

Unique Hotel & Resorts Limited

Auditor's Report and Financial Statements *for the year ended 30 June 2020*

 **S. F. AHMED & CO.**
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Independent Auditor’s Report
to
The Shareholders of Unique Hotel & Resorts Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Unique Hotel & Resorts Limited, which comprise the statement of financial position as at 30 June 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Unique Hotel & Resorts Limited as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in notes 1 to 39.

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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 judgement, 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.

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue Recognition</p> <p>Revenue is the most financially significant item in the statement profit and loss and other comprehensive income. The company has reported revenue of Taka 1,574,890,441 for the year ended 30 June 2020.</p> <p>Application of IFRS 15, including selection of transition method involves significant judgment in determining when 'control' of the goods or services underlying the performance obligation is transferred to the customer and the transition method to be applied. As the revenue recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.</p> <p>Under IFRS 15, revenue is recognized when a performance obligation is satisfied by transferring a promised good or service.</p>	<p>Our procedures included obtaining an understanding of management’s revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in Note- 4.8 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p>

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue (room rent, sales proceeds of food & beverage, income from space rental and shop rental) is recognized at fair value of the consideration received or receivable in the period during which the goods or services are provided. Revenue is recognized net of value added tax (VAT), supplementary duty and service charge collectible from customers as well as rebate and discount allowed to customers.</p> <p>See note no 4.8 and 26 to the financial statements</p>	<p>With regard to the implementation of IFRS 15, we verified management’s conclusion from assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</p> <p>We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices, bank reconciliation report, bank statement and also, we confirmed selected customers’ receivable balances at the financial position date, selected on a sample basis by considering the amount outstanding with those customers.</p> <p>We specifically put emphasis on those transactions occurring close before or after the financial position date to obtain sufficient evidence over the accuracy of cut-off.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
Property, plant & equipment and capital work in progress	
<p>The carrying value of Property plant and equipment amounts to Taka 19,249,432,947 and capital work in progress amounts to Taka 7,647,206,048. This represents a significant amount in the company’s statement of financial position as at 30 June 2020.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> • determining which costs meet the criteria for capitalisation; • determining the date on which the assets is recognised to property, plant and equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to property, plant and equipment. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgement involved and because of its significance to the financial statements.</p> <p>See note no 4.1, 4.2, 6 & 7 to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant & equipment and capital work in progress included the following:</p> <p>Our audit procedures included controls testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment and capital work in progress, including the key internal controls over the estimation of useful economic lives and residual values. • Assessing, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalised met the relevant criteria for capitalization. • Testing the key controls over the management’s judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. • Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> • We assessed the company’s capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy. • We traced payments to supporting documents. • We assessed whether the costs capitalised met the recognition criteria set forth in IAS 23-Borrowing costs, in relation to the capitalisation of borrowing costs. • We assessed the adequacy of the disclosures of the financial statements.
Deferred tax liability	
<p>Company reported net deferred tax liability totaling Taka 2,870,482,266 as at 30 June 2020.</p> <p>Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p> <p>See note no. 19 to the financial statements</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 Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>We tested the mathematical accuracy in calculation of deferred tax.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</p> <p>We assessed the adequacy of the company’s disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>We also involved our internal experts from the tax area in the analysis of the reasonableness of the tax assumptions on the basis of the applicable legislation.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.</p>

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRSs as explained in note 03 and 04, 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 judgement 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.
- 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In 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 statement of 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 for the year.

The engagement partner on the audit resulting in this independent auditor's report is Md. Enamul H. Choudhury.



Dated, Dhaka;
27 October 2020





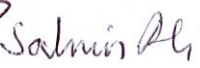
S. F. Ahmed & Co.

S. F. Ahmed & Co.
Chartered Accountants

Unique Hotel & Resorts Limited
Statement of Financial Position
As at 30 June 2020

	Notes	Amount in Taka	
		30 June 2020	30 June 2019 (Restated)
ASSETS			
Non-current Assets			
Property, plant and equipment, net	6	19,249,432,947	18,871,784,881
Construction work in progress	7	7,647,206,048	5,618,473,964
Current Assets			
Inventories	8	42,356,756	46,532,843
Investments	9	292,288,460	338,283,870
Accounts receivable	10	219,098,663	237,226,763
Other receivables	11	21,689,501	26,805,250
Advances, deposits and prepayments	12	6,628,803,567	7,478,324,780
Fixed deposit receipts	13	1,526,136,700	1,527,372,723
Cash and cash equivalents	14	205,478,009	78,158,073
TOTAL ASSETS		35,832,490,651	34,222,963,147
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	15	2,944,000,000	2,944,000,000
Share premium	16	6,181,931,836	6,181,931,836
Revaluation reserve	17	10,168,822,832	10,261,164,914
Retained earnings		4,163,488,169	4,348,990,236
Non-current Liabilities			
Term loan- non-current portion	18	3,265,101,171	959,426,970
Deferred tax liability	19	2,870,482,266	2,887,441,556
Current Liabilities			
Term loan- current portion	18	371,218,835	668,958,446
Short term loans	20	1,660,713,706	1,590,647,500
Due to operator and its affiliates	21	381,369,309	263,682,006
Accounts payable	22	34,114,450	54,089,569
Undistributed/unclaimed dividend	23	12,611,384	10,598,403
Liabilities to intercompanies	24	2,371,790,770	2,607,435,494
Other accruals and payables	25	1,406,845,923	1,444,596,217
TOTAL EQUITY AND LIABILITIES		35,832,490,651	34,222,963,147
Net Asset Value (NAV) per share (2019 Restated)	34.1	79.68	80.63
Net Asset Value (NAV) per share (Published)	34.1	79.68	80.69


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
  Independent Director
  Managing Director
  Chairperson

Signed in terms of our report of even date annexed.






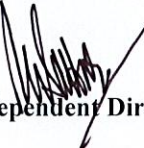

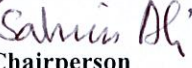
Dated, Dhaka;
27 October 2020


S. F. Ahmed & Co.
 Chartered Accountants

Unique Hotel & Resorts Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Notes	Amount in Taka	
		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019 (Restated)
Revenue	26	1,574,890,441	2,187,286,718
Cost of sales	27	(376,074,900)	(507,274,568)
Gross profit		1,198,815,541	1,680,012,150
Administrative and other expenses	28	(412,079,932)	(575,593,643)
Operating profit		786,735,609	1,104,418,507
Corporate office expenses	29	(303,038,910)	(280,921,341)
Other income/(expenses)	30	80,075,331	137,231,057
Gain/(loss) on investment in shares	31	(66,293,294)	(2,945,546)
Interest income	32	88,831,796	60,566,801
Interest expenses	32	(107,870,943)	(103,901,948)
Provision for WPPF	25.4	(22,782,838)	(43,545,120)
Profit before tax		455,656,751	870,902,410
Current tax	33	(161,660,191)	(242,437,590)
Deferred tax	33	(13,821,404)	(31,879,155)
Net profit after tax		280,175,156	596,585,665
Other comprehensive income		-	-
Total comprehensive income for the year		280,175,156	596,585,665
Basic and Diluted Earnings Per Share (EPS) (2019 Restated)	34.2	0.95	2.03
Basic and Diluted Earnings Per Share (EPS) (Published)	34.2	0.95	2.09

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
  Independent Director
  Managing Director
  Chairperson

Signed in terms of our report of even date annexed.



Dated, Dhaka;
27 October 2020


S. F. Ahmed & Co.
 Chartered Accountants

Unique Hotel & Resorts Limited
Statement of Changes in Equity
For the year ended 30 June 2020

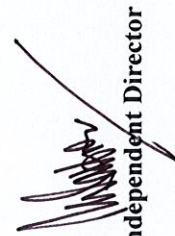
Particulars	Amount in Taka				
	Ordinary Share Capital	Share Premium	Retained Earnings	Revaluation Reserve	Total
For 2018-2019:					
Balance at 1st July 2018	2,944,000,000	6,181,931,836	4,276,135,346	10,355,185,889	23,757,253,071
Net profit during the year	-	-	596,585,665	-	596,585,665
Cash dividend @ 22% for 2017-18	-	-	(647,680,000)	-	(647,680,000)
Adjustment made during the period	-	-	(1,412,075)	-	(1,412,075)
Prior year adjustment for transfer of excess depreciation	-	-	(2,615,604)	1,961,703	(653,901)
Excess depreciation on revalued PPE transferred to Retained earnings	-	-	127,976,904	(95,982,678)	31,994,226
Balance as on 30 June 2019 (Restated)	2,944,000,000	6,181,931,836	4,348,990,236	10,261,164,914	23,736,086,986
For 2019-2020:					
Balance as on 30 June 2019 (Restated)	2,944,000,000	6,181,931,836	4,348,990,236	10,261,164,914	23,736,086,986
Net profit during the year	-	-	280,175,156	-	280,175,156
Cash dividend @ 20% for 2018-19	-	-	(588,800,000)	-	(588,800,000)
Excess depreciation on revalued PPE transferred to Retained earnings	-	-	123,122,776	(92,342,082)	30,780,694
Balance as on 30 June 2020	2,944,000,000	6,181,931,836	4,163,488,169	10,168,822,832	23,458,242,837


Chief Financial Officer

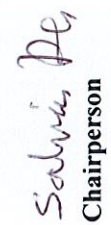


Dated, Dhaka;
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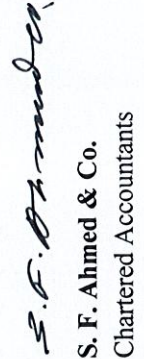

Director


Independent Director


Managing Director


Chairperson

Signed in terms of our report of even date annexed.


S. F. Ahmed & Co.
Chartered Accountants

Unique Hotel & Resorts Limited
Statement of Cash Flows
For the year ended 30 June 2020

	Notes	Amount in Taka	
		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Cash flows from operating activities			
Collections from turnover and other sources		1,762,943,833	2,365,342,911
Payment for operating costs and other expenses		(493,528,735)	(697,837,553)
Income tax paid during the year		(139,100,498)	(234,925,812)
Net cash from operating activities (A)	34.4	1,130,314,600	1,432,579,546
Cash flows from investing activities			
Purchase of property, plant and equipment		(446,269,035)	(112,105,227)
Increase in construction work in progress		(2,028,732,084)	(1,857,846,561)
Decrease/ (Increase) in investment and construction advances		(120,694,910)	468,395,884
Gain/ (loss) on investment in shares		349,070	8,552,380
Dividend received during the year		4,463,151	7,013,247
Decrease/ (Increase) in payment to Power Plant		2,239,545	(497,689,513)
Increase in advance against land		(20,231,512)	(46,131,661)
Decrease/ (Increase) in fixed deposit receipts		1,236,023	(359,521,256)
Net cash used in investing activities (B)		(2,607,639,753)	(2,389,332,705)
Cash flows from financing activities			
Increase/(decrease) in term loan		2,305,674,201	(654,505,210)
Increase/(decrease) in short term financing		(6,005,582)	2,180,830,836
Interest paid during the year		(107,870,944)	(103,901,949)
Dividend paid during the year		(586,787,019)	(646,685,823)
Net Cash provided by/(used in) financing activities (C)		1,605,010,657	775,737,854
Net cash inflow/(outflow) for the period (A+B+C)		127,685,504	(181,015,305)
Add: Cash and cash equivalents at the beginning of the year		78,158,073	259,295,721
Foreign currency translation difference		(365,567)	(122,344)
Cash and cash equivalents at the end of the year		205,478,009	78,158,073
Operating cash inflow/(outflow) per share	34.3	3.84	4.87

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


 Independent Director


 Managing Director


 Chairperson



Signed in terms of our report of even date annexed.

