

**Sea Pearl Beach Resort & Spa Limited**  
**Financial Statements (Un-Audited)**  
**As at 31 December 2019**

**SEA PEARL BEACH RESORT & SPA LIMITED**  
**Statement of Financial Position (Un-Audited)**  
**As at 31 December 2019**

Particulars	Notes	Amount in Taka	
		31 Dec 2019	30 Jun 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>		<b>5,028,531,257</b>	<b>4,785,825,908</b>
Property, Plant and Equipment	6	2,790,414,261	2,792,735,668
Capital Work in Progress	7	2,238,116,996	1,993,090,240
<b>CURRENT ASSETS</b>		<b>465,340,158</b>	<b>427,680,181</b>
Stock of Construction Material	8	19,135,635	20,977,580
Inventories	9	38,906,169	23,738,936
Investment	10	20,612,092	32,369,108
Trade and Other Receivables	11	73,567,328	141,325,684
Advances, Deposits and Prepayments	12	115,595,505	99,443,690
Cash and Cash Equivalents	13	197,523,429	109,825,183
<b>TOTAL ASSETS</b>		<b>5,493,871,415</b>	<b>5,213,506,089</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>		<b>1,257,866,227</b>	<b>1,225,567,748</b>
Share Capital	14	1,207,500,000	1,150,000,000
Retained Earnings	15	50,366,227	75,567,748
<b>NON-CURRENT LIABILITIES</b>		<b>3,417,148,742</b>	<b>3,436,000,894</b>
Non-current portion of long term secured borrowings	16	1,100,000	8,059,350
Non-current portion of SPBRSL 20% Convertible Secured Bond	16	3,368,106,530	3,393,506,700
Deferred Tax Liabilities	17	47,942,212	34,434,844
<b>CURRENT LIABILITIES</b>		<b>818,856,446</b>	<b>551,937,447</b>
Current portion of long term secured borrowings	16	13,642,189	13,888,862
Current portion of SPBRSL 20% Convertible Secured Bond	16	660,928,500	439,613,308
Short term borrowings	18	24,327,094	13,722,116
Accounts and other Payables	19	46,994,426	31,001,114
Accruals and Provisions	20	72,964,237	53,712,047
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>5,493,871,415</b>	<b>5,213,506,089</b>
<b>NET ASSET VALUE PER SHARE (NAVPS)</b>	47	<b>10.42</b>	<b>10.66</b>

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;  
 15 January 2020



**SEA PEARL BEACH RESORT & SPA LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)**  
**For the period (Q-2) ended 31 December 2019**

Particulars	Notes	Amount in Taka		Amount in Taka	
		01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018	01 October 2019 to 31 December 2019	01 October 2018 to 31 December 2018
Operating Revenues	21	305,685,650	286,007,830	155,622,806	146,905,894
Costs of Sales	22	(61,589,758)	(58,323,265)	(31,639,960)	(29,811,731)
<b>Gross Profit</b>		<b>244,095,892</b>	<b>227,684,565</b>	<b>123,982,846</b>	<b>117,094,163</b>
Administrative and Other Expenses	23	(89,500,869)	(83,922,743)	(43,723,109)	(39,430,051)
Distribution & Selling Expenses	24	(5,314,625)	(4,107,365)	(2,506,934)	(2,092,953)
<b>Operating Profit</b>		<b>149,280,398</b>	<b>139,654,457</b>	<b>77,752,803</b>	<b>75,571,159</b>
Other Income/(Loss)		(3,442,454)	3,819,423	(661,879)	2,572,736
Net Finance Cost	25	(95,861,607)	(88,061,269)	(47,972,915)	(44,892,668)
<b>Profit Before Tax &amp; WPPF</b>		<b>49,976,337</b>	<b>55,412,611</b>	<b>29,118,009</b>	<b>33,251,227</b>
Workers Profit Participation Fund		(2,379,826)	(2,638,696)	(1,386,572)	(1,583,392)
<b>Profit Before Tax</b>		<b>47,596,511</b>	<b>52,773,915</b>	<b>27,731,437</b>	<b>31,667,835</b>
Income Tax Expenses	26	(15,298,032)	(19,271,749)	(9,005,050)	(11,834,415)
<b>Net Profit for the period</b>		<b>32,298,479</b>	<b>33,502,166</b>	<b>18,726,387</b>	<b>19,833,420</b>
<b>Basic Earnings Per Share (EPS)</b>	27	<b>0.27</b>	<b>0.32</b>	<b>0.16</b>	<b>0.19</b>
<b>Diluted Earnings Per Share</b>	27	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.18</b>

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 Chief Financial Officer
  Company Secretary
  Director
  Chairperson
  Managing Director

Dated, Dhaka:  
15 January 2020



**SEA PEARL BEACH RESORT & SPA LIMITED**  
**Statement of Changes in Equity (Un-Audited)**  
For the period (Q-2) ended 31 December 2019

