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UNIQUE HOTEL & RESORTS LIMITED

Unique Hotel & Resorts Limited
Unaudited Financial Statements
For the period from 1st July 2020 to 30
September 2020

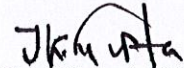


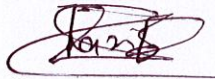
UNIQUE HOTEL & RESORTS LIMITED

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

| | Notes | Amount in Taka | |
|--|-------|-----------------------|-----------------------|
| | | 30 September 2020 | 30 June 2020 |
| ASSETS | | | |
| Non-current Assets | | 27,127,644,023 | 26,896,638,995 |
| Property, plant and equipment, net | 6 | 19,210,206,611 | 19,249,432,947 |
| Construction work in progress | 7 | 7,917,437,412 | 7,647,206,048 |
| Current Assets | | 8,922,186,277 | 8,935,851,656 |
| Inventories | 8 | 42,782,219 | 42,356,756 |
| Investments | 9 | 333,710,269 | 292,288,460 |
| Accounts receivable | 10 | 224,082,668 | 219,098,663 |
| Other receivables | 11 | 14,292,862 | 21,689,501 |
| Advances, deposits and prepayments | 12 | 6,598,807,775 | 6,628,803,567 |
| Fixed deposit receipts | 13 | 1,563,103,820 | 1,526,136,700 |
| Cash and cash equivalents | 14 | 145,406,664 | 205,478,009 |
| TOTAL ASSETS | | 36,049,830,300 | 35,832,490,651 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity | | 23,457,373,842 | 23,458,242,837 |
| 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 | 10,146,145,493 | 10,168,822,832 |
| Retained earnings | | 4,185,296,513 | 4,163,488,169 |
| Non-current Liabilities | | 6,138,731,811 | 6,135,583,437 |
| Term loan- non-current portion | 18 | 3,265,127,421 | 3,265,101,171 |
| Deferred tax liability | 19 | 2,873,604,389 | 2,870,482,266 |
| Current Liabilities | | 6,453,724,647 | 6,238,664,377 |
| Term loan- current portion | 18 | 371,000,085 | 371,218,835 |
| Short term loans | 20 | 1,684,124,003 | 1,660,713,706 |
| Due to operator and its affiliates | 21 | 385,855,236 | 381,369,309 |
| Accounts payable | 22 | 11,049,909 | 34,114,450 |
| Undistributed/unclaimed dividend | 23 | 12,547,056 | 12,611,384 |
| Liabilities to intercompanies | 24 | 2,542,489,726 | 2,371,790,770 |
| Other accruals and payables | 25 | 1,446,658,633 | 1,406,845,923 |
| TOTAL EQUITY AND LIABILITIES | | 36,049,830,300 | 35,832,490,651 |
| Net Asset Value (NAV) per share | 34.1 | 79.68 | 79.68 |

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


Chief Financial Officer


Company Secretary

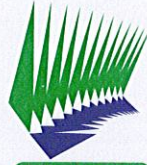

Director


Managing Director


Chairperson

Signed in terms of our report of even date annexed.

