan		(13,233,672)	(3,315,232,866)
Adjustment for Interest waved from Syndicate term loan		-	92,293,404
Total		(13,233,672)	(3,222,939,462)
36 SPBRSL 20% Convertible Secured Bond			
Increased /(Decreased) Convertible Bond		360,960,941	3,472,159,066
Adjustment for Interest payable on Convertible Bond		(360,960,941)	(222,159,066)
		-	3,250,000,000
37 Proceeds from fresh issuance of share capital			
Share capital Increased		150,000,000	915,000,000
Adjustment for share money deposit		(75,000,000)	(486,999,495)
Total		75,000,000	428,000,505
38 Reconciliation of Net profit with cash flow from operating activities			
Net Profit Before Tax and WPPF		56,273,156	87,920,752
Accounts 'Receivable Opening		67,161,187	7,163,467
Accounts Receivable Closing		(66,325,684)	(67,161,187)
Unrealised Gain/(Losses) on Investment		1,909,878	
Adjustment for Depreciation		63,731,867	63,883,641
Adjustment for Loss on Fixed assets sale		-	703,003
(Increase)/Decrease in Inventory		(3,236,876)	(16,251,094)
(Increase)/Decrease in Advances Deposits Prepayments		(8,241,856)	1,916,055
Increase/(Decrease) Trade and other payable		(2,520,037)	(9,562,683)
Increase/(Decrease) Liabilities for Expenses		10,695,480	18,539,119
Payment of WPPF		(4,186,702)	-
Adjustment of Finance Cost shown in Financing activities		178,779,759	97,940,475
FDR Interest receivable (increased)/decreased			
Income Tax Paid		(6,036,828)	(2,346,371)
Cash Flow from operating activities	Total	288,003,343	182,745,178
Net Operating Cash Flow Per Share (NOCFPS)			
Cash Flow from operating activities		288,003,343	182,745,178
Number of Share		101,602,740	69,043,251
Net Operating Cash Flow Per Share(Reported)		2.83	2.65

39 Additional disclosure

Though Operating Profit has increased by Tk. 48,218,153.00 crore due to increased revenue but net profit and earning per share decreased due to increased financial expenses by Tk. 80,799,664.00 crore with compared to corresponding previous year. The company had to charge finance cost of 20% convertible bond during the financial year for 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 Limited due to which financial expenses increased substantially. The company is trying and hope to overcome the situation within a very short period of time.



40th Disclosure as per requirement of schedule XI, Part-II of companies Act, 1994

Commission , Brokerage or Discount against sales:

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

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

41 Related party disclosure

During the period the Company carried out a number of transactions with related parties on an arm's length basis. Name of those related parties, nature of those 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 2019		
			Opening Balance Cr.	Transaction during the year (Dr.)/Cr.	Closing Balance
Bengal Vacation Club Limited	Common Management	Intercompany transaction	3,944,811	(3,944,811)	-
Total			3,944,811	(3,944,811)	-

Transaction with Key Management Personnel of the entity:

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

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the period from 1 July 2018 to 30 June 2019 to the directors, including managing directors, a managing agent or manager	Nil
(b)	Net cash inflow/(outflow) for the period (A+B+C)	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Cash and Cash Equivalents at the end of the period	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year/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

42 Service (Production) capacity & Utilization:

As per the nature of the industry, production quantity of service with the course of the period produce on the basis of service design as per market demand. Therefore , installed capacity in terms of multiple and frequently changeable service mix is not constant factor. During the period under review, actual service, the installed capacity in terms of the counts produced and the utilization rate in appended below:(for the period from 1 July 2018 to 30 June 2019)

Description	Available rooms	Utilize rooms	% of capacity utilization
Guest Rooms	87,965	53,912	61.29%



43 Value of Import at CIF basis:

Import during the period from 1 July 2018 to 30 June 2019.

Particulars:

Water Park Equipment's

Amount Tk.

3,578,224

44 Percentage of materials consumed to the total consumed:

Material consumed
N/A

Amount

Amount (BDT)

Percentage

Percentage

45 Payment in foreign currency:

Import and Travel Agent Commission

Foreign Currency

(US\$)

28,396

46 Number of Employees

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

Number of permanent staff 346

Number of permanent workers -

Number of temporary staff/worker -

Total 346

47 Net Asset Value Per Share (NAVPS)

This has been arrived as under;

Particulars

Total Assets

5,213,506,089

4,787,280,280

Total liabilities

3,987,938,341

3,739,623,185

Net Asset Value

1,225,567,748

1,047,657,096

Number of Share

115,000,000

100,000,000

Net Asset Value Per Share (NAVPS)

10.66

10.48



48 General

48.1 Directors Responsibility Statements

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


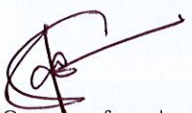
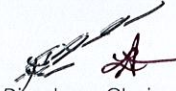
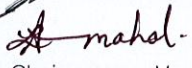
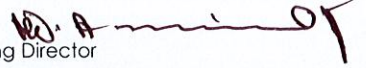
48.2 Employee Details:

i) Total number of employees at the end of the period was 346. Out of total employees, 305 numbers of employees employed throughout the period and 41 numbers of employees employed for a part of the period. None of the employees were in receipt of remuneration which in aggregate was less than Tk. 6,000 per month.

ii) At the end of the reporting period, there were 346 employees in the company.

48.3 Rounding off

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

				
Chief Financial Officer	Company Secretary	Director	Chairperson	Managing Director

Dated, Dhaka;
28 October 2019



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 01.07.2018	Charged during the period	Accumulated Depreciation for Disposal	
1	Land & Land Development	121,201,697	15,790,992	-	0%	-	-	-	136,992,689
2	Building & Other Civil Works	2,140,307,538	1,647,355	-	1.25%	38,143,943	26,282,193	-	2,077,528,757
3	Furniture & Fixture	140,013,295	2,857,046	-	10%	14,897,065	12,652,323	-	115,320,953
4	Computer Accessories & Equipment	1,717,784	763,750	-	10%	267,037	182,335	-	2,032,162
5	Machineries	404,732,579	2,092,667	-	5%	52,852,602	17,638,229	-	336,334,415
6	Equipments	134,282,719	2,355,576	-	5%	17,040,133	5,917,380	-	113,680,782
7	Vehicle	8,276,500	5,245,000	-	10%	1,616,183	1,059,407	-	10,845,910
	Total as at 30 June 2019	2,950,532,112	30,752,386	-		124,816,963	63,731,867	-	2,792,735,668
	Total as at 30 June 2018	1,890,224,583	1,061,877,529	1,570,000		61,200,319	63,883,641	266,997	2,825,715,149

Vehicle includes a leased Car costing BDT 1,475,000/= acquired during the year ended June 30, 2018 which have been recognised as per IAS-17, Leases.