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 /(loss) during the period	-	32,298,479	32,298,479
<b>Balance as at 31 December 2019</b>	<b>1,207,500,000</b>	<b>50,366,227</b>	<b>1,257,866,227</b>

**Statement of Changes in Equity**  
For the period (Q-2) ended 31 December 2018

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
Stock Dividend	57,500,000	(57,500,000)	-
Net Profit /(loss) during the period	-	33,502,166	33,502,166
<b>Balance at 31 December 2018</b>	<b>1,057,500,000</b>	<b>23,659,261</b>	<b>1,081,159,261</b>

 Chief Financial Officer
 Company Secretary
 Director
 Chairperson
 Managing Director

Dated, Dhaka;

15 January 2020





**SEA PEARL BEACH RESORT & SPA LIMITED**  
**Statement of Cash Flows (Un-Audited)**  
**For the period (Q-2) ended 31 December 2019**

Particulars	Notes	Amount in Taka	
		01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018
<b>Cash Flow from Operating Activities:</b>			
Collection from turnover & other receipts	28	289,435,173	296,292,249
Payment for operating costs & other expenses	29	(103,189,576)	(125,602,081)
Income tax paid	30	(1,705,515)	(1,209,488)
<b>Net Cash (used in)/generated by operating activities</b>		<b>184,540,082</b>	<b>169,480,680</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Property, Plant and Equipment	31	(29,811,661)	(25,039,633)
Capital Work in progress	32	(162,360,040)	(173,487,731)
Investment in share		17,323,395	(1,197,926)
Advances, Deposits and Prepayments	33	(302,725)	-
<b>Net Cash (used in)/generated by investing activities</b>		<b>(175,151,031)</b>	<b>(199,725,290)</b>
<b>Cash Flow from Financing Activities</b>			
Short Term borrowing Received/(Repaid)-Net		10,604,978	(105,099,370)
Net Finance (Cost)/Income	34	(89,760)	(1,114,703)
Secured Term Loans Received/(Repaid)-Net	35	(7,206,023)	(6,561,713)
Proceeds from fresh issuance of share capital	37	75,000,000	-
<b>Total Cash used in Financing Activities</b>		<b>78,309,195</b>	<b>(112,775,786)</b>
Net changes increase /(decrease) in cash and cash equivalents		87,698,246	(143,020,397)
Opening cash and cash equivalents		109,825,183	230,964,572
<b>Closing Cash and Cash Equivalents</b>		<b>197,523,429</b>	<b>87,944,175</b>
<b>Operating cash inflow/(outflow) per share</b>		<b>1.53</b>	<b>1.60</b>

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,  
 15 January 2020



**SEA PEARL BEACH RESORT & SPA LIMITED**  
**Notes to the Financial Statements (Un-Audited)**  
**As at & for the period (Q-2) ended 31 December 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 period 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





SL. No	IAS Title	IAS No.	Compliance
19	Earnings Per Share	33	Complied
20	Interim Financial Reporting	34	Complied
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:

- Statement of Financial Position as at 31 December 2019,
- Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2019,
- Statement of Changes in Equity for the period ended 31 December 2019,
- Statement of Cash Flows for the period ended 31 December 2019,
- Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements as at & for the period ended 31 December 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 period.

#### 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 period to assess its capability to continue as a going concern. Management of the Company makes such assessment each period/period. 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 six months from 01 July 2019 to 31 December 2019.

#### 3.10 Basis of Preparation of the Interim Financial Statements

These interim financial statements should be read in conjunction with the Financial Statements for the year ended 30 June, 2019. (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs). The presentation of the Interim Financial Statements is consistent with the Annual Financial Statements. Where necessary, the comparatives have been reclassified or extended to take into account any presentational changes made in the Annual Financial Statements. The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

The company operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the reporting period.

Income Tax expense is recognized based upon the best estimate of the weighted average income tax expected for the reporting period.

There is no significant event after the end of the interim period that has to be reflected in the financial statements for the interim period.





#### 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 period 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 period 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 period 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 15 January 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", 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 didn't carried out any 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 period/period ended 31 December 2019 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 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.