Dated, Dhaka;
11 November 2020



UNIQUE

UNIQUE HOTEL & RESORTS LIMITED

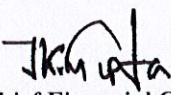
Unique Hotel & Resorts Limited

Statement of Profit or Loss and Other Comprehensive Income


For the period from 01 July 2020 to 30 September 2020

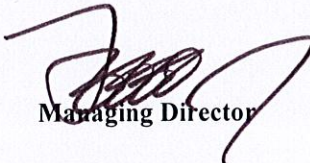
| | Notes | Amount in Taka | |
|--|-------|--|--|
| | | 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |
| Revenue | 26 | 93,040,232 | 513,194,956 |
| Cost of sales | 27 | (36,617,442) | (114,455,629) |
| Gross profit | | 56,422,790 | 398,739,327 |
| Administrative and other expenses | 28 | (48,845,932) | (137,151,755) |
| Operating profit | | 7,576,858 | 261,587,572 |
| Corporate office expenses | 29 | (71,582,565) | (71,273,550) |
| Other income/(expenses) | 30 | 11,686,985 | 29,431,919 |
| Gain/(loss) on investment in shares | 31 | 71,373,870 | (26,139,393) |
| Interest income | 32 | 16,780,154 | 27,508,789 |
| Interest expenses | 32 | (25,710,392) | (28,027,375) |
| Profit before WPPF and tax | | 10,124,910 | 193,087,962 |
| Provision for WPPF | 25.4 | - | (9,194,665) |
| Profit before tax | | 10,124,910 | 183,893,297 |
| Current tax | 33 | (7,871,781) | (43,531,374) |
| Deferred tax | 33 | (10,681,236) | (3,336,162) |
| Net profit/(loss) after tax | | (8,428,108) | 137,025,760 |
| Other comprehensive income | | - | - |
| Total comprehensive income/(loss) for this period | | (8,428,108) | 137,025,760 |
| Basic and Diluted Earnings Per Share (EPS) | 34.2 | (0.03) | 0.47 |


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


Managing Director


Chairperson

Signed in terms of our report of even date annexed.

Dated, Dhaka;
11 November 2020




UNIQUE HOTEL & RESORTS LIMITED

Unique Hotel & Resorts Limited
Statement of Changes in Equity
For the period from 01 July 2020 to 30 September 2020

| Particulars | Amount in Taka | | | | |
|--|------------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Ordinary Share Capital | Share Premium | Retained Earnings | Revaluation Reserve | Total |
| For 2019-2020: | | | | | |
| Balance at 1st July 2019 | 2,944,000,000 | 6,181,931,836 | 4,369,875,962 | 10,259,203,211 | 23,755,011,009 |
| Net profit during the year | - | - | 137,025,760 | - | 137,025,760 |
| Adjustment made during the period | - | - | - | - | - |
| Excess depreciation on revalued PPE transferred to Retained earnings | - | - | 31,405,554 | (23,554,166) | 7,851,389 |
| Balance as on 30 September 2019 | 2,944,000,000 | 6,181,931,836 | 4,538,307,276 | 10,235,649,046 | 23,899,888,158 |
| For 2020-2021: | | | | | |
| Balance as on 1st July 2020 | 2,944,000,000 | 6,181,931,836 | 4,163,488,169 | 10,168,822,832 | 23,458,242,837 |
| Net profit during the year | - | - | (8,428,108) | - | (8,428,108) |
| Excess depreciation on revalued PPE transferred to Retained earnings | - | - | 30,236,452 | (22,677,339) | 7,559,113 |
| Balance as on 30 September 2020 | 2,944,000,000 | 6,181,931,836 | 4,185,296,513 | 10,146,145,493 | 23,457,373,843 |


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairperson

Signed in terms of our report of even date annexed.

Dated, Dhaka;
11 November 2020




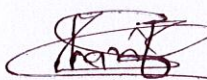
UNIQUE HOTEL & RESORTS LIMITED

Unique Hotel & Resorts Limited
Statement of Cash Flows
For the period from 01 July 2020 to 30 September 2020

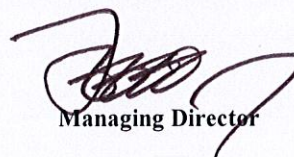
| Notes | Amount in Taka | |
|--|----------------------------|----------------------------|
| | As at 30 September 2020 | As at 30 September 2019 |
| Cash flows from operating activities | | |
| | 119,841,256 | 571,858,259 |
| | (32,297,578) | (190,323,620) |
| | (7,097,777) | (42,745,556) |
| Net cash from operating activities (A) | 80,445,901 | 338,789,083 |
| Cash flows from investing activities | | |
| | (16,525,031) | (48,004,860) |
| | (270,231,364) | (485,657,993) |
| | 57,136,242 | (163,630,584) |
| | 3,900,304 | 190,354 |
| | 3,865,502 | 1,071,766 |
| | (49,899,999) | (127,124,280) |
| | (151,060) | (11,240,000) |
| | (36,967,120) | (86,081,226) |
| Net cash used in investing activities (B) | (308,872,525) | (920,476,823) |
| Cash flows from financing activities | | |
| | 26,250 | 1,211,682,292 |
| | 193,890,503 | (659,366,501) |
| | (25,710,393) | (28,027,376) |
| | (64,328) | (19,130) |
| Net Cash provided by/(used in) financing activities (C) | 168,142,032 | 524,269,285 |
| Net cash inflow/(outflow) for the period (A+B+C) | (60,284,592) | (57,418,455) |
| Add: Cash and cash equivalents at the beginning of the period | 205,478,009 | 78,158,073 |
| Foreign currency translation difference | 213,247 | (261,510) |
| Cash and cash equivalents at the end of the period | 145,406,664 | 20,478,108 |
| Operating cash inflow/(outflow) per share | 0.27 | 1.15 |