Dated, Dhaka;
 27 October 2020


 S. F. Ahmed & Co.
 Chartered Accountants

Unique Hotel & Resorts Limited
Notes to the Financial Statements
For the year ended 30 June 2020

1. Legal status of the Company

1.1 Reporting entity

Unique Hotel & Resorts Limited ("the Company") is a Public Limited Company in Bangladesh. The Company was incorporated on 28 November 2000 having registration no. C-41920(1279)/2000 under the Companies Act 1994. The Company is listed with both Dhaka Stock Exchange Limited (DSEL) and Chittagong Stock Exchange Limited (CSEL).

1.2 Registered office

The registered office of the company is located at Plot no. 01 CWN (B), Road no. 45, Gulshan-2, Dhaka-1212.

1.3 Corporate office

Corporate office of the Company is located at 51/B, Borak Mehnur, Kemal Ataturk Avenue, Banani, Dhaka-1213.

1.4 Company's associate and subsidiary Company

The company has no subsidiary. However, Borak Real Estate Limited holds 19.37% share of Unique Hotel & Resorts Limited.

2. Nature of business activities

Unique Hotel & Resorts Limited (the owner of "The Westin Dhaka "which is a Five Star Hotel in Bangladesh) started its commercial operation on 1st July 2007. The principal activities of the Company over the period were carrying out hotel business through a Management Contract dated 20 December 1999 (renewed on 9 April 2015) executed between Unique Hotel & Resorts Ltd ("the Owner") and Starwood Asia Pacific Hotels & Resorts Pte. Ltd. ("the operator"), now Marriott International. The Operator is 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.

In terms of Management Contract, the operator is entitled to receive base fee, license fee, incentive fee, reservation fee or program service fee and institutional marketing fee from the owner on account of operation of the Hotel only. In addition, under the contract, the operator is entitled to receive centralized service fees for developing, promoting, operating, maintaining and upgrading the centralized services and associated Starwood technology.

The Company owned another international standard hotel in the name and style of "HANSA, a premium residence by UHRL" has started its operation from July 2018.

Construction work of another 5 star hotel "Sheraton Dhaka" is going on. Due to COVID-19 impact the work has been delayed and we are expecting to complete the construction work by end of the December 2020.

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.

3.2 Other regulatory compliances

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

The Securities & Exchange Rules 1987;
The Securities & Exchange Ordinance 1969;
The Regulations of Dhaka Stock Exchange Limited and
Chittagong Stock Exchange Limited;
The Income Tax Ordinance 1984;
The Income Tax Rules 1984;
The Value Added Tax and SD Act 2012;
The Value Added Tax and SD Rules 2016;
The Customs Act 1969;
DSE Listing Regulations, 2015;
Financial Reporting Act, 2015.



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;
- ii) Statement of Profit or Loss and Other Comprehensive Income;
- iii) Statement of Changes in Equity;
- iv) Statement of Cash Flows;
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements.

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 except that arising from revaluation of land, building and machineries as specified in note 6. 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

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates (“the functional currency”). These financial statements are presented in Bangladesh Taka (“BDT”) which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

3.6 Risk and uncertainty for use of estimates and judgment

The preparation of financial statements in conformity with International Accounting Standards requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses as well as the application of accounting policies. Uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amount of assets or liabilities affected in future period.

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 estimates are revised as required by IAS 8: “Accounting Policies, Changes in Accounting Estimates and Errors”.

3.7 Going concern without material uncertainties

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. During the financial year, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID 19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, all business and economic activities were adversely affected which pretentious the Unique Hotel and Resorts Ltd. (UHRL) business as well. Business operation and profitability of the UHRL has been impacted due to COVID 19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will be prevailed. Therefore, potential impact of COVID 19 on the UHRL operation and financial results cannot reasonably be assessed. Though management of the UHRL has assessed the going concern issue and found no uncertainty regarding this for the upcoming 12 months due to COVID 19. Assessment of COVID-19 impact on the following areas have been made:

Implications of COVID-19 on our business

The pandemic has confronted the hospitality industry with an unprecedented challenge. Strategies to flatten the COVID-19 curve such as community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions have resulted in temporary closure of many hospitality businesses and significantly decreased the demand for businesses that were allowed to continue to operate. Almost all restaurants in Bangladesh were asked to limit their operations to only take-outs. Restrictions placed on travel and stay-at-home orders issued by the authorities led to sharp decline in hotel occupancies and revenues. Due to maintain the social distances and restrictions for some corporate social elements, the F&B revenue dropped significantly.



According to the Civil Aviation Authority of Bangladesh, on-arrival visas for all nationalities have been suspended. Due to the cancellation of scheduled tour packages from abroad, the tour operators in Bangladesh are struggling to sustain. Besides, domestic tourists are expected to maintain self-isolation. As a consequence, the domestic, inbound and outbound tourism sector in Bangladesh is facing enormous economic losses and job cuts. With restricted travel and cancellation of business flights, the luxury hotel industry has also been facing the domino effect of economic fallout. Due to travel band in China, Europe and America the occupancy rates of luxury hotels have declined by staggering amounts from February 2020 onwards. While the hotels would have witnessed occupancy rates of 75% to 80% in usual times, the current rates have plunged to an average of 10% to 15%.

The main revenue of the Hotel's (The Westin Dhaka and Hansa Residence) comes from room and food and beverage (F&B) services almost 95% which sell to the foreign and local guest of different corporate clients. During this COVID-19 pandemic period, demand for room & F&B has reduced remarkably due to travel band on international flights and also many corporate, factories, offices, production plants were shut down. During the current financial year (2019-2020) the UHRL total revenue is 1,575 million which is 28% lower compare to the same period last year which ultimately impacted on profitability and earnings per share (EPS).

Description of the measures taken to warrant going concern

Unique Hotel and Resort Limited (UHRL) took control on administrative and other expenses and reduced the hotel operational expenses by 86.57% from February to June 2020 in line with revenue. Also monitoring the daily electricity consumption, switch off the lights, close down of the vacant floor and banquet hall which reduce the electricity cost of the Hotel by 19% and also maintain the headcount as per the operational requirement which positively impacted in payroll cost by 22% compare to 2019. Moreover, compare to the April to June 2020 our total revenue has been increased by 107% in the quarter July to September 2020. Moreover, room and F&B revenue has been increased by 97% and 125% respectively for the period mentioned above which indicates positive inflow of business gradually.

Moreover, as per our application on August 18, 2020 to the Bangladesh Investment Development Authority (BIDA) repayment date of foreign loan USD 35 million via Standard Chartered Bank (Landon/Mauritius/Singapore) through Standard Chartered Bank Limited Dhaka, Bangladesh, the tenure of the loan has been increased by 9 (nine) months from their existing maturity for all the three tranches.

- Interest for Tranche-1 (USD 15 million) will continue to serve and principal repayment will resume from February 02, 2021;
- For Tranche-2 (USD 10 million) and Tranche-3 (USD 10 million), interest has deferred along with principal repayment;
- For Tranche-2, payment due on January 24, 2021 will include interest accrued since last repayment under this tranche (January 2020); and
- Similarly, for Tranche-3, payment due on December 26, 2020 will include interest accrued since last repayment under this tranche (December 2019);
- Interest repayment on local currency loan from Standard Chartered Bank and Dutch Bangla Bank Limited has been extended till December 2020 as per Bangladesh Bank Circular BRPD Circular no. 17 dated September 28, 2020 (see note 18 for detail information);
- With reference our letter dated April 21, 2020, Prime Bank Limited sanction working capital facility (Overdraft – as inner of existing funded working capital limit) under Bangladesh Bank's Financial Stimulus Fund (FSF) to COVID 19 Tk. 10 crore under Govt. simulation package for a period of 1 year @ 4.5% on July 19, 2020;
- Bank Alfalah extended Short Term Loan Tk. 20 Crore along with interest till December 2020 as per Bangladesh Bank BRPD circular no. 13, dated June 15, 2020.

Management have assessed all the other areas of operations and disclosure accordingly and found no significant impact of COVID-19 except discussed above and no uncertainty about the entity's ability to continue as a going concern is identified.

3.8 Accrual Basis

Unique Hotel & Resorts Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.



3.9 Materiality, aggregation and off setting

Each material item as considered by management significant, has been presented separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

3.10 Reporting period

The financial statements of the company cover the financial period of twelve months from 01 July 2019 to 30 June 2020 with comparative figures for the period from 01 July 2018 to 30 June 2019.

3.11 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 27 October 2020 for issue after completion of review.

3.12 Comparative information

Comparative information has been disclosed in respect of 01 July 2018 to 30 June 2019 in accordance with IAS 1: Presentation of Financial Statements for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re arranged wherever considered necessary to ensure comparability with the current 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 Property, plant and equipment

Initial recognition and measurement

An item shall be recognized as property, plant and equipment if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably. Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or revaluation 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. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ implementation of the property, plant and equipment, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

Subsequent costs

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that 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 day to day servicing of property, plant and equipment are recognized in the Statement of Profit or loss and Other Comprehensive Income as 'repair and maintenance' when it is incurred.

Depreciation of property, plant and equipments

Depreciation is provided to amortize the cost or revaluation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, plant and equipment. Full year depreciation is charged regardless of the date of acquisition. No depreciation is charged in the year of disposal regardless of the date of disposal. Depreciation of assets begins when it is available for use. Depreciation is charged on all fixed assets except land and land developments on reducing balance method.

<u>Category of</u>	<u>Rate of depreciation</u>
Buildings and	1.25%
Hotel furniture	5%
Hotel	5%
Office furniture	5%
Motor vehicles	5%



Revaluation of fixed assets

As per IAS 16: Property, Plant and Equipment paragraph 31, after recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount and revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

As per IAS 16: Property, Plant and Equipment paragraph 34, "the frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years".

In conformity with paragraphs 31 and 34 of IAS 16: Property, plant and equipment, on 30 September 2011, the land & land development and building have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following "current cost method". As the fair value of the assets does not differ significantly from its carrying amount as of 30 June 2020, so no revaluation has been made during the year ended 30 June 2020.

Particulars of the assets	Name of the valuer	Qualification of the valuer	Date of revaluation	The carrying amount as on 30.09.2011	Value of assets after revaluation as on 30.09.2011	Revaluation surplus
Land & Land Development	Ata Khan & Co.	Chartered Accountants	30-Sep-11	3,388,296,912	5,664,596,600	2,276,299,688
Building			30-Sep-11	5,415,829,221	11,420,259,375	6,004,430,154
Total				8,804,126,133	17,084,855,975	8,280,729,842

The increase in the carrying amount of revalued assets is recognized in the separate component of equity under the head of revaluation surplus. However, the increase is recognized in profit or loss account to the extent that it reverses a revaluation decrease of the same assets previously recognized in profit or loss account. A sum of revaluation surplus is transferred directly to equity each year in line with para 41 of IAS 16: "Property, plant and equipment' as the asset is used by the company. The amount of the revaluation surplus transferred would be the differences between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfer from revaluation surplus to retained earnings is not made through profit or loss."

Other fixed assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the Statement of Financial Position of the company.

Disposal of property, plant and equipment

An item of property, plant and equipment is removed from the statement of financial position when it is disposed off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal or retirement of an item of property, plant and equipment is included in the statement of profit or loss and other comprehensive income in the period in which the de-recognition occurs.

Impairment of property, plant and equipment

As per IAS 36: Impairment of Assets the carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

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. During this year no indication for impairment of the fixed assets as a result, no such assets have been impaired and for this reason no provision has been made for impairment of assets.