## 6 Property Plant and Equipment

### A. Cost:

Opening Balance  
Addition during the period  
Disposal during the period

Amount in Taka	
As at 31-Dec-19	As at 30-Jun-19

2,981,284,498	2,950,532,112
28,528,112	30,752,386
-	-
<b>3,009,812,610</b>	<b>2,981,284,498</b>

### B. Less: Accumulated Depreciation

Opening Balance  
Charged during the period  
Disposal during the period

188,548,830	124,816,963
30,849,519	63,731,867
-	-
<b>219,398,349</b>	<b>188,548,830</b>

Written down value (A-B)

<b>2,790,414,261</b>	<b>2,792,735,668</b>
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The PPE includes leased 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

<b>2,238,116,996</b>	<b>1,993,090,240</b>
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Break-up of above as under :

Sl. No.	Particulars	Opening Balance as on 01-07-2019	Addition for the period	Balance as on 31-12-2019	Transfer to Property Plant & Equipments	Closing Balance as on 31-12-2019
01.	Building & Other Civil Works	1,683,620,310	245,026,756	1,928,647,066	-	1,928,647,066
02.	Furniture & Fixture	123,944,298	-	123,944,298	-	123,944,298
03.	Machineries	104,887,587	-	104,887,587	-	104,887,587
04.	Equipments	80,638,045	-	80,638,045	-	80,638,045
	<b>Total</b>	<b>1,993,090,240</b>	<b>245,026,756</b>	<b>2,238,116,996</b>	<b>-</b>	<b>2,238,116,996</b>

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 capitalized of Taka Tk. 101,518,811 out of total finance cost of Taka 198,606,245 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 period.

## 8 Stock of Construction Materials

This is made up as under:

Bricks  
Rod  
Sand  
Stone chips  
Sanitary material  
Other materials  
Total

2,512,548	2,119,027
5,984,562	6,997,387
1,648,516	2,275,229
2,415,480	2,224,080
3,845,961	4,474,213
2,728,568	2,887,644
<b>19,135,635</b>	<b>20,977,580</b>

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

## 9 Inventories

This is made up as under:

Food  
Beverage  
General store  
Total

9,500,766	5,926,828
8,331,739	6,498,583
21,073,664	11,313,525
<b>38,906,169</b>	<b>23,738,936</b>

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

This is made up as under:

Golden Harvest Agro Industries Ltd.  
Mozaffar Hossain Spinning Mills Ltd.  
Square Pharmaceuticals Limited  
Queen South Textile Mills Ltd.  
Total

As at 31 December 2019			30-Jun-19
Book value	Fair value	Gain/(Loss)	Fair Value
8,638,023	14,649,600	6,011,577	31,239,900
745,545	728,492	(17,053)	1,129,208
1,006,319	950,000	(56,319)	-
4,655,826	4,284,000	(371,826)	-
<b>15,045,713</b>	<b>20,612,092</b>	<b>5,566,379</b>	<b>32,369,108</b>





**11 Trade and Other Receivables**

This is made up as under:

Trade receivable -net

Receivable from Dhaka Stock Exchange Limited

**Total**

Amount in Taka	
As at 31-Dec-19	As at 30-Jun-19
73,567,328	66,325,684
-	75,000,000
<b>73,567,328</b>	<b>141,325,684</b>

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

Sl. No.	Particulars	Amount in (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	73,567,328	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	-	-
<b>Total</b>		<b>73,567,328</b>	<b>141,325,684</b>

**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**

40,203,053	112,380,951
26,578,954	23,512,578
6,785,321	5,432,155
<b>73,567,328</b>	<b>141,325,684</b>

**12 Advances, Deposits and Prepayments**

This is made up as under:

Advances (Note-12.1)

Deposits (Note-12.2)

Prepayments

**Total**

100,848,808	84,286,030
10,563,900	10,563,900
4,182,797	4,593,760
<b>115,595,505</b>	<b>99,443,690</b>

**12.1 Advances**

This is made up as under:

Advance Income Tax (Note-12.1.1)

Parties/ suppliers

Advance to Employees

Advance against land

Advance to Bandarban Project

Others

**Total**

15,949,166	14,243,651
60,497,157	46,636,883
146,323	171,059
5,250,000	5,250,000
16,382,385	16,079,660
2,623,777	1,904,777
<b>100,848,808</b>	<b>84,286,030</b>

**12.1.1 Advance Income Tax**

This is made up as under:

Opening

Add: Income tax during the period

Less: Income tax paid/adjustment during the period

**Total**

14,243,651	8,206,823
1,705,515	6,036,828
-	-
<b>15,949,166</b>	<b>14,243,651</b>



**12.2 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**

Amount in Taka	
As at 31-Dec-19	As at 30-Jun-19
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
<b>10,563,900</b>	<b>10,563,900</b>

**13 Cash & Cash Equivalents**

This consists of as follows:

Cash in Hand  
Cash in transits  
Cash at Bank  
**Total**

3,032,396	343,069
571,952	478,370
193,919,081	109,003,744
<b>197,523,429</b>	<b>109,825,183</b>

**A. CORPORATE OFFICE****Cash in hand**

<b>135,910</b>	<b>138,530</b>
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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  
Marchantile 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  
**Total**