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


Chief Financial Officer


Company Secretary

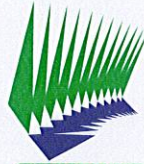

Director


Managing Director


Chairperson

Signed in terms of our report of even date annexed.

Dated, Dhaka;
11 November 2020



UNIQUE HOTEL & RESORTS LIMITED

Unique Hotel & Resorts Limited Notes to the Financial Statements For the period ended 30 September 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.



UNIQUE HOTEL & RESORTS LIMITED

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.



UNIQUE HOTEL & RESORTS LIMITED

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 90% 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 period (July-September 2020) the UHRL total revenue is 93 million which is 81% 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 54.30% from February to September 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 38.08%. Moreover, compare to the April to June 2020 our total revenue has been increased by 113% in the quarter July to September 2020 out of that 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.

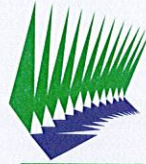
Moreover, as per our application on August 18, 2020 to the Bangladesh Investment Development Authority (BIDA) repayment date of foreign loan USD 35 million via Standard Chartered Bank (Landon/Mauritius/Singapore) through Standard Chartered Bank Limited Dhaka, Bangladesh, the tenure of the loan has been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

- a) Interest for Tranche-1 (USD 15 million) will continue to serve and principal repayment will resume from 2nd February, 2021;
- b) For Tranche-2 (USD 10 million) and Tranche-3 (USD 10 million), interest has deferred along with principal 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 26th December, 2020 will include interest accrued since last repayment under this tranche (December 2019);
- e) 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);
- f) 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;
- g) 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.



UNIQUE HOTEL & RESORTS LIMITED

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 three months from 01 July 2020 to 30 September 2020 with comparative figures for the period from 01 July 2019 to 30 September 2019.

3.11 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 11 November 2020 for issue after completion of review.

3.12 Comparative information

Comparative information has been disclosed in respect of 01 July 2019 to 30 September 2019 for the statement of profit or loss and other comprehensive income items and June 2020 for the statement of financial position items 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 other civil constructions | 1.25% |
| Hotel furniture | 5% |
| Hotel equipment | 5% |
| Office furniture and equipment | 5% |
| Motor vehicles | 5% |



UNIQUE HOTEL & RESORTS LIMITED

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 period ended 30 September 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.

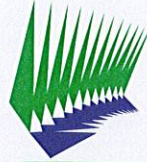
Impairment of property, plant and equipment

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.



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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 three 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.



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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 except note 36 which require to disclose 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. During this period the company incurred loss of taka 8,428,108. As a result, provision for business income has been accounted for at the rate of 0.60% u/s 82C of Income Tax Ordinance 1984 for the period July to September 2020. Moreover, income tax provision for other heads of income has been accounted for as per said applicable laws.

(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

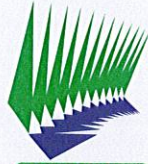
A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (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.



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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 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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).



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4.19 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.

Subsequent Event: 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. Out of that, 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 period from July to September 2019 and July to September 2020 has an average interest rate for foreign currency loan were 7% and 5.66% respectively therefore libor rate has been reduced by 1.34% 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.