Fixed Asset Register

During the year the Management of Unique Hotel and Resorts Ltd. appointed ACNABIN Chartered Accountant and HodaVasi Chowdhury & Co. Chartered Accountants to prepare the fixed assets register of the company which is under process.



4.2 Capital works in-progress

Property, plant and equipment under construction are accounted for as capital works in progress until completion of construction are measured at cost. In conformity with IAS 16: Property, plant and equipment no depreciation is charged on capital work in progress as it is not ready for use.

4.3 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

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 cost of inventories consists of purchase, costs of conversion, import duties and other non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition.

4.5 Intangible assets

Intangible assets that are acquired by the Company and have a finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use. Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific assets to which they relate. All other costs are recognized in profit or loss as incurred.

4.6 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 and with Brokerage house which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

4.7 Accounts and other receivables

Accounts 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. Provision for doubtful debts are made where there is evidence of a risk of non payment, taking into account ageing, previous experience as well as general economic conditions and ultimately the prospects of realizability. Provision is made at the rate of 3% of rolling 12 months of average receivables.

4.8 Revenue

4.8.1 Revenue from contract with customers

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. IFRS 15: Revenue from Contracts with Customers establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised service to a customer. Service is considered as transferred when (or as) the customer obtains control of that service. Revenue from room rent, sales proceeds of food & beverage, space rental and shop rental are recognized at fair value of the consideration received or receivable in the period during which the services are provided. Revenue is recognized net of value added tax, supplementary duty and service charge collectible from customers as well as rebate and discount allowed to customers.

4.8.2 Revenue from investment income

(a) Interest income

Interest on bank deposits and FDR have been accounted for on accrual basis.

(b) Dividends

Dividend income is recognized when the company's right to receive the payment is established or after received of dividend, which is generally when shareholders approve the dividend.



4.9 Leases

Financial Reporting Principles IFRS 16: Leases effective from annual periods beginning on or after January 1, 2019 has significantly changed how the company accounts for its lease contracts. The company leases a number of floor spaces for the accommodation of its employees in addition to service sites. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized in the statement of financial position as a right-of-use asset and lease liability. Only certain short-term and low-value leases are exempt.

In compliance with the standard, the Company has elected to use the recognition exemptions in the standard due to their being short-term leases and leases of low value items. In such cases the lease payments are accounted for as expenses in the statement of profit or loss and other comprehensive income.

4.10 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

4.10.1 Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the cost is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) it is held within a business model whose objective is achieved by collecting contractual cash flows; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as amortized cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are classified as financial assets measured at amortized cost. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.



Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to:

- financial assets measured at amortized cost,
- contract assets and
- debt investments measured at FVOCI, but the standard does not apply to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Loss allowances measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

In accordance to IAS 36 Para 12 impairment test to be performed if there are indications of market value declines, negative changes in technology, markets, economy, or laws, increases in market interest rates, net assets of the company higher than market capitalization, obsolescence or physical damage, asset is idle, part of a restructuring or held for disposal, worse economic performance than expected and for investments in subsidiaries, joint ventures or associates, the carrying amount is higher than the carrying amount of the investee's assets, or a dividend exceeds the total comprehensive income of the investee.

The carrying value of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whether the carrying amount of asset or its cash generating units exceeds its recoverable amount. Impairment losses, if any, are recognized in the profits or loss and other comprehensive income.



4.11 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of accounts and other payables.

Other payables are not interest bearing and are stated at their nominal value.

(b) Provisions

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

Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

A contingent liability is a possible obligation that arises from 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 company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from 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 company. A contingent assets is disclosed where an inflow or economic benefits is probable.

At the reporting date the company has no contingent assets or liabilities which require disclosure as per IAS 37.

4.12 Employee benefits

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules.

(a) Defined contribution plan (Provident fund)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Unique Hotel & Resorts Limited (UHRL) has a separate provident fund scheme recognized under Income Tax Ordinance 1984. All permanent employees of Unique Hotel & Resorts Limited contribute 10% of their basic salary to the provident fund and the company makes matching contributions.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered related services in exchange for such contribution. The legal and constructive obligation is limited to the amount the Unique Hotel & Resorts Limited agrees to contribute to the fund.

(b) Defined Benefit Plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. According to the existing policy, the employees of the company working at The Westin Dhaka premises who have completed the required length of services are paid gratuity which is calculated on the last basic salary of the outgoing employees. The company's obligation is to provide the agreed benefits to current and former employees.



Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its profit before tax after charging contribution to WPPF in accordance with Bangladesh Labour Act, 2006 (as amended to 2013). The Company has formed a Board of Trustees of WPPF and disbursed the required fund for the year up to June 2019 to the bank account of the Trustee Board in compliance with the said Act.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

4.13 Taxation:

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current tax

Income tax expense for current year is recognized on the basis of Company's computation based on the best estimated assessable profit for the year at the applicable tax rate pursuant to provision of Income Tax Ordinance 1984. As per paragraph 46 of IAS 12: Income Taxes, current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 25% as a publicly traded company.

(b) Deferred tax

Deferred tax is recognized as income or expense within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with other comprehensive income is recognized as tax relating to other comprehensive income.

As per paragraph 47 of IAS 12: Income Taxes, deferred tax liability 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.

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)

Revaluations to fair value – Property, Plant and Equipment

According to paragraph 20 of IAS 12: Income Taxes, the revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore give rise to a deferred tax liability.

Moreover, the transfer of excess depreciation or amortization from revaluation reserve to retained earnings is net of related deferred tax according to paragraph 64 of IAS 12: Income Taxes.

Deductible temporary difference

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).



4.14 Prior year adjustment (an error occurred in recognizing deferred tax)

In the previous year, there was an inadvertent clerical error made during the calculation of deferred tax. As a result, deferred tax expense was understated by Tk. 18,270,123, and excess depreciation was transferred to retained earnings by Tk. 2,615,604.

According to IAS 8: Accounting Policies, Changes in Accounting Estimates and Error deferred tax expense has been recognized for Tk. 18,270,123 in the year 2019 with the corresponding adjustment to the deferred tax liability. Moreover, retained earnings have been reduced by Tk. 2,615,604 with the corresponding adjustment to deferred tax liability by Tk. 653,901 and revaluation reserve by Tk. 1,961,703. The detailed calculation has been shown under note no.19.

4.15 Earnings Per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with IAS 33: Earnings Per Share.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

For the purpose of calculating diluted earnings per shares, an entity adjusts 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. Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential during the relevant periods. The COVID-19 impact on EPS has been described in note number 34.2.

4.16 Foreign currency transaction and translation

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.

Amount in foreign currency bank accounts and other foreign currency balances have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income/(loss) in statement of profit or loss and comprehensive income.

4.17 Operating segments reporting

Operating segments reporting is not applicable for the Company as required by IFRS 8: "Operating Segments ", as the company operates in a single industry segment.

4.18 Statement of cash flows

The statement 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" as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatments of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

4.19 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 disclosures has been disclosed in a separate notes to the financial statements (Note 35).



4.20 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per IAS 10: Events after the Reporting Period.

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts along with dividend on share in accordance with the requirements of the paragraph 125 of IAS 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as liability in accordance with the requirements of the paragraphs 12 & 13 of IAS 10: Events after the Reporting Period, because no obligation exists at the time approval of accounts and recommendation of dividend by the Board of Directors.

Subsequent Event: The Unique Hotel & Resorts Limited Post Covid Business Strategies:

The COVID-19 pandemic has spread rapidly in 2020, with a significant number of cases. Measures taken by Bangladesh governments to contain the virus have affected economic activity. We have taken various measure to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process.

At this stage, the impact on our business and results has been significant, however, compare to the April to June 2020 our total revenue has been increased by 107% in the quarter July to September 2020. Moreover, room and F&B revenue has been increased by 97% and 125% respectively for the period mentioned above which indicates positive inflow of business gradually. As per the media report the international flights will be open very soon and guest inflow will be increased. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

Also, we have taken the following strategy to recover the business:

Contingency Plan:

Achieve an overall flow through of 41% compare to same period last year, done by deep diving into all costs and a large focus on rightsizing our manning to meet the new business demands.

Recover Plan:

Grow Market Share to be 3 pts above our competitors. Put Revenue strategies in place which focus on capturing long stay business, acquiring new accounts, focusing on local leisure market. Big focus on restaurants and bars with the local market and also social events and outdoor catering.

Guest Satisfaction:

Ensure all guests who stay feel safe and secure and are given quality service by driving the below:

- a) Intend to Recommend guest satisfaction score to achieve 70%;
- b) Cleanliness score of 80%;
- c) Food & Beverage Quality score of 70%;
- d) Staff Service score of 80%."

Associate Satisfaction:

Associate Training Hours to finish more than 50 hours with majority spent on the Commitment to Clean standards now in place by Marriott.

Owner Satisfaction:

Ensure constant communication with ownership with regular updates on business progress and any challenges faced.

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:

Unique Hotel & Resorts Limited has a foreign currency loan that is affixed with a fixed interest rate 4.5% + 3 months LIBOR interest rate as detailed in note 18. LIBOR interest rate is flexible and sometimes varies with the international financial market conditions. Considering the materiality and the cost of fixing the interest rate the Company rather chooses not to go for hedging for the said risk exposure. The income year 2018-2019 and 2019-2020 has an average interest rate for foreign currency loan were 7.01% and 6.69% respectively therefore labor rate has been reduced by 0.32% due to the changes in international financial market condition. As a result, it provides a positive impact on the overall cash flow position in current and upcoming years for the Company. Moreover, The interest rate of this term loan has been changed to 9% from 1st of April 2020 as per Banking Regulation & Policy Department Circular No. 03/2020 dated: February 24, 2020 which also reduced the interest expenses for the Company.

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:

Unique Hotel & Resorts Limited has well organized plan to always record the up-to-date currency conversion rate whenever it gets paid for services in foreign currencies from overseas guests. The Company changes the price of its products and 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 shares 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 and follow up the market trend 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 "Westin" has a very strong image in the local and international market. Starwood Asia Pacific Hotels & Resorts Pte. Ltd. (now Marriott International) also has 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.