7,719,046	39,050
876,078	409,223
15,403	9,256
1,069,098	689,998
238,260	236,477
65,411	65,170
106,781,700	60,402,838
-	15,031,409
-	30,777
68,004	67,438
580,658	581,618
34,679	19,546
184,261	184,756
1,865	6,410
19,838,694	11,524,700
119,421	119,922
36,663	81,643
<b>137,629,241</b>	<b>89,500,231</b>

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

**2,896,486**      **204,539**

**Cash in transits**

This is made up as under:

City Bank Ltd.  
DBBL  
Brac Bank Ltd.  
**Total**

207,256	90,259
38,432	2,273
326,264	385,838
<b>571,952</b>	<b>478,370</b>

**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**

5,145,149	5,614,393
7,913,540	302,039
5,584,361	929,366
1,341,728	85,412
5,165,333	5,169,213
5,646,606	5,046,086
97,112	99,260
1,116,518	571,234
24,279,493	1,686,510
<b>56,289,840</b>	<b>19,503,513</b>
<b>59,758,278</b>	<b>20,186,422</b>
<b>197,523,429</b>	<b>109,825,183</b>

**Total : (A+B)**



14 Share Capital

A. Authorized Share Capital

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

Total

B. Issued, Subscribed and paid- up capital

120,750,000 Ordinary shares of Tk. 10 each fully paid

Total

Amount in Taka	
As at 31-Dec-19	As at 30-Jun-19
2,000,000,000	2,000,000,000
<b>2,000,000,000</b>	<b>2,000,000,000</b>
1,207,500,000	1,150,000,000
<b>1,207,500,000</b>	<b>1,150,000,000</b>

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 period 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

Sponsors and Directors  
Companies and Financial Institutions  
Foreign Individual and Companies  
General Public  
Total

No. of shares	Percentage		
56,550,900	46.83%	565,509,000	538,580,000
36,575,175	30.29%	365,751,750	319,355,000
-	0.00%	-	345,000
27,623,925	22.88%	276,239,250	291,720,000
<b>120,750,000</b>	<b>100.00%</b>	<b>1,207,500,000</b>	<b>1,150,000,000</b>

15 Retained Earnings

This is made up as under:

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

75,567,748	47,657,095
32,298,479	44,423,353
(57,500,000)	-
-	(16,512,700)
<b>50,366,227</b>	<b>75,567,748</b>

16 Long term secured borrowings

This is made up as under:

Premier Leasing & Finance Limited

Non-current portion of long term secured borrowings  
Current portion of long term secured borrowings  
Sub-Total (A)

1,100,000	8,059,350
13,642,189	13,888,862
<b>14,742,189</b>	<b>21,948,212</b>

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)

3,368,106,530	3,393,506,700
660,928,500	439,613,308
<b>4,029,035,030</b>	<b>3,833,120,008</b>

Total (A+B)

<b>4,043,777,219</b>	<b>3,855,068,220</b>
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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% 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 779,035,030 for moratorium period for the Period from 31 October 2017 to 31 Dec 2019.





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:	15.50%
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 SPBRL and Corporate guarantee of Shamim Enterprise pvt. Ltd.

**17 Deferred Tax Liabilities**

This has been arrived as under:

**31-Dec-19**

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant and Equipment	2,634,813,984	1,855,760,097	779,053,887	25.00%	194,763,472
WPPF	5,059,500	-	(5,059,500)	25.00%	(1,264,875)
Fair Value (Gain)/Loss on investment in share	20,612,092	15,045,713	5,566,379	10.00%	556,638
Unused tax loss (Note-26.1)	-	584,452,092	(584,452,092)	25.00%	(146,113,023)
<b>Deferred Tax (Assets)/Liability at the end of the period</b>					<b>47,942,212</b>

**30-Jun-19**

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
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	32,369,103	34,278,986	(1,909,883)	10.00%	(190,988)
Unused tax loss (Note-26.1)	-	558,010,355	(558,010,355)	25.00%	(139,502,589)
<b>Deferred Tax (Assets)/Liability at the end of the period/year</b>					<b>34,434,844</b>

Deferred Tax Expenses/(Benefit) during the period:

Closing Deferred Tax (Assets)/Liabilities	47,942,212	34,434,844
Opening Deferred Tax (Assets)/Liabilities	34,434,844	28,579,971
<b>Deferred Tax Expenses/(Benefit)</b>	<b>13,507,368</b>	<b>5,854,873</b>

**18 Short term borrowings**

This consists of as follows:

Premier Bank Ltd. Banani Branch, SOD Account

**Total**

24,327,094	13,722,116
<b>24,327,094</b>	<b>13,722,116</b>

Detail of the above loan is as under:

Premier Bank Ltd.:	
Nature:	Short term loan
Purpose:	Working capital investment.
Tenure:	One year
Repayment:	From Hotel revenue
Rate of Interest:	12.00%
Security:	Corporate Guarantee & 2898 sq ft flat at Gulshan, Dhaka.