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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 onwards 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



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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 Economics | 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. | IFRS No. | IFRS 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 |



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| | Amount in Taka | |
|--|-----------------------|-----------------------|
| | 30 September 2020 | 30 June 2020 |
| 6. Property, plant and equipment, net | | |
| Cost/Revaluation | | |
| Opening balance | 21,762,719,192 | 21,156,450,158 |
| Addition during the period | 16,525,031 | 606,269,035 |
| Closing balance | 21,779,244,223 | 21,762,719,192 |
| Accumulated depreciation | | |
| Opening balance | 2,513,286,246 | 2,284,665,277 |
| Charged during the period | 55,751,366 | 228,620,969 |
| Closing balance | 2,569,037,612 | 2,513,286,246 |
| Closing balance of written down value (WDV) | 19,210,206,611 | 19,249,432,947 |
| Details of property, plant and equipment have been shown in Annexure- A. | | |
| 7. Construction work in progress | | |
| Sheraton Hotel Dhaka (7.1) | 7,440,737,630 | 7,190,651,949 |
| Multipurpose commercial complex (Southpark project) at Gulshan- 2 (7.2) | 476,699,782 | 456,554,098 |
| | 7,917,437,412 | 7,647,206,048 |
| 7.1 Sheraton Hotel Dhaka | | |
| Opening balance | 7,190,651,949 | 5,334,589,463 |
| Add: Addition during the period | 250,085,680 | 1,856,062,486 |
| Closing balance | 7,440,737,630 | 7,190,651,949 |
| "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: a) Unique Hotel and Resorts Limited 50%; b) Borak Real Estate Limited 50% | | |
| Provided that Borak Real Estate Ltd. 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 | 456,554,098 | 283,884,501 |
| Add: Addition during the period | 20,145,684 | 172,669,597 |
| Closing balance | 476,699,782 | 456,554,098 |
| 8. Inventories | | |
| Inventories (HANSA by UHRL) | 5,736,139 | 6,443,110 |
| Food (The Westin Dhaka) | 15,571,237 | 22,195,951 |
| Beverage (The Westin Dhaka) | 21,474,843 | 13,717,695 |
| | 42,782,219 | 42,356,756 |



UNIQUE HOTEL & RESORTS LIMITED

| Amount in Taka | |
|--------------------|--------------------|
| 30 September 2020 | 30 June 2020 |
| 242,025,269 | 200,603,460 |
| 91,685,000 | 91,685,000 |
| 333,710,269 | 292,288,460 |

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 30.09.2020 | Fair value 30.09.2020 | Fair value 30.06.2020 |
|--|--------------------------|--------------------------|--------------------------|
| 9.1 Investment in quoted shares | 338,133,045 | 242,025,269 | 200,603,460 |
| Acme Laboratories Ltd. | 11,394,300 | 6,783,000 | 6,023,000 |
| Advent Pharmaceuticals | 5,206,482 | 3,635,467 | 3,619,591 |
| Aftab Automobiles Ltd. | 4,916,870 | 1,880,288 | 1,557,010 |
| Al-Haj Textile Mills Ltd | 1,272,156 | 682,271 | 387,987 |
| Aman Feed | 1,667,825 | 816,248 | 816,248 |
| Bashundhara Paper Mills Ltd. | 832,500 | 327,600 | 279,300 |
| Berger Paints Bangladesh Ltd. | 1,224,353 | 990,944 | 936,958 |
| Beximco Ltd. | 18,830,640 | 15,031,250 | 7,816,250 |
| Beximco Pharma Ltd. | 24,356,795 | 26,667,211 | 34,424,716 |
| Brac Bank Ltd. | 1,083,144 | 667,724 | 486,858 |
| City Bank Ltd. | 12,444,472 | 8,832,917 | 3,126,473 |
| Dhaka Electric Supply Co. Ltd. | 955,620 | 816,200 | 765,600 |
| Dragon Sweater | 104,885 | 75,350 | 52,250 |
| Dutch Bangla Bank Ltd. | 2,642,992 | 2,318,476 | 1,836,618 |
| Eastern Bank Ltd. | 11,766,445 | 11,764,529 | 6,905,439 |
| Eastern Insurance Co. Ltd. | - | - | 89,400 |
| EBL NRB Mutual Fund | 9,842,390 | 9,423,565 | 6,431,957 |
| Exim Bank Ltd. | 4,617,129 | 2,832,665 | 2,194,677 |
| Federal Insurance Co. Ltd. | - | - | 51,000 |
| GPH Ispat Ltd. | 12,436,358 | 9,305,057 | 8,468,647 |
| Grameen Phone Limited | 5,838,052 | 4,295,940 | 3,108,698 |
| IDLC Finance Ltd. | 11,937,818 | 8,617,098 | 5,342,879 |
| IFIC Bank Ltd. | 5,980,843 | 5,597,997 | 3,873,113 |
| Information Technology Cons | 14,100,369 | 10,519,170 | 9,122,820 |
| IPDC BD. LTD | 819,439 | 879,000 | 3,940,355 |
| Khulna Power Company Ltd. | - | - | 1,177,800 |
| Mobil Jamuna Ltd. | 8,349,681 | 6,694,609 | 5,016,967 |
| Nahee Aluminium Composite Panel Ltd. | - | - | 5,181,000 |
| National Bank Ltd. | 38,721,027 | 16,185,125 | 14,997,802 |
| NCC Bank Ltd. | 4,799,279 | 2,463,054 | 2,242,482 |
| Pacific Denim Ltd. | - | - | 48,450 |
| Power Grid Company Bangladesh Limited | 14,976,080 | 8,290,800 | 7,139,300 |
| Pubali Bank Ltd. | 16,189,498 | 13,140,225 | 11,247,600 |
| Lafarge Surma Cement Ltd. | 5,434,400 | 1,620,000 | 1,436,000 |
| Lanka Bangla Finance | 29,824,303 | 22,691,869 | 9,540,659 |