5.6 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception:

The Company is sufficiently liquid and highly able to meet its obligation on time. The continuous positive operating cash flow proves the strong liquidity position of the Company. Apart from this, the Company can meet any short term obligation with the support of the other concerns of the group, if needed. Due to COVID- 19 impact from March to June foreign travel has been restricted as a result guest flow significantly lower than normal flow which negatively impact on cash flow. However, We are trying to increase our revenue through F&B service in local market and some fund is arranging from sister concerns. Please see the note 3.7 and 4.20 for more information on liquidity risk



5.7 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Status
1	IAS- 1	Presentation of Financial Statements	Complied
2	IAS- 2	Inventories	Complied
3	IAS- 7	Statement of Cash Flows	Complied
4	IAS- 8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	IAS- 10	Events after the Reporting Period	Complied
6	IAS- 12	Income Taxes	Complied
7	IAS- 16	Property, Plant & Equipment	Complied
8	IAS- 17	Leases	N/A
9	IAS- 19	Employee Benefits	Complied
10	IAS- 20	Accounting for Government Grants and Disclosure of Government	N/A
11	IAS- 21	The Effects of Changes in Foreign Exchange Rates	Complied
12	IAS- 23	Borrowing Cost	Complied
13	IAS- 24	Related Party Disclosures	Complied
14	IAS- 26	Accounting and Reporting by Retirement Benefit Plans	N/A
15	IAS- 27	Separate Financial Statements	N/A
16	IAS- 28	Investments in Associates and joint ventures	Complied
17	IAS- 29	Financial Reporting in Hyperinflationary Economies	N/A
18	IAS- 31	Interest in Joint Ventures	N/A
19	IAS- 32	Financial Instruments: Presentation	Complied
20	IAS- 33	Earnings per Share	Complied
21	IAS- 34	Interim Financial Reporting	Complied
22	IAS- 36	Impairment of Assets	Complied
23	IAS- 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	IAS- 38	Intangible Assets	Complied
25	IAS- 40	Investment Property	N/A
26	IAS- 41	Agriculture	N/A

Sl. No.	IAS No.	IAS Title	Status
1	IFRS- 1	First-time adoption of International Financial Reporting Standards	N/A
2	IFRS- 2	Share-based Payment	N/A
3	IFRS- 3	Business Combinations	N/A
4	IFRS- 4	Insurance Contracts	N/A
5	IFRS- 5	Non-current Assets Held for Sale and Discontinued Operations	N/A
6	IFRS- 6	Exploration for and Evaluation of Mineral Resources	N/A
7	IFRS- 7	Financial Instruments: Disclosures	Complied
8	IFRS- 8	Operating Segments	N/A
9	IFRS- 9	Financial Instruments	Complied
10	IFRS- 10	Consolidated Financial Statements	N/A
11	IFRS- 11	Joint Arrangements	N/A
12	IFRS- 12	Disclosure of Interests in other Entities	Complied
13	IFRS- 13	Fair Value Measurement	Complied
14	IFRS- 14	Regulatory Deferral Accounts	N/A
15	IFRS- 15	Revenue from contracts with customers	Complied
16	IFRS- 16	Leases	Complied
17	IFRS- 17	Insurance Contracts	N/A



Amount in Taka	
30 June 2020	30 June 2019

6. Property, plant and equipment, net

Cost/Revaluation

Opening balance	21,156,450,158	20,544,171,602
Addition during the year	606,269,035	612,278,556
Closing balance	21,762,719,192	21,156,450,158

Accumulated depreciation

Opening balance	2,284,665,277	2,053,410,017
Charged during the year	228,620,969	231,255,260
Closing balance	2,513,286,246	2,284,665,277

Closing balance of written down value (WDV)

19,249,432,947	18,871,784,881
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Details of property, plant and equipment have been shown in Annexure- A.

7. Construction work in progress

Hotel Sheraton Dhaka (7.1)	7,190,651,949	5,334,589,463
Multipurpose commercial complex (Southpark project) at Gulshan- 2 (7.2)	456,554,098	283,884,501
	7,647,206,048	5,618,473,964

7.1 Hotel Sheraton Dhaka

Opening balance	5,334,589,463	3,900,612,490
Add: Addition during the year	1,856,062,486	1,433,976,973
Closing balance	7,190,651,949	5,334,589,463

"A joint venture agreement has been executed between Unique Hotel and Resorts Ltd. (UHRL) and Borak Real Estate Ltd. (BRE) as on December 07, 2010 for running of a five-star hotel jointly.

The agreement profit ratio are as follows:

- Unique Hotel and Resorts Limited 50%;
- Borak Real Estate Limited 50%

Provided that Borak will provide 100% space for the Hotel and its surrounding area to UHRL in exchange of 50% profit arising from the hotel operation; on the other hand, UHRL agreed to share 50% of its profits from hotel operation with Borak".

This 100% space has been considered as investment of BRE for the project.

7.2 Multipurpose commercial complex (SouthPark project) at Gulshan- 2

Opening balance	283,884,501	76,230,815
Add: Addition during the year	172,669,597	207,653,687
Closing balance	456,554,098	283,884,501

8. Inventories

Inventories (HANSA by UHRL)	6,443,110	6,829,464
Food (The Westin Dhaka)	22,195,951	14,096,307
Beverage (The Westin Dhaka)	13,717,695	25,607,072
	42,356,756	46,532,843



Amount in Taka	
30 June 2020	30 June 2019
200,603,460	269,098,870
91,685,000	69,185,000
292,288,460	338,283,870

9. Investments

Investment in quoted shares (9.1)
Investment in unquoted shares (9.2)

Investments in equity shares in different companies are classified as a financial asset at fair value through profit or loss as it was held for trading (it was acquired or incurred principally for the purpose of selling or repurchasing it in the near future). The investment has been measured at fair value except investments that do not have a quoted investment price in an active market and whose fair value can not be reliably measured. Investments that do not have a quoted investment price has been measured at cost. In reference to para 5.7.1 of IFRS 9: Financial Instruments, the gain or loss arising from change in the fair value of the investments is recognized in the profit or loss account.

	Book value 30.06.2020	Fair value 30.06.2020	Fair value 30.06.2019
9.1 Investment in quoted shares	364,184,806	200,603,460	269,098,870
Acme Laboratories Ltd.	11,394,300	6,023,000	7,315,000
Advent Pharmaceuticals	5,206,482	3,619,591	4,250,918
Aftab Automobiles Ltd.	4,916,870	1,557,010	2,441,075
Al-Haj Textile Mills Ltd	1,272,156	387,987	904,814
Aman Feed	1,667,825	816,248	1,343,154
Bashundhara Paper Mills Ltd.	832,500	279,300	497,700
Berger Paints Bangladesh Ltd.	1,224,353	936,958	1,036,696
Beximco Ltd.	18,830,640	7,816,250	13,588,250
Beximco Pharma Ltd.	53,372,530	34,424,716	41,335,587
Brac Bank Ltd.	1,083,144	486,858	1,008,818
City Bank Ltd.	8,586,888	3,126,473	5,245,893
Dhaka Electric Supply Co. Ltd.	955,620	765,600	519,840
Dragon Sweater	104,885	52,250	102,000
Dutch Bangla Bank Ltd.	2,642,923	1,836,618	2,223,954
Eastern Bank Ltd.	8,004,946	6,905,439	7,313,431
Eastern Insurance Co. Ltd.	151,800	89,400	134,400
EBL NRB Mutual Fund	9,842,390	6,431,957	7,179,859
Exim Bank Ltd.	4,617,129	2,194,677	2,883,703
Federal Insurance Co. Ltd.	76,750	51,000	106,400
GPH Ispat Ltd.	12,436,358	8,468,647	11,450,861
Grameen Phone Limited	5,838,052	3,108,698	4,747,665
IDLC Finance Ltd.	10,522,555	5,342,879	7,689,155
IFIC Bank Ltd.	5,980,843	3,873,113	4,683,765
Information Technology Cons	14,100,369	9,122,820	12,760,000
IPDC BD. LTD	4,762,361	3,940,355	2,911,410
Khulna Power Company Ltd.	1,988,828	1,177,800	2,601,342
Mobil Jamuna Ltd.	8,349,681	5,016,967	7,026,008
Nahee Aluminium Composite Panel Ltd.	6,299,714	5,181,000	5,390,000
National Bank Ltd.	38,721,027	14,997,802	18,330,646
NCC Bank Ltd.	4,799,279	2,242,482	2,628,483
Pacific Denim Ltd.	86,355	48,450	84,000
Power Grid Company Bangladesh Limited	14,976,080	7,139,300	9,672,600
Pubali Bank Ltd.	16,189,498	11,247,600	14,221,725
Lafarge Surma Cement Ltd.	5,434,400	1,436,000	1,588,000
Lanka Bangla Finance	24,802,112	9,540,659	15,605,265



	Book value 30.06.2020	Fair value 30.06.2020	Fair value 30.06.2019
Mercantile Insurance Company Limited	-	-	168,840
Miracle Industries Ltd.	-	-	51,430
Bangladesh Shipping Corporation	-	-	618,000
Agrani Insurance Co. Ltd.	-	-	75,800
City General Insurance Company Ltd.	-	-	53,700
Global Insurance	-	-	3,130
Eastland Insurance Co. Ltd.	-	-	6,811
JMI Syringes	-	-	1,259,926
Monno Jute Stafflers Ltd.	-	-	82,512
Karnafuli Insurance Co. Ltd.	-	-	1,830
Paramount Insurance	-	-	63,000
Pioneer Insurance Co Ltd.	-	-	101,338
Dhaka Insurance	-	-	40,612
Purabi General Insurance Company Ltd.	-	-	87,360
QueenSouth Textile	-	-	141,804
Singer BD Ltd.	-	-	1,129,834
Republic Insurance Company Limited	-	-	21,780
Shurwid Industries Ltd.	494,639	290,021	449,064
Simtex Industries Ltd.	5,876,778	2,621,956	4,532,428
Southeast Bank Ltd.	17,416,811	11,436,391	13,662,945
Square Pharmaceuticals Ltd.	16,854,884	10,489,035	14,991,184
Takaful Islami Insurance Limited	170,866	153,746	142,297
United Finance Ltd.	660,240	300,000	451,200
United Insurance	2,034,337	1,013,518	1,446,682
VFS Thread Dyeing Ltd.	9,705,013	4,105,913	8,692,950
Runner Automobiles Limited	309,917	143,648	-
United Power GDCL	589,677	363,330	-
9.2 Investment in unquoted shares	91,685,000	91,685,000	69,185,000
Eastern Industries Bangladesh Limited	185,000	185,000	185,000
Chartered Life Insurance Co. Ltd.	18,000,000	18,000,000	18,000,000
Dacca Steel Works Ltd.	51,000,000	51,000,000	51,000,000
Strategic Finance & Investment Limited	20,000,000	20,000,000	-
Star Allied Venture Ltd.	2,500,000	2,500,000	-
	455,869,806	292,288,460	338,283,870

10. Accounts receivable

Receivable of Westin Dhaka

Accounts receivable	220,555,530	237,104,360
Less: Provision for bad debt	(6,605,579)	(4,742,088)
	213,949,951	232,362,272
Receivable of HANSA by UHRL	5,148,712	4,864,491
	219,098,663	237,226,763

10.1 Accounts receivable- ageing summary

0- 30 days	25,083,622	98,571,797
31-60 days	1,997,622	47,962,858
61-90 days	1,575,969	23,719,696
91-120 days	9,685,970	25,118,825
121- 150 days	9,056,821	20,379,008
151 days and over	178,304,238	26,216,667
	225,704,242	241,968,851



Amount in Taka	
30 June 2020	30 June 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	Accounts receivable considered good in respect of which the company is fully secured	219,098,663	237,226,763
II	Accounts receivable considered good in respect of which the company holds no security other than the debtor personal security	-	-
III	Accounts receivable considered doubtful or bad	-	-
IV	Accounts receivable due by any director or other officer of the company	-	-
V	Accounts receivable due by common management	-	-
VI	The maximum amount of receivable due by any director or other officer of the company	-	-
Total		219,098,663	237,226,763

11. Other receivables

Accrued interest on FDR	21,689,501	26,298,315
Insurance receivable	-	506,935
	21,689,501	26,805,250

12. Advances, deposits and prepayments

Advances (12.1)	6,597,886,932	7,457,957,916
Deposits (12.2)	21,905,250	15,898,448
Prepayments (12.3)	7,568,330	3,192,478
From HANSA by UHRL	1,443,055	1,275,938
	6,628,803,567	7,478,324,780

12.1 Advances

Advance income tax (12.1.1)	93,192,043	422,760,278
Advance to Govt.	175,500,000	175,500,000
Advance against rent (security)	2,400,000	2,400,000
Advance against purchases	48,546,587	24,884,041
Advance to parties/ suppliers	404,874,770	328,489,360
Advance to employees- The Westin Dhaka	695,700	140,000
Advance to suppliers- The Westin Dhaka	39,924,474	36,719,798
Others- The Westin Dhaka	20,582,754	20,684,873
Advance for Limousine Service	134,297	217,597
Advance for HANSA by UHRL	327,206	220,606
Advance for LC Margin	723,857	723,856
Advance for hotel and service apartment	927,875,000	927,875,000
Advance against salary	227,165	243,000
Advance for Unique Convention centre	1,505,070	1,505,070
Advance for GEC project	1,069,239	-
Advance for SouthPark project	-	11,005,887
Advance against land*	2,649,239,486	2,649,239,486
Advance against land of SEZL	624,892,587	624,892,587
Advance to Unique Meghnaghat Power	-	710,377,608
Advance for share (Unique Meghnaghat Power Limited)	708,138,065	-
Sonargoan Economic Zone Ltd.	833,868,133	813,636,621
Purnima Constructions (Pvt.) Ltd.	-	617,312,547
Advance to Star Allied Venture Ltd.	-	2,500,000
Chartered Life Insurance Co. Ltd.	-	1,553,287
Other advances	64,170,499	85,076,414
	6,597,886,932	7,457,957,916

* Advance against land includes the advance for the purchase of 23.9375 katha of land at Gulshan Avenue, Gulshan-2, Dhaka-1213, from Borak Real Estate Limited to be used by the Company as Seven Star International Chain Hotel as per shareholders approval in 12th AGM, dated 24 June 2013. The advance shall be accounted for as land as soon as the registration is completed.