**19 Accounts and other Payables**

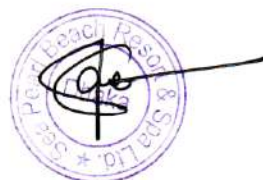
This consists of as follows:

Payable for goods and services

Payable for Property, Plant & Equipment's

**Total**

20,948,413	5,407,225
26,046,013	25,593,889
<b>46,994,426</b>	<b>31,001,114</b>



**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**

Amount in Taka	
As at 31-Dec-19	As at 30-Jun-19
17,122,648	9,902,074
14,191,740	12,401,076
5,059,500	2,679,674
15,842,093	12,916,392
20,106,337	8,066,282
189,750	345,000
-	6,579,175
452,169	822,374
<b>72,964,237</b>	<b>53,712,047</b>

**20.1 Provision for income tax**

This consists of as follows:

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

Less: Paid / Adjusted during the period  
**Total**

12,401,076	9,085,820
1,790,664	3,315,256
-	-
14,191,740	12,401,076
-	-
<b>14,191,740</b>	<b>12,401,076</b>

**20.2 Workers Profit Participation Fund**

This consists of as follows:

Opening Balance  
 Add: provided during the period

Less: Paid during the period  
**Total**

2,679,674	4,186,702
2,379,826	2,679,674
5,059,500	6,866,376
-	(4,186,702)
<b>5,059,500</b>	<b>2,679,674</b>

**20.3 Franchise fee**

This consists of as follows:

Opening Balance  
 Add: provided during the period

Less: Paid during the period  
**Total**

12,916,392	7,953,195
2,925,701	4,963,197
15,842,093	12,916,392
-	-
<b>15,842,093</b>	<b>12,916,392</b>





**21 Operating Revenues**

This consists of as follows:

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

Amount in Taka		Amount in Taka	
01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018	01 October 2019 to 31 December 2019	01 October 2018 to 31 December 2018
167,182,911	166,037,295	83,951,448	83,053,845
115,569,240	102,059,465	62,351,981	55,336,314
10,182,892	16,692,996	3,762,188	7,472,880
12,750,607	1,218,074	5,557,189	1,042,855
<b>305,685,650</b>	<b>286,007,830</b>	<b>155,622,806</b>	<b>146,905,894</b>

**22 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  
Others  
**Total**

18,458,451	18,431,452	9,153,529	8,365,455
28,709,331	26,964,111	15,552,830	15,406,716
3,178,404	2,275,360	1,394,473	670,039
2,519,517	2,062,444	1,230,096	959,378
2,733,649	2,547,306	1,470,080	1,314,004
1,198,604	1,148,979	569,640	541,578
821,445	924,512	234,959	336,534
174,900	214,400	66,700	106,200
443,987	444,251	164,175	187,305
1,466,736	1,245,468	848,264	725,700
510,000	535,000	255,000	265,000
46,596	217,813	24,065	173,095
207,816	601,960	95,218	511,754
1,120,322	710,209	580,931	248,973
<b>61,589,758</b>	<b>58,323,265</b>	<b>31,639,960</b>	<b>29,811,731</b>

**23 Administrative and Other Expenses**

This consist of the followings:

Administrative and general expenses (23.1)  
Repairs & maintenance and property operation Note- (23.2)  
**Total**

55,474,391.00	53,517,381	27,746,321	26,345,394
34,026,478.00	30,405,361	15,976,788	13,084,657
<b>89,500,869</b>	<b>83,922,742</b>	<b>43,723,109</b>	<b>39,430,051</b>

**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  
Audit Fees  
Legal & Profession Fees  
Insurance Expenses  
Franchise fee  
Board Meeting fees  
Trustee fee  
Depreciation  
Other expenses  
**Total**

10,890,522	10,031,987	5,046,384	4,772,153
46,596	11,770	24,065	10,520
1,200,000	1,200,000	600,000	600,000
675,905	539,530	420,179	479,876
235,153	153,560	142,218	100,706
74,456	72,000	34,728	36,000
724,788	707,788	362,394	380,192
1,059,769	1,338,095	584,632	627,671
355,214	129,176	193,573	77,727
500,459	466,524	253,899	220,727
1,532,216	1,469,357	813,671	802,328
172,500	172,500	86,250	86,250
497,250	501,820	286,805	238,820
2,073,416	1,217,542	1,040,864	378,848
2,925,701	2,905,653	1,469,150	1,453,443
126,000	105,000	70,000	35,000
302,466	297,534	151,233	146,301
30,849,519	31,672,370	15,517,502	15,768,047
1,232,461	525,175	648,774	130,784
<b>55,474,391</b>	<b>53,517,381</b>	<b>27,746,321</b>	<b>26,345,394</b>