UNIQUE HOTEL & RESORTS LIMITED

| | Book value 30.09.2020 | Fair value 30.09.2020 | Fair value 30.06.2020 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Northern General Insurance Co. Limited | 86,355 | 57,570 | - |
| Shurwid Industries Ltd. | 494,639 | 290,021 | 290,021 |
| Simtex Industries Ltd. | 5,876,778 | 3,537,844 | 2,621,956 |
| Southeast Bank Ltd. | 17,416,811 | 13,485,823 | 11,436,391 |
| Square Pharmaceuticals Ltd. | 18,393,133 | 13,993,952 | 10,489,035 |
| Takaful Islami Insurance Limited | - | - | 153,746 |
| United Finance Ltd. | 660,240 | 470,400 | 300,000 |
| United Insurance | 2,034,337 | 1,431,192 | 1,013,518 |
| VFS Thread Dyeing Ltd. | 9,705,013 | 4,251,901 | 4,105,913 |
| Runner Automobiles Limited | 309,917 | 168,887 | 143,648 |
| United Power GDCL | 589,677 | 492,030 | 363,330 |
| 9.2 Investment in unquoted shares | 91,685,000 | 91,685,000 | 91,685,000 |
| 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 | 20,000,000 |
| Star Allied Venture Ltd. | 2,500,000 | 2,500,000 | 2,500,000 |
| | 429,818,045 | 333,710,269 | 292,288,460 |
| 10. Accounts receivable | | | |
| Receivable of The Westin Dhaka | | | |
| Accounts receivable | | 215,487,723 | 220,555,530 |
| Less: Provision for bad debt | | (6,541,488) | (6,605,579) |
| | | 208,946,235 | 213,949,951 |
| Receivable of HANSA by UHRL | | 15,136,433 | 5,148,712 |
| | | 224,082,668 | 219,098,663 |
| 10.1 Accounts receivable- ageing summary | | | |
| 0- 30 days | | 34,055,795 | 25,083,622 |
| 31-60 days | | 6,372,955 | 1,997,622 |
| 61-90 days | | 5,667,876 | 1,575,969 |
| 91-120 days | | 2,646,691 | 9,685,970 |
| 121- 150 days | | (223,590) | 9,056,821 |
| 151 days and over | | 182,104,429 | 178,304,238 |
| | | 230,624,156 | 225,704,242 |



UNIQUE HOTEL & RESORTS LIMITED

| Amount in Taka | |
|-------------------|--------------|
| 30 September 2020 | 30 June 2020 |

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 | 224,082,668 | 219,098,663 |
| 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 | 224,082,668 | 219,098,663 |

11. Other receivables

Accrued interest on FDR
Car rent receivable

| | |
|-------------------|-------------------|
| 14,171,262 | 21,689,501 |
| 121,600 | - |
| 14,292,862 | 21,689,501 |

12. Advances, deposits and prepayments

Advances (12.1)
Deposits (12.2)
Prepayments (12.3)
From HANSA by UHRL

| | |
|----------------------|----------------------|
| 6,567,873,543 | 6,597,886,932 |
| 16,080,811 | 21,905,250 |
| 12,736,047 | 7,568,330 |
| 2,117,374 | 1,443,055 |
| 6,598,807,775 | 6,628,803,567 |