Amount in Taka	
30 June 2020	30 June 2019

12.1.1 Advance income tax

Opening balance	422,760,278	385,177,533
Add: Advance tax paid during the year	126,261,465	234,175,764
Less: Advance tax adjusted during the year	(455,829,700)	(196,593,019)
	93,192,043	422,760,278

12.2 Deposits

Bank margin	1,786,347	1,664,227
Security deposit	19,332,700	13,508,261
Security deposit- The Westin Dhaka	786,203	725,960
	21,905,250	15,898,448

12.3 Prepayments

Insurance premium	242,812	241,080
Prepaid expenses- The Westin Dhaka	2,860,671	2,850,073
Prepaid expenses- The Sheraton Dhaka (Property insurance coverage)	3,818,576	-
Prepaid expenses- The Sheraton Dhaka (Terrorism insurance coverage)	565,208	-
Prepaid expenses- HANSA by UHRL	81,063	101,325
	7,568,330	3,192,478

13. Fixed deposit receipts

Fixed deposit receipts of The Westin Dhaka

Shah Jalal Islami Bank Ltd.	-	55,000,000
Al Arafah Islami Bank Ltd.	-	75,000,000
United Commercial Bank Ltd.	-	125,000,000
Fareast Finance and Investment Ltd.	5,300,000	7,500,000
People Leasing and Financial Services Ltd.	43,679,385	45,512,385
International Leasing and Financial Services Ltd.	231,000,000	237,388,500
Eastern Bank Ltd.	524,391,625	255,000,000
	804,371,010	800,400,885

Fixed deposit receipts of Head office

Southeast Bank Ltd.	17,268,857	16,109,127
United Commercial Bank Ltd	698,498,033	658,357,336
Dutch Bangla Bank Ltd.	-	52,505,375
	715,766,890	726,971,838

Fixed deposit receipts of HANSA by UHRL

Eastern Bank Ltd.	3,103,000	-
Eastern Bank Ltd.	2,895,800	-
	5,998,800	-
	1,526,136,700	1,527,372,723

14. Cash and cash equivalents

A. Cash in hand

Cash in hand- Corporate office	44,123	44,963
Cash with brokerage house	6,107,635	3,241,322
Cash in hand- HANSA by UHRL	175,635	1,007,693
	6,327,393	4,293,978



Amount in Taka	
30 June 2020	30 June 2019

Cash at bank

Prime Bank Limited- HANSA by UHRL	2,121,296	1,341,194
United Commercial Bank Ltd.-HANSA by UHRL	11,293,376	3,569,659
Standard Chartered Bank- HANSA by UHRL	2,899,381	-
United Commercial Bank Ltd.-Banani Branch	1,798,802	1,762,153
Bank Alfalah Ltd., Gulshan Branch	88,507	575,447
Eastern Bank Ltd.-Gulshan Branch	195,896	176,939
Eastern Bank Ltd., HPA- Banani	314,549	307,004
Eastern Bank Ltd.-Dividend 2011	836,150	815,072
Eastern Bank Ltd.-Dividend 2012	6,589,764	6,417,573
Eastern Bank Ltd.-Dividend 2013	3,439,923	3,351,540
Eastern Bank Ltd.-Dividend 2014	2,436,829	2,375,135
Eastern Bank Ltd.-Dividend 2015-16	2,270,964	2,213,683
Eastern Bank Ltd.-Dividend 2016-17	1,272,302	1,241,592
Eastern Bank Ltd.-Dividend 2017-18	855,790	868,322
Eastern Bank Ltd.-Dividend 2018-19	2,079,070	-
Prime Bank Ltd.- Banani Branch, (Unit-2)	2	-
Prime Bank Limited.-Banani Branch	(17,628,488)	2,362,733
BRAC Bank Ltd., Gulshan- SND	6,810,950	6,691,499
BRAC Bank Ltd., Gulshan- FC Dollar	416,872	419,756
BRAC Bank Ltd., Gulshan- FC Pound	2,683,312	2,819,441
BRAC Bank Ltd., Gulshan- FC Euro	1,855,725	1,916,668
Janata Bank Ltd.-Corporate Branch	23,269	23,269
Shahjalal Islami Bank Ltd.-Banani Branch	7,570	7,570
The City Bank Ltd.-Kawran Bazaar Branch	17,970	16,517
Mercantile Bank Ltd.-Banani Branch	44,460	44,460
Premier Bank Ltd. Banani Branch	3,100	3,100
Dutch Bangla Bank Ltd.	-	82,073
One Bank Ltd.	6,182	6,947
Sonali Bank Ltd, Gulshan. Branch, Dhaka	17,012	17,012
Sonali Bank Ltd., Dhaka Reg. Complex Branch	12,083	12,083
Sonali Bank Ltd., Gulshan Branch	50,000	50,000
Agrani Bank Ltd.	50,000	50,000
Southeast bank Ltd.	157,199	5,450
IFIC Bank Ltd.	11,661	11,661
Standard Chartered Bank Ltd.	-	339,380
Commercial Bank of Ceylon	76,925	-
	33,108,403	39,894,932
	39,435,796	44,188,910

B. With The Westin Dhaka

Cash in hand

1,425,000

925,000

Cash at bank

Standard Chartered Bank	64,542,105	34,195,280
Standard Chartered Bank CD	17,547,978	(55,076,330)
Prime Bank Limited- C/A	2,618,304	1,124,907
Prime Bank Limited- STD	23,429,613	39,672,055
Prime Bank Limited- replacement reserve	13,181,160	(1,301,869)
The City Bank Limited- Gulshan Branch	43,069,565	14,200,217
Dutch Bangla Bank Ltd.	228,488	229,903
	164,617,213	33,044,163
	166,042,213	33,969,163
	205,478,009	78,158,073

Total : (A+B)



		Amount in Taka	
		30 June 2020	30 June 2019
15. Share capital			
A. Authorized share capital			
1,000,000,000 ordinary shares of Tk. 10 each		10,000,000,000	10,000,000,000
		<u>10,000,000,000</u>	<u>10,000,000,000</u>
B. Issued, subscribed and paid- up capital			
294,400,000 ordinary shares of Tk. 10 each fully paid		2,944,000,000	2,944,000,000
		<u>2,944,000,000</u>	<u>2,944,000,000</u>
C. Shareholding position			
	Percentage	No. of shares	
Sponsors/Directors	52.23%	153,756,905	1,537,569,050
Companies and financial institutions	31.78%	93,549,369	935,493,690
Foreign individual & companies	1.25%	3,701,052	37,010,520
General public	14.74%	43,392,674	433,926,740
	<u>100.00%</u>	<u>294,400,000</u>	<u>2,944,000,000</u>
16. Share premium		<u>6,181,931,836</u>	<u>6,181,931,836</u>
17. Revaluation reserve			
Opening balance		10,261,164,914	10,355,185,889
Realized through excess depreciation on revaluation of assets		(92,342,082)	(95,982,678)
Prior year adjustment (Transferred from retained earnings for excess depreciation) -Note 4.14		-	1,961,703
		<u>10,168,822,832</u>	<u>10,261,164,914</u>
18. Total long term loan			
Foreign currency loan- SCB (18.1)		1,166,687,500	1,628,385,416
Term loan- SCB (18.2)		1,469,632,506	-
Term loan- DBBL (18.3)		1,000,000,000	-
		<u>3,636,320,006</u>	<u>1,628,385,416</u>
Current and non-current distinction			
Non-current portion		3,265,101,171	959,426,970
Current portion		371,218,835	668,958,446
		<u>3,636,320,006</u>	<u>1,628,385,416</u>
18.1 Foreign currency loan- SCB:			
Name of lender	:	Standard Chartered Bank, Singapore	
Security agent	:	Standard Chartered Bank, Dhaka	
Name of facility	:	Term loan facility	
Facility limit	:	USD 35 million (\$ 35 million disbursed)	
Rate of interest	:	LIBOR+4.50% per annum	
Purpose of loan	:	Financing capital expenditure	
Repayment	:	5 years including 12 months grace period for principal amount that will be paid through 16 equal quarterly installments after the grace period. (For 3rd Tranche- \$ 10 million, 24 equal installments in 7 years including 1 year moratorium period).	
Security	:	i) Registered mortgage on 24 storied five star hotel building (The Westin Dhaka) including 1 bigha and 4.25 katha of land on which the building is situated along with fittings and fixtures and boundary wall etc.;	
		ii) Personal guarantee of Mr. Mohd. Noor Ali, Managing Director;	
		iii) Exclusive charge on receivables of the Company.	



The Company has taken the above foreign currency loan which are denominated in USD. The loan shall be repaid over a period of 5 years from the revenue of the Company during the relevant period from hotel operation which are also invoiced and collected in USD. The foreign currency loan was sanctioned solely for the purpose of a capital project termed as “purchase and installation of interiors and furnishing materials of Unique Hotel and Resorts Limited (unit 2), Hotel Sheraton Dhaka, an international five star hotel”. The said project is ongoing and the underlying property is yet to be ready for available for use.

The Company has translated the foreign currency loan from USD to BDT at the rate prevailing on the closing date. Recognizing of foreign currency difference in profit or loss, will result significant fictitious impact on its financial performance which will also be misleading to the fair presentation. Accordingly, the Company has recognized foreign currency difference in translation of USD denominated loans to capital work in progress of the underlying property taking under cognizance the substance of the above matter.

As per our application on August 18, 2020 to the Bangladesh Investment Development Authority (BIDA) repayment date of foreign loan USD 35 million via Standard Chartered Bank (Landon/Mauritius/Singapore) through Standard Chartered Bank Limited Dhaka, Bangladesh, the tenure of the loan has been increased by 9 (nine) months from their existing maturity for all the three tranches.

- a) Interest for Tranche-1 (USD 15 million) will continue to serve and principal repayment will resume from February 02, 2021;
- b) For Tranche-2 (USD 10 million) and Tranche-3 (USD 10 million), interest has deferred along with principle repayment;
- c) For Tranche-2, payment due on January 24, 2021 will include interest accrued since last repayment under this tranche (January 2020); and
- d) Similarly, for Tranche-3, payment due on December 26, 2020 will include interest accrued since last repayment under this tranche (December 2019).