**23.2 Repairs & maintenance and property operation**

This consist of the followings;

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

5,178,817	4,325,043	2,751,569	2,205,000
86,587	91,772	24,815	25,536
17,645,648	15,382,306	8,595,420	6,697,553
4,554,098	4,335,708	1,902,145	1,811,050
4,720,070	4,119,133	1,766,810	1,338,339
1,219,940	1,239,037	696,668	587,917
206,870	741,680	115,480	248,580
414,448	170,682	123,881	170,682
<b>34,026,478</b>	<b>30,405,361</b>	<b>15,976,788</b>	<b>13,084,657</b>





**24 Distribution & Selling Expenses**

This consist of the followings:  
 Salaries, wages, bonus & benefits  
 Rent  
 Advertising & Promotion  
 Signs, events & functions  
**Total**

Amount in Taka		Amount in Taka	
01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018	01 October 2019 to 31 December 2019	01 October 2018 to 31 December 2018
2,929,973	2,077,300	1,181,862	1,040,300
1,566,653	959,682	999,949	446,993
317,999	441,542	225,123	188,313
500,000	628,841	100,000	417,347
<b>5,314,625</b>	<b>4,107,365</b>	<b>2,506,934</b>	<b>2,092,953</b>

**25 Net Finance Cost**

This consist of the followings:  
 Bank Charges & Commission  
 Interest on short and long term secured borrowings

Less: FDR & Bank Interest  
**Total**

223,873	167,590	58,440	121,884
97,087,434	90,250,224	48,631,095	45,185,602
<b>97,311,307</b>	<b>90,417,814</b>	<b>48,689,535</b>	<b>45,307,486</b>
(1,449,700)	(2,356,545)	(716,620)	(414,818)
<b>95,861,607</b>	<b>88,061,269</b>	<b>47,972,915</b>	<b>44,892,668</b>

**26 Income Tax Expenses/(Benefit)**

This has been arrived as under:  
 Current Tax Expenses (Note: 26.1)  
 Prior periods short provision  
 Tax on Other Income  
 Deferred Tax Expenses/(Benefit)  
**Total**

1,790,664	1,740,970	881,038	850,435
-	-	-	-
-	381,942	-	257,274
13,507,368	17,148,837	8,124,012	10,726,707
<b>15,298,032</b>	<b>19,271,749</b>	<b>9,005,050</b>	<b>11,834,415</b>

**26.1 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)**

47,596,511	52,773,915	27,731,437	31,667,835
3,442,454	(3,819,423)	661,879	(2,572,736)
2,379,826	2,638,696	1,386,572	1,583,392
-	-	-	-
30,849,519	31,672,370	15,517,502	15,768,047
(110,710,047)	(124,507,081)	(55,838,190)	(62,280,040)
<b>(26,441,737)</b>	<b>(41,241,523)</b>	<b>(10,540,800)</b>	<b>(15,833,502)</b>

**Income Tax Rate**

<b>25%</b>	<b>35%</b>	<b>25%</b>	<b>35%</b>
------------	------------	------------	------------

**Current Tax Expenses**

-	-	-	-
---	---	---	---

**But Minimum tax@ 0.6% on gross receipts**

<b>1,790,664</b>	<b>1,740,970</b>	<b>881,038</b>	<b>850,435</b>
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Unused Tax Loss-Opening Balance

558,010,355	426,727,962	573,911,292	426,727,962
-------------	-------------	-------------	-------------

Unused Tax Loss-during the period

26,441,737	41,241,523	10,540,800	15,833,502
------------	------------	------------	------------

**Unused Tax Loss Carry forwarded to next period**

<b>584,452,092</b>	<b>467,969,485</b>	<b>584,452,092</b>	<b>442,561,464</b>
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27 Basic Earnings per share (EPS) on Net Profit after tax : (Par Value of Tk.10)

**Earnings attributable to Ordinary Shares:**

Net Profit after tax as per Statement of Profit or Loss

**Number of Shares:**

**Weighted Average Number of shares:**

**Shares Outstanding**

Basic Earnings Per Shares C=(A/B)  
(Par Value of Tk.10)

**Dilutive Earnings per Share:**

Net profit after tax

Interest save for conversion of shares (Net off tax)

Net profit after tax

**Number of shares**

Outstanding number of shares

Conversion of shares

**Diluted Earnings Per Share**

**Anti-Diluted Earnings Per Share**

Income.

Total face value of bond

Conversion option 20%

Number of shares under option

Face value

Market price as on

Total Price

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

Amount in Taka		Amount in Taka	
01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018	01 October 2019 to 31 December 2019	01 October 2018 to 31 December 2018
0.27	0.32	0.16	0.19

A	32,298,479	33,502,166	18,726,387	19,833,420
---	------------	------------	------------	------------

E	120,750,000	105,750,000	120,750,000	105,750,000
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Weighted Average Number of	Weighted Average Number of shares as at	Weighted Average Number of shares as at	Weighted Average Number of shares as at
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120,750,000	105,750,000	120,750,000	105,750,000
-------------	-------------	-------------	-------------

0.27	0.32	0.16	0.19
------	------	------	------

32,298,479	33,502,166	18,726,387	19,833,420
29,387,253	23,070,568	14,693,626	11,727,486
61,685,732	56,572,734	33,420,013	31,560,906

120,750,000	105,750,000	120,750,000	105,750,000
25,440,313	65,000,000	25,440,313	65,000,000
146,190,313	170,750,000	146,190,313	170,750,000

-	-	-	0.18
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0.42	0.33	0.23	-
------	------	------	---

3,250,000,000	3,250,000,000	3,250,000,000	3,250,000,000
254,403,131	650,000,000	254,403,131	650,000,000
25,440,313	65,000,000	25,440,313	65,000,000

10.00	10.00
41.10	41.10
51.10	51.10
25.55	25.55

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:**

This has been arrived as under:

Revenue  
 Accounts Receivable Opening  
 Accounts Receivable Closing  
 Other revenue  
**Total**

Amount in Taka	
01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018
305,685,650	286,007,830
66,325,684	67,161,187
(73,567,328)	(63,007,409)
(9,008,833)	6,130,641
<b>289,435,173</b>	<b>296,292,249</b>

**29 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 related party  
 (Increase)/Decreases in Liabilities for expense except Provision for Income Tax and WPPF  
**Total**

(61,589,758)	(58,323,265)
(89,500,869)	(83,922,742)
(5,314,625)	(4,107,365)
30,849,519	31,672,370
(15,167,233)	(6,365,929)
6,910,502	(3,805,966)
15,541,188	(1,589,152)
15,081,700	839,969
<b>(103,189,576)</b>	<b>(125,602,081)</b>

**30 Income Tax paid**

This has been arrived as under:

Opening Advance income tax  
 Closing advance income tax  
 Closing provision for income tax  
 Opening provision for income tax  
 Current tax during the period  
**Total**

14,243,651	8,206,823
(15,949,166)	(9,416,311)
14,191,740	11,208,732
(12,401,076)	(9,085,820)
(1,790,664)	(2,122,912)
<b>(1,705,515)</b>	<b>(1,209,488)</b>

**31 Property, Plant and Equipment**

This has been arrived as under:

Purchased  
 Increased advanced of assets  
 Advance for land  
**Total**

(28,528,112)	(21,932,414)
(1,283,549)	(1,307,219)
	(1,800,000)
<b>(29,811,661)</b>	<b>(25,039,633)</b>

**32 Capital Work in progress**

This has been arrived as under:

Purchase during the period  
 (Increased)/Decreased Inventory of Construction Material  
 Adjustment for Accounts Payable for PPE  
 Adjustment for bond interest payable  
 Adjustment for Advance  
**Total**

(245,026,756)	(258,851,736)
1,841,945	1,778,217
452,124	(5,439,139)
100,143,176	90,712,797
(19,770,529)	(1,687,869)
<b>(162,360,040)</b>	<b>(173,487,731)</b>

**33 Advances, Deposits and Prepayments**

Advances except income tax

**Total**

(302,725)	-
<b>(302,725)</b>	<b>-</b>

**34 Finance Cost**

This has been arrived as under:

Net Finance Cost  
 Adjustment for Interest payable on Convertible Bond  
 Adjustment for Interest waived from Syndicate term loan  
 FDR Interest receivable (increased)/decreased  
**Total**

(95,861,607)	(1,114,703)
95,771,847	-
-	-
-	-
<b>(89,760)</b>	<b>(1,114,703)</b>



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

Increased /(Decreased) Long term secured loan  
**Total**

Amount in Taka	
01 July 2019 to 31 December 2019	01 July 2018 to 31 December 2018
(7,206,023)	(6,561,713)
<b>(7,206,023)</b>	<b>(6,561,713)</b>

**36 SPBRS 20% Convertible Secured Bond**

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

195,915,022	3,472,159,066
(195,915,022)	(222,159,066)
-	<b>3,250,000,000</b>

**37 Proceeds from fresh issuance of share capital**

Adjustment for share money deposit  
**Total**

75,000,000	-
<b>75,000,000</b>	<b>-</b>

**38 Reconciliation of Net profit with cash flow from operating activities**

Net Profit Before Tax and WPPF  
 Accounts Receivable Opening  
 Accounts Receivable Closing  
 Unrealised/Realised Gain/(Losses) on Investment  
 Adjustment for Depreciation  
 (Increase)/Decrease in Inventory  
 (Increase)/Decrease in Advances Deposits Prepayments  
 Increase/(Decrease) Trade and other payable  
 Increase/(Decrease) Liabilities for Expenses  
 Adjustment of Finance Cost shown in Finance activities  
 Income Tax Paid  
**Cash Flow from operating activities**                      **Total**