18.2 Term loan- SCB

Name of lender	:	Standard Chartered Bank, Dhaka
Name of facility	:	Term loan facility
Facility limit	:	150.00 crore
Rate of interest	:	T Bill+2.88% per annum
Purpose of loan	:	Financing constructions and furnishing works of Sheraton Dhaka and Hyatt Centric (Acropolis) Project
Repayment	:	6 years including 2 years moratorium period
Security	:	i) Demand Promissory Note and a Letter of continuation for BDT 2,140 million of Unique Hotel & Resorts Ltd.;
		ii) Registered mortgage over land and building of The Westin Dhaka situated at Plot 01, Road 45, Gulshan-2, Dhaka covering the facility amount. A second mortgage has been created for BDT 1.5 Billion covering the additional term loan facility over this Land and Building;
		iii) Personal guarantee of Mr. Mohd. Noor Ali, held for BDT 3,764.5 million. Additional Personal Guarantee for BDT 1.5 Billion to be taken from Mr. Mohd. Noor Ali and Salina Ali.

The interest rate of this term loan has been changed to 9% from 1st of April 2020 as per Banking Regulation & Policy Department Circular No. 03/2020 dated: February 24, 2020.

Interest repayment on above loan has been deferred till December 2020 as per BRPD Circular no 17 dated September 28, 2020.



18.3 Term loan- DBBL

Name of lender	:	Dutch Bangla Bank Limited
Name of facility	:	Term loan
Facility limit	:	100.00 crore
Rate of interest	:	10.50% per annum
Purpose of loan	:	For completion of works of Sheraton Dhaka
Repayment	:	7 years including 2 years moratorium period
Security	:	i) Registered mortgage of HANSA- Premium Residence (03 star serviced apartment) measuring 48,420 sft (1st floor to 12th floor), including basement 1 & 2 with undivided and un-demarcated share of (3.68+3.69)=7.37 decimal or 4.47 Katha land in Dhaka, Sub Register Office- Uttara, Mouza- Uttara R/A, being Plot No.03, Road No. 10/A, Sector 09, Uttara Model Town, Dhaka-1230 and (4.13+4.12)=8.25 decimal or 5 Katha land in Dhaka, Sub Register Office- Uttara, Mouza- Uttara R/A, being Plot No.05, Road No. 10/A, Sector 09, Uttara Model Town, Dhaka-1230 standing in the name of "Unique Hotel & Resorts Ltd." valued at BDT 896.38 million as per valuation report by Northern Inspection Co. Ltd. Dated: 29-10-19; ii) Registration of mortgage charge with RJSC&F; iii) Personal guarantee of Chairman and Managing Director of the concern.

The interest rate of this term loan has been changed to 9% from 1st of April 2020 as per Banking Regulation & Policy Department Circular No. 03/2020 dated: February 24, 2020.

Interest repayment on above loan has been deferred till December 2020 as per BRPD Circular no 17 dated September 28, 2020.

19. Deferred tax liability

	Amount in Taka	
	30 June 2020	30 June 2019 (Restated)
Opening balance	2,887,441,556	2,886,902,727
Deferred tax obligation/(benefit) during the year	13,821,404	13,609,032
Prior year adjustment due to changes in cost base (Note-4.14)	-	18,270,123
Prior year adjustment (Transferred from retained earnings for excess depreciation) (Note-4.14)	-	653,901
Transferred to retained earnings- excess depreciation on revaluation reserve	(30,780,694)	(31,994,226)
	2,870,482,266	2,887,441,556

<u>As at 30 June 2020</u>	<u>Carrying amount</u>	<u>Tax Base</u>	<u>Temp. difference</u>
Property, Plant and Equipment	6,752,469,989	4,492,162,577	2,260,307,412
Revaluation of Land (Tax 4%)	3,790,955,298	-	3,790,955,298
Revaluation of Property, Plant and Equipment	8,706,007,660	-	8,706,007,660
			14,757,270,370
Provision for bad debt	(6,605,579)	-	(6,605,579)
Gratuity provision	(18,900,736)	-	(18,900,736)
Unrealized gain/(loss) from investment in shares (Tax 10%)	(163,581,346)	-	(163,581,346)
			14,568,182,709
Deferred tax liability @ 25% (other than land & gain/ (loss) on shares), 10% and 4%			2,870,482,266
Transferred to retained earnings- excess depreciation on revaluation reserve			(30,780,694)
			2,839,701,572



As at 30 June 2019	Carrying amount	Tax Base	Temp. difference
Property, Plant and Equipment	6,251,699,147	4,072,298,846	2,179,400,301
Revaluation of Land (Tax 4%)	3,790,955,298	-	3,790,955,298
Revaluation of Property, Plant and Equipment	8,829,130,436	-	8,829,130,436
			14,799,486,036
Provision for bad debt	(4,742,088)	-	(4,742,088)
Gratuity provision	(21,799,678)	-	(21,799,678)
Unrealized gain/(loss) from investment in shares (Tax 10%)	(96,938,981)	-	(96,938,981)
			14,676,005,289
Deferred tax liability @ 25% (other than land & gain/ (loss) on shares), 10% and 4%			2,887,441,556
Transferred to retained earnings- excess depreciation on revaluation reserve			(31,340,325)
			2,856,101,231

20. Short term loans

	Amount in Taka	
	30 June 2020	30 June 2019
Standard Chartered Bank	190,000,000	170,000,000
Bank Alfalah Ltd.	500,000,000	500,000,000
Prime Bank Ltd. Banani Branch-LTR	42,203,384	-
Prime Bank Ltd. Banani Branch- overdraft	625,692,677	614,597,868
Standard Chartered Bank, Gulshan- overdraft	302,817,645	306,049,632
	1,660,713,706	1,590,647,500

21. Due to operator and its affiliates

License fee	90,229,862	61,196,133
Marketing fee	106,411,426	78,140,869
Office base fee	1,536,374	811,621
Incentive fee	155,072,154	105,357,962
Reservation fee/program service fund	28,119,493	18,175,421
	381,369,309	263,682,006

22. Accounts payable

R. M. Enterprise	249,692	1,132,073
Paragon Poultry Ltd.	269,069	707,666
Ahsan Motina Food	-	116,947
Idol Ace Ltd.	122,375	596,677
Band Box	762,556	852,119
Noor Trade House	473,691	1,900,465
One Trade	-	1,614,456
Transcom Beverage Ltd.	-	673,261
Taj Enterprise	17,249	764,171
Other creditors	31,002,162	42,374,623
Payables of HANSA by UHRL	1,217,656	3,357,111
	34,114,450	54,089,569

23. Undistributed/unclaimed dividend

Opening balance	10,598,403	9,604,226
Add: Dividend declared during the year	588,800,000	647,680,000
Less: Dividend paid during the year	(586,787,019)	(646,685,823)
	12,611,384	10,598,403



24. Liabilities to intercompanies

Borak Real Estate Ltd.
 Unique Eastern (Pvt.) Ltd.
 Borak Travels Pvt Ltd.
 Unique Vocational Training Centre

Amount in Taka	
30 June 2020	30 June 2019
1,818,016,758	2,135,331,565
365,392,213	318,994,571
172,725,510	150,225,510
15,656,289	2,883,848
2,371,790,770	2,607,435,494

25. Other accruals and payables

Taxes, deposits and other creditors- The Westin Dhaka (25.1)
 Accrued expenses (25.2)
 Provision for corporate tax (25.3)
 Provision for Workers' Profit Participation Fund (WPPF) (Note- 25.4)
 Liability to directors and shareholders
 Provision for gratuity
 Liability for finance cost
 Other payables

35,211,617	85,097,019
244,400,534	179,891,480
143,479,956	450,488,499
35,095,472	104,149,914
490,239,705	396,439,705
18,900,736	21,799,678
165,397,512	36,235,302
274,120,391	170,494,620
1,406,845,923	1,444,596,217

25.1 Taxes, deposits and other creditors-The Westin Dhaka

Security deposits from suppliers
 Security deposits from tenants
 Supplementary duty
 Service charge
 Breakage fund and others
 TDS payables- suppliers
 VAT payables
 Tax payable on management fees
 Travel agents' commission
 Service charge of HANSA by UHRL
 VAT payables of HANSA by UHRL

7,740,000	7,990,000
5,207,980	4,727,980
395,089	1,685,615
1,319,887	14,042,475
1,787,678	941,086
97,625	1,367,385
529,839	23,564,310
14,990,325	25,909,878
-	1,145,295
2,584,190	2,782,832
559,004	940,163
35,211,617	85,097,019

25.2 Accrued expenses

Income tax payable for expatriate salaries
 Salaries, wages, bonus and other benefits
 Accruals for utility services
 Accrual for Marriott Bonvoy
 Accrual for employee survey and vacation
 Accrual for Starwood-third party reservation
 Accrual for Starwood GSI/GEI
 Westin privilege card and SPP card selling
 Advance received tower rent and workout
 Expatriate benefits
 Audit fee
 Other accrued expenses of Westin Dhaka
 Accrued expenses of HANSA by UHRL
 Accrued expenses- corporate office

1,736,755	-
9,847,423	8,427,317
6,201,908	3,304,616
122,279,221	102,731,798
1,432,816	1,248,355
-	2,256,936
31,873,795	12,305,781
50,002	291,667
11,136,251	12,056,789
1,416,715	277,225
3,719,500	2,089,500
15,610,066	14,241,559
10,448,070	4,563,846
28,648,012	16,096,091
244,400,534	179,891,480



Amount in Taka	
30 June 2020	30 June 2019

25.3 Provision for corporate tax

Opening balance	450,488,499	405,393,974
Add: Income tax expense for the year	161,660,191	242,437,590
Less: Income tax adjusted during the year	(468,668,734)	(197,343,066)
Closing balance	143,479,956	450,488,499

25.4 Provision for Workers' Profit Participation Fund (WPPF)

Opening balance	104,149,914	60,604,794
Add: Provision made during the year	22,782,838	43,545,120
Less: Paid during the year to the WPPF Trustee account	(91,837,280)	-
Closing balance	35,095,472	104,149,914

The Company has kept required provision for workers' profit participation fund (WPPF) in the current period in compliance with the section 234 of Bangladesh Labor (Amendments) Act, 2013. The Company has formed a Board of Trustees of WPPF and disbursed the required fund for the year up to June 2019 to the respective bank account of the Trustee Board in compliance with the said Act.