49,976,337	55,412,611
66,325,684	67,161,187
(73,567,328)	(63,200,375)
(5,566,379)	2,504,184
30,849,519	31,672,370
(15,167,233)	(6,365,929)
6,910,502	(3,805,966)
15,541,188	(1,589,152)
15,081,700	839,969
95,861,607	88,061,269
(1,705,515)	(1,209,488)
<b>184,540,082</b>	<b>169,480,680</b>

**39 Additional disclosure**

Though Operating Profit has increased by Tk. 96,25,941 due to increased revenue but net profit and earning per share decreased due to increased financial expenses by Tk. 78,00,338 and increased weighted average number of shares in comparison to corresponding previous period. The company had to charge finance cost of 20% convertible bond during the financial period 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.

Though Net Cash generated by operating activities has increased by Tk. 15,059,402 due to increased revenue but Operating cash inflow per share decreased due to increased weighted average number of shares in comparison to corresponding previous period.





**40 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 31 December 2019		
			Opening Balance Cr.	Transaction during the period (Dr./Cr.)	Closing Balance
Bengal Vacation Club Limited	Common Management	Intercompany transaction	-	-	-
<b>Total</b>			-	-	-

**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 period 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 2019 to 30 September 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 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 2019 to 31 December 2019)

Description	Available rooms	Utilize rooms	% of capacity utilization
Guest Rooms	44,344	28,912	65.20%

**43 Value of Import at CIF basis:**

Import during the period from 1 July 2019 to 31 December 2019.

Particulars:

Water Park Equipment's

Amount Tk.

**44 Percentage of materials consumed to the total consumed:**

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

**45 Payment in foreign currency:**

Description

N/A

Foreign Currency (USD)

**46 Number of Employees**

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

Number of permanent staff

338

Number of permanent workers

Number of temporary staff/worker

Total

338

**47 Net Asset Value Per Share (NAVPS)**

This has been arrived as under:

Particulars

Total Assets

Total Liabilities

Net Asset Value

Number of Share

Net Asset Value Per Share (NAVPS)

31 Dec., 2019	30 June, 2019
5,493,871,415	5,213,506,089
4,236,005,188	3,987,938,341
<b>1,257,866,227</b>	<b>1,225,567,748</b>
120,750,000	115,000,000
<b>10.42</b>	<b>10.66</b>



**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 338. Out of total employees, 303 numbers of employees employed throughout the period and rest numbers of employees employed for a part of the period. None of the employees were in receipt of remuneration which in aggregate was less than Tk. 6,000 per month.

ii) At the end of the reporting period, there were 338 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;  
15 January 2020





**Sea Pearl Beach Resort & Spa Limited**  
Property, Plant and Equipment Schedule  
As at 31 December 2019

Annexure-A

Amount in Taka

Sl. No.	Assets	Cost			Dep. Rate (%)	Depreciation			Written Down Value as on 31.12.2019
		Balance as at 01.07.2019	Additions during the period	Disposal during the period		Balance as at 01.07.2019	Charged during the period	Accumulated Depreciation for Disposal	
1	Land & Land Development	136,992,689	18,607,588	-	0%	-	-	-	155,600,277
2	Building & Other Civil Works	2,141,954,893	-	-	1.25%	64,426,136	12,984,555	-	2,064,544,202
3	Furniture & Fixture	142,870,341	49,000	-	10%	27,549,388	5,767,273	-	109,602,680
4	Computer Accessories & Equipment	2,481,534	876,490	-	10%	449,372	123,520	-	2,785,132
5	Machineries	406,825,246	1,913,500	-	5%	70,490,831	8,432,279	-	329,815,636
6	Equipments	136,638,295	1,556,925	-	5%	22,957,513	2,861,481	-	112,376,226
7	Vehicle	13,521,500	5,524,609	-	10%	2,675,590	680,411	-	15,690,108
<b>Total as at 31 December 2019</b>		<b>2,981,284,498</b>	<b>28,528,112</b>	<b>-</b>		<b>188,548,830</b>	<b>30,849,519</b>	<b>-</b>	<b>2,790,414,261</b>
<b>Total as at 30 June 2019</b>		<b>2,950,532,112</b>	<b>30,752,386</b>	<b>-</b>		<b>124,816,963</b>	<b>63,731,867</b>	<b>-</b>	<b>2,792,735,668</b>

Vehicle includes a leased Car costing BDT 5,524,609/= (Tk. 4,400,000 is financed by IPDC & Tk. 1,124,609 is financed by the company) acquired during the period ended December 31, 2019 which have been recognised as per IAS -17, Leases.