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

26. Revenues

Revenue from Westin Dhaka

Rooms	622,674,211	910,863,103
Food and beverage	780,505,118	1,064,053,738
Minor operating department (MOD)	61,042,999	75,975,599
Space rental	22,772,777	39,279,456
Shop rent	11,882,877	12,245,017
	1,498,877,982	2,102,416,913

Revenue from HANSA by UHRL

Rooms	53,935,072	61,221,021
Food and beverage	17,560,526	19,945,516
Minor operating department (MOD)	4,516,861	3,703,268
	76,012,459	84,869,805
	1,574,890,441	2,187,286,718

27. Costs of sales (COS)

Cost of sales of Westin Dhaka

Particulars	1 July 2019 to 30 June 2020				01 July 2018 to 30 June 2019
	Rooms	Food & beverage	Minor operating dept	Total	
Salary, wages, bonus and benefits	14,186,273	51,433,897	5,766,958	71,387,128	93,075,341
Cost of materials & other related expenses	-	200,952,505	30,402	200,982,907	270,245,320
Operating supplies	7,256,988	15,205,394	434,714	22,897,096	41,281,898
Laundry, dry cleaning and uniforms	4,126,998	9,537,521	3,185,183	16,849,702	15,246,200
Complementary guest services	19,192,812	37,759	44,696	19,275,267	23,103,525
Linen, china, glass etc.	3,167,880	858,926	-	4,026,806	4,812,605



In-house TV , video, movies, music etc.	338,959	4,515,693	-	4,854,652	7,991,926
Travel agents commission	1,486,608	1,464,840	-	2,951,448	6,088,659
Traveling and communication	129,556	114,226	77,905	321,687	427,598
Airport counter charge	221,814	1,023,429	215,122	1,460,365	776,686
Fees and purchase	82,645	29,000	-	111,645	17,573
Third party reservation & amenities	4,145,788	35,690	101,828	4,283,306	15,687,913
Decoration & training	353,577	434,551	26,750	814,878	1,126,602
Postage	92,658	-	118,812	211,470	1,559
Promotion & others	-	55,295	-	55,295	478,295
Entertainment	-	-	-	-	1,002,265
Others	538,001	2,039,823	96,603	2,674,427	1,609,767
	55,320,557	287,738,549	10,098,973	353,158,079	482,973,732
Cost of sales of HANSA by UHRL					
Cost of sales	11,701,428	10,722,876	492,517	22,916,821	24,300,836
Total	67,021,985	298,461,425	10,591,490	376,074,900	507,274,568

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

28. Administrative and other expenses

Administrative and other expenses of Westin Dhaka

Operators and its affiliated company fees (28.1)

Administrative and general expenses (28.2)

Repairs and maintenance (28.3)

Advertising, promotion and public relations (28.4)

Information and Telecommunications systems (28.5)

79,472,671	114,159,931
85,578,034	100,581,855
133,396,221	174,406,762
67,111,803	133,244,129
13,020,795	16,553,994
378,579,524	538,946,671

Administrative and other expenses of HANSA by UHRL

Administrative and general expenses

Repairs and maintenance

Advertising, promotion and public relations

Information and Telecommunications systems

16,488,888	20,358,756
11,640,970	12,156,127
3,651,600	3,096,911
1,718,950	1,035,178
33,500,408	36,646,972
412,079,932	575,593,643

28.1 Operators and its affiliated company fees

License fee (28.1.1)

Incentive fee (28.1.2)

29,758,480	41,795,000
49,714,191	72,364,931
79,472,671	114,159,931

28.1.1 License fee

Payable to Starwood Asia Pacific Hotels & Resorts Pte. Ltd.
(now Marriott International)

29,758,480	41,795,000
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28.1.2 Incentive fee

Payable to Starwood Asia Pacific Hotels & Resorts Pte. Ltd. (now Marriott International)

Gross operating profit (GOP)

Incentive fee @ 6% on GOP

828,569,850	1,206,082,183
49,714,191	72,364,931



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

28.2 Administrative and general expenses

Legal and professional charges	1,208,385	-
Salaries, wages, bonus and benefits	49,465,506	61,122,894
Operating supplies	1,969,646	2,389,965
Postage	14,909	43,398
Travel and communication	731,555	1,195,169
Entertainment	5,339,060	1,861,955
Internal audit fee	1,630,000	1,599,478
Fee and purchased services	50,725	113,380
Uniforms	193,572	518,748
Subscriptions	57,500	436,275
Bank charges	45,696	654,343
Credit card commission	15,605,613	23,868,244
Recruitment and training	3,691,770	4,263,007
Bad debt provision	2,023,458	123,020
Permits and license fee	3,076,793	1,989,718
Other expenses	473,846	402,261
	85,578,034	100,581,855

28.3 Repairs and maintenance

Salaries, wages, bonus and benefits	7,633,431	11,264,517
Electric bulbs	620,720	1,786,086
Painting and decorations	940,180	1,521,291
Travel and communication	37,490	249,856
Laundry equipments	117,225	46,900
Electricity expenses	86,286,958	106,689,624
Fuel expenses	193,256	811,156
Repair and maintenance	11,942,361	24,027,370
Locks and keys	99,264	70,713
Operating supplies	1,667,949	1,697,575
Plumbing charge	725,928	492,164
Propine gas	10,359,382	12,125,704
Waste removal expenses	496,354	602,366
Water treatment and pest control	8,615,056	10,467,325
Insurance Premium	2,954,307	1,352,219
Uniforms	107,711	180,033
Other expenses	598,649	1,021,863
	133,396,221	174,406,762

28.4 Advertising, promotion and public relation

Salaries, wages, bonus and benefits	10,225,111	11,409,837
Operating supplies	692,137	814,308
Travel and communication	843,656	467,384
Entertainment	2,946,286	2,295,206
Marriott Bonvoy expenses	14,180,674	47,245,912
Institutional marketing fee	23,959,923	49,631,563
Reservation fee/Program service fund	9,496,457	13,172,172
Uniforms	58,310	212,677
Other expenses	1,425,164	596,902
Digital Marketing fee	1,873,130	2,154,132
Advertising	-	204,963
Food festival & promotion for guests	1,381,955	4,881,988
Complementary guest service	29,000	-
Postage	-	157,085
	67,111,803	133,244,129



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

28.5 Information and Telecommunications Systems

Salaries, wages, bonus and benefits
Uniforms
Operating supplies
Travel and communication
Data processing and maintenance
Other expenses

850,688	1,239,665
1,942	31,694
190,883	414,783
565,178	2,669,060
9,377,808	11,936,298
2,034,296	262,494
13,020,795	16,553,994

29. Corporate office expenses

Managing Director's remuneration
Salary, wages and allowances
Festival allowance and incentives
Travelling, conveyance and allowances
Printing, stationary and papers
Computer expenses
Food and entertainment
Office repairs and maintenance
Telephone, mobile and internet
Advertisement and publicity for BSEC compliance
Trade license, renewal fees, duty and taxes
Utility expenses
AGM expenses
Board meeting fees
Insurance premium
Audit fees
Car repairs and maintenance
Bank charge
Donation and subscriptions
Regulatory fees
Documentation expenses
Depreciation
Consultancy expenses
Other expenses
Renewal of bank guarantee
Uniform
Paper, books and periodicals

5,400,000	6,000,000
35,997,144	25,101,104
2,266,452	2,607,014
476,013	578,242
1,135,496	849,408
598,482	42,341
1,229,685	1,562,970
2,501,977	148,280
664,099	354,834
705,405	741,578
216,600	285,300
1,215,234	175,908
1,755,662	1,678,426
702,000	673,600
7,932,667	4,222,957
1,771,926	561,983
872,654	856,499
324,038	86,996
1,600,000	335,000
1,200,000	1,356,000
-	100,000
228,620,969	231,255,260
385,175	54,846
3,314,822	454,212
898,134	813,018
1,238,926	25,565
15,350	-
303,038,910	280,921,341

30. Other income/(expenses)

Dividend income
Tower rent
Hotel service charge
Receipts from Westin for limousine service
Receipts from Westin for Security service
Receipts from Westin for electricity
Fluctuation gain/ (loss)
Others

4,463,151	7,013,247
2,604,000	2,052,921
27,250,978	45,457,049
6,675,179	11,624,814
549,508	7,528,297
35,806,286	60,208,595
725,296	1,328,862
2,000,933	2,017,272
80,075,331	137,231,057



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

31. Gain/(loss) on investment in shares

Realized gain/ (loss) from sale of shares	349,070	8,552,380
Unrealized gain/(loss) for difference between cost and market price	(66,642,364)	(11,497,926)
	(66,293,294)	(2,945,546)

Unrealized gain/ (loss) is recognized due to difference between the cost and the market price of corresponding investment in shares which have not been sold yet.

32. Interest income/(expense)

Interest income from FDR and bank deposits	88,831,796	60,566,801
Interest expenses	(107,870,943)	(103,901,948)
	(19,039,147)	(43,335,147)

33. Provision for income tax

Current tax expenses	161,660,191	242,437,590
Deferred tax expenses/(benefit)	13,821,404	13,609,032
Prior year adjustment due to changes in cost base (Note- 4.14)	-	18,270,123
	175,481,595	274,316,745

Detailed calculation of current tax has been presented in Annexure- B and calculation of average effective tax rate has been presented in Annexure- C.

34.1 Net Asset Value (NAV) per share

Net Asset Value	A	23,458,242,837	23,736,086,986
Number of ordinary shares	B	294,400,000	294,400,000
Net Asset Value (NAV) per share (2019 Restated)	C= (A/B)	79.68	80.63
Net Asset Value (NAV) per share (Published)		79.68	80.69

34.2 Earnings per share (EPS) on Net Profit after tax before other Comprehensive Income: (Par Value of Tk.10)

Earnings attributable to ordinary shareholders	A	280,175,156	596,585,665
Number of ordinary shares	B	294,400,000	294,400,000
Basic and Diluted Earnings Per Share (2019 Restated)	C= (A/B)	0.95	2.03
Basic and Diluted Earnings Per Share (published)		0.95	2.09

Both Basic EPS and Diluted EPS are same since there was no dilutive potential during the relevant periods.

Due to COVID-19 impact, the domestic, inbound and outbound tourism sector in Bangladesh is facing enormous economic losses and job cuts. With restricted travel and cancellation of business flights, the luxury hotel industry has also been facing the domino effect of economic fallout. The occupancy rates of luxury hotels have declined by staggering amounts from end of February 2020 onwards. While the hotels would have witnessed occupancy rates of 75% to 80% in usual times, the current rates have plunged to an average 10% to 15%. Moreover, as per the Government instructions to maintain the social distances, corporate and social events, seminars has been cancelled by the clients which significantly impacted on Food & Beverage revenue of the hotel.

Moreover, during this pandemic situation, Unique Hotel & Resorts Limited (UHRL) has faced 86% revenue loss from February to June 2020 compared to the previous year which ultimately impacted on profitability and earnings per share (EPS).



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

34.3 Net Operating cash inflow/(outflow) per share

Net cash from operating activities	A	1,130,314,600	1,432,579,546
Number of ordinary shares	B	294,400,000	294,400,000
Net Operating cash inflow/(outflow) per share	C= (A/B)	3.84	4.87

34.4 Reconciliation of net operating cash flow with net profit

Profit after tax (PAT)	280,175,156	596,585,665
Income tax expense	175,481,595	274,316,745
Profit before tax (PBT)	455,656,751	870,902,410
Adjustment for:		
Depreciation	228,620,969	231,255,260
Interest Expense	107,870,943	103,901,948
Unrealized foreign exchange loss	365,567	122,344
Dividend received	(4,463,151)	(7,013,247)
(Gain)/loss from investment in shares	66,293,294	2,945,546
	854,344,374	1,202,114,261
Changes in:		
Decrease in inventory	4,176,087	11,230,717
Decrease/ (Increase) in receivables	23,243,849	(11,498,543)
Decrease/ (Increase) in advances, deposits and prepayments	20,680,356	(46,612,727)
Decrease in accounts payable	(19,975,119)	(2,597,886)
Increase in accruals and payables	269,258,249	415,448,433
Increase in due to operator and its affiliates	117,687,303	99,421,104
Cash generated from operating activities	1,269,415,098	1,667,505,359
Tax paid during the year	(139,100,498)	(234,925,812)
Net cash generated by operating activities	1,130,314,600	1,432,579,546



35. Related party disclosure

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

Name of the Party	Relationship	Nature of Transaction	Amount in Taka			
			Opening balance	Addition	Adjustment/Received	Closing balance
Borak Real Estate Ltd.	Common Director	Balance with current account	(2,135,331,565)	3,000,636,681	2,683,321,875	(1,818,016,758)
Unique Group of Companies Ltd.	Common Director	Balance with current account	5,997,668	748,394	-	6,746,062
Unique Vocational Training Centre Ltd.	Common Director	Balance with current account	(2,883,848)	27,559	12,800,000	(15,656,289)
Ms. Salina Ali	Chairperson	Balance with current account	(115,558,447)	-	30,000,000	(145,558,447)
Mr. Mohd. Noor Ali	Managing Director	Balance with current account	(71,265,560)	-	19,800,000	(91,065,560)
Ms. Nabila Ali	Director	Balance with current account	(77,519,684)	-	30,000,000	(107,519,684)
Ms. Nadiha Ali	Shareholder	Balance with current account	(56,005,295)	-	-	(56,005,295)
Ms. Nadila Ali	Shareholder	Balance with current account	(76,090,719)	-	14,000,000	(90,090,719)
Purima Construction Ltd.	Common Director	Balance with current account	617,312,548	150,000,000	767,312,547	-
Chartered Life Insurance Company Ltd.	Common Director	Balance with current account	1,553,287	-	2,831,482	(1,278,195)
Star Infrastructure Development Consortium Ltd.	Common Director	Advance payment	1,100,000	-	-	1,100,000
Borak Real Estate Ltd.	Common Director	Advance against land	2,600,000,000	-	-	2,600,000,000
Unique Property Development Ltd.	Common Director	Advance against land	3,804,880	-	-	3,804,880
Chartered Life Insurance Company Ltd.	Common Director	Equity investment	18,000,000	-	-	18,000,000
Unique Meghnaghat Power Ltd.	Common Director	Advance payment	710,377,610	460,502,217	1,170,879,827	-
Unique Meghnaghat Power Ltd.	Common Director	Advance for share	-	708,138,065	-	708,138,065
Unique Eastern (Pvt.) Ltd.	Common Director	Balance with current account	(318,994,571)	739,358	47,137,000	(365,392,213)
Sonargoan Economic Zone Ltd.	Common Director	Advance against land	813,636,621	21,010,712	779,200	833,868,133
Unique Ceramics Industries (Pvt.)Ltd.	Common Director	Balance with current account	117,433	120,025,439	120,000,000	142,872
Borak Travels (Pvt.) Ltd.	Common Director	Balance with current account	(150,225,510)	-	22,500,000	(172,725,510)
Total	Total		1,768,024,847	4,461,828,425	4,921,361,931	1,308,491,342



Transaction with key management personnel of the entity:

No.	Particulars	Value in Tk.
(a)	Managerial remuneration paid or payable during the year from 1 July 2019 to 30 June 2020 to the directors, including managing directors, a managing agent or manager	5,400,000
(b)	Expenses reimbursed to the managing agent.	Nil
(c)	Commission or other remuneration payable separately to a managing agent or his associate	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns entered into by such concerns with the company	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
(i)	Pensions	Nil
(ii)	Gratuities	Nil
(iii)	Payments from provident funds, in excess of own subscription and interest thereon	Nil
(iv)	Compensation for loss of office	Nil
(v)	Consideration in connection with retirement from office	Nil
(i)	Share based payments	Nil



36. Contingent liability disclosures

- 36.1 Large Tax Payer Unit (LTU), VAT Authority raised a demand U/S 55 of the VAT Act, 1991 BDT 7,12,95,948 for Supplementary Duty (SD) and VAT on SD for the period from July 2007 to January 2009 through letter no. 4/LTU(Mushak)25/The Westin Dhaka/Demand/Cricle-3/09/2111, dated 20 April 2009.

The Westin Dhaka submitted a writ petition through writ petition no. 3910/2009 and the Honorable High Court Division of the Supreme Court discharged the previous issued rule on 10/10/2015.

The Westin Dhaka submitted application to the Customs, Exercise and VAT Appellate Tribunal through nothi no. CEVT/Case/(VAT)-16/2018 dated 28/05/2019. Based on our application and ground of appeal the Honorable Appellate Tribunal reduce the demand from BDT 7,12,95,948 to BDT 1,142,0622 on 05/09/2019 for SD and VAT on SD.

Hotel was exempted from SD through SRO, as a result, under no circumstances the aforesaid demand will be applicable for the Westin Dhaka. Hence, we submitted further VAT Revision to the Honorable High Court Division of the Supreme Courte of Bangladesh through VAT Revision no. 29/2019 which is under subjudice.

- 36.2 Large Tax Payer Unit (LTU), VAT raised a demand of BDT 53,53,916 u/s 73(2) of the VAT and SD Act 2012, through letter no. 08.01.0000.006.01.028.19/102 dated 3 February 2020 due to non-submission of Input-output co-efficient (Mushak 4.3) for the period July 2019 to August 2019. Subsequently we applied to the Customs, Exercise and VAT Appellate Tribunal for fair judgement after depositing 10% of the said demand amount on August 31, 2020 which is under subjudice.

It is worthy to mention that, the NBR issued an SRO 117-Aian/2020/100 Mushak date 14/05/2020 and revise the Input-output co-efficient form and exempted service industries to provide any input output co-efficient. Subsequently, the VAT Act and Rules Department clarify the matter and issued a further explanation through letter no. 08/Mushok/2020 Dated 14/10/20 that service industry need not to submit any Input output co-efficient. In the prevailing circumstances we strongly believe that the VAT Tribunal will consider the fact and provide the fair judgement towards Unique Hotel and Resorts Ltd.

37. Events after reporting period

In compliance with the requirements of IAS 10 : “Events after reporting period”, post balance sheet adjusting events that provide additional information about the Company’s position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material. The Company have no adjusting or non adjusting events after reporting period. The Board of Directors at its meeting no.137 held on 27.10.2020 recommended to the General shareholders (140,831,710 shares out of 294,400,000 shares) 10% cash dividend for the year ended 30 June 2020 which will be considered for approval by shareholders at the 19th Annual General Meeting. Please see note no. 4.20 for detail analysis of COVID-19 for subsequent event.

In compliance with the Section 16G of the Income Tax Ordinance 1984, the management of the company declared dividend @10% of paid up capital for an amount of Tk.140,831,710 which is @ 50.27 % of current year net income after tax.

38. Directors responsibility statements

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



39. General

39.1 Employee details:

Total number of employees having annual salary and allowances of Tk. 96,000 or above each at the reporting date was as follows:

Particulars	30 June 2020	30 June 2019
Number of employees	801	981

None of the employees were in receipt of remuneration which in aggregate was less than Tk. 8,000 per month.

39.2 Remittance of dividend

No dividend has been remitted during the year.

39.3 Rounding off

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

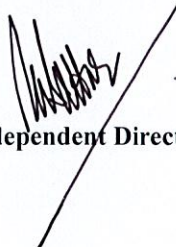
39.4 Rearrangement of last year figures

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.


Chief Financial Officer


Company Secretary


Director


Independent Director


Managing Director


Chairperson

Dated, Dhaka;
27 October 2020



Unique Hotel & Resorts Limited
Schedule of Property, Plant and Equipment
As at 30 June 2020

Property, plant and equipment (cost/ revaluation less accumulated depreciation)

Sl. No.	Assets	Cost/Revaluation				Rate (%)	Depreciation				Written down value as on 30 June 2020
		Balance as at 1 July 2019	Additions during the year	Disposal during the year	Balance as at 30 June 2020		Balance as at 1 July 2019	Charged during the year	Accumulated depreciation for disposal	Balance as at 30 June 2020	
1	Land and land developments	6,387,921,890	526,581,629	-	6,914,503,519	-	-	-	-	-	6,914,503,519
2	Building and other Civil constructions	11,916,359,452	2,990,830	-	11,919,350,282	1.25%	133,185,517	-	1,397,694,448	-	10,521,655,834
3	Office furniture and equipments	35,983,472	2,552,077	-	38,535,549	5%	1,351,025	-	12,866,079	-	25,669,470
4	Hotel furniture	423,431,457	32,480	-	423,463,937	5%	13,610,846	-	164,857,872	-	258,606,065
5	Motor vehicles	178,960,611	-	-	178,960,611	5%	6,819,267	-	49,394,546	-	129,566,065
6	Hotel equipments	2,213,793,276	74,112,019	-	2,287,905,294	5%	73,654,315	-	888,473,301	-	1,399,431,994
	Total as at 30 June 2020	21,156,450,158	606,269,035	-	21,762,719,192	-	228,620,969	-	2,513,286,246	-	19,249,432,947
	Total as at 30 June 2019	20,544,171,602	612,278,556	-	21,156,450,158	-	231,255,260	-	2,284,665,277	-	18,871,784,881

S. F. Ahmed & Co, Chartered Accountants, have revalued all property, plant and equipment of the company as of 30 June 2009 (When Ata Khan & Co, Chartered Accountants was the auditor) following Current cost method, showing total current cost at Tk.8,325,239,643, resulting in a revaluation surplus at Tk. 4,689,598,221. Thereafter Ata Khan & Co, (When S.F. Ahmed & Co, Chartered Accountants were the auditor), have revalued the land of the company as of 30 June 2010 following "Current cost method" showing current cost thereof at Tk. 1,687,000,000, resulting in a further revaluation surplus at Tk. 843,500,000.

Ata Khan & Co. Chartered Accountants, have further revalued Land & land development and building as of 30 September 2011 following "Current cost method" showing total current cost Tk 5,664,596,600 and Tk. 11,420,259,375 resulting in a revaluation surplus of Tk.2,276,299,688 and Tk.6,004,430,154 respectively.



Unique Hotel & Resorts Limited
Calculation of Current Tax Provision
As on 30 June 2020

		Amount in Taka	
		30 June 2020	
Profit before Tax			455,656,751
Add: Expenditures to be considered separately			
Accounting Depreciation	228,620,969		
Gratuity	(2,898,942)		
Provision for bad & doubtful debts	1,863,491		
Unrealized loss from investment in shares	66,642,364		
Entertainment	9,515,031		303,742,913
			759,399,664
Less: Allowable expenditures			
Tax Depreciation	186,405,304		
Entertainment	9,515,031		195,920,335
Assessed profit before tax			563,479,329
Category of Income	<u>Income</u>	<u>Rate</u>	<u>Tax Liability</u>
Dividend Income	4,463,151	20.00%	892,630
Income from sale of shares	349,070	10.00%	34,907
Income from Business & others	558,667,108	25.00%	139,666,777
Gross taxable income/ tax liability	563,479,329		140,594,314
Adjustment due to final settlement of tax liability for AY 2018-19			19,800,890
Adjustment due to final settlement of tax liability for AY 2019-20			1,264,987
Gross current tax liability for income year ended on 30 June 2020			161,660,191



Unique Hotel & Resorts Limited
Calculation of Average effective Tax Rate
For the year ended 30 June 2020

Amount in Taka

Components of tax expense

Current tax expense	(Note -33)	140,594,314
Deferred tax expense	(Note -33)	13,821,404
Total income tax expense		<u><u>154,415,718</u></u>

Explanation of the relationship between tax expense & profit before tax

(i) a numerical reconciliation between tax expense & the profit before tax

Profit before tax		455,656,751
Current tax expense		
Tax expense on business and other income (applicable tax rate-25%)		139,666,777
Tax expense on dividend income (applicable tax rate-20%)		892,630
Tax expense on income from sale of shares (applicable tax rate- 10%)		34,907
Total Current tax expense (A)		<u><u>140,594,314</u></u>
Total deferred tax expense (B)		<u><u>13,821,404</u></u>
Total income tax expense(A+B)		<u><u>154,415,718</u></u>

(ii) a numerical reconciliation between the average effective tax rate & applicable tax rate

Tax effect on business and other income		30.65%
Tax effect on Dividend Income		0.20%
Tax effect on Income from sale of share		0.01%
Tax effect on Deferred tax		3.03%
Average effective tax rate		<u><u>33.89%</u></u>