12.1 Advances

Advance income tax (12.1.1)
Advance to Govt.
Advance against rent (security)
Advance against purchases
Advance to parties/ suppliers
Advance to employees- The Westin Dhaka
Advance to suppliers- The Westin Dhaka
Others- The Westin Dhaka
Advance for Limousine Service
Advance for HANSA by UHRL
Advance for LC Margin
Advance for hotel and service apartment
Advance against salary
Advance for Unique Convention centre
Advance for GEC project
Advance against land*
Advance against land of SEZL
Advance to Unique Meghnaghat Power
Advance for share (Unique Meghnaghat Power Limited)
Sonargoan Economic Zone Ltd.
Other advances

| | |
|----------------------|----------------------|
| 100,289,820 | 93,192,043 |
| 175,500,000 | 175,500,000 |
| 2,400,000 | 2,400,000 |
| 48,913,171 | 48,546,587 |
| 373,423,701 | 404,874,770 |
| 616,333 | 695,700 |
| 27,525,882 | 39,924,474 |
| 20,376,873 | 20,582,754 |
| 266,349 | 134,297 |
| 327,206 | 327,206 |
| 723,857 | 723,857 |
| 927,875,000 | 927,875,000 |
| 332,249 | 227,165 |
| 1,505,070 | 1,505,070 |
| 69,239 | 1,069,239 |
| 2,649,239,485 | 2,649,239,486 |
| 624,892,588 | 624,892,587 |
| 49,900,000 | - |
| 708,138,065 | 708,138,065 |
| 834,019,193 | 833,868,133 |
| 21,539,462 | 64,170,499 |
| 6,567,873,543 | 6,597,886,932 |

* 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.



UNIQUE HOTEL & RESORTS LIMITED

| | Amount in Taka | |
|--|----------------------|----------------------|
| | 30 September 2020 | 30 June 2020 |
| 12.1.1 Advance income tax | | |
| Opening balance | 93,192,043 | 422,760,278 |
| Add: Advance tax paid during this period/year | 7,097,777 | 126,261,465 |
| Less: Advance tax adjusted during the year | - | (455,829,700) |
| | 100,289,820 | 93,192,043 |
| 12.2 Deposits | | |
| Bank margin | 1,786,347 | 1,786,347 |
| Security deposit | 13,508,261 | 19,332,700 |
| Security deposit- The Westin Dhaka | 786,203 | 786,203 |
| | 16,080,811 | 21,905,250 |
| 12.3 Prepayments | | |
| Insurance- TWD HOAR Policy (Property Damage & Business Interruption) | 4,517,465 | 242,812 |
| Insurance- TWD HOAR Policy (Commercial General Liabilities) | 5,945,627 | 2,860,671 |
| Insurance- The Sheraton Dhaka (Property insurance coverage) | 1,909,288 | 3,818,576 |
| Insurance- The Sheraton Dhaka (Terrorism insurance coverage) | 282,604 | 565,208 |
| Insurance- HANSA by UHRL | 81,063 | 81,063 |
| | 12,736,047 | 7,568,330 |
| 13. Fixed deposit receipts | | |
| Fixed deposit receipts of The Westin Dhaka | | |
| Farcast Finance and Investment Ltd. | 5,300,000 | 5,300,000 |
| People Leasing and Financial Services Ltd. | 43,679,385 | 43,679,385 |
| Brac bank Ltd. | 65,000,000 | - |
| Brac bank Ltd. - Operational A/C | 74,000,000 | - |
| International Leasing and Financial Services Ltd. | 231,000,000 | 231,000,000 |
| Eastern Bank Ltd. | 412,628,405 | 524,391,625 |
| | 831,607,790 | 804,371,010 |
| Fixed deposit receipts of Head office | | |
| Southeast Bank Ltd. | 17,501,987 | 17,268,857 |
| United Commercial Bank Ltd | 707,927,756 | 698,498,033 |
| | 725,429,743 | 715,766,890 |
| Fixed deposit receipts of HANSA by UHRL | | |
| Eastern Bank Ltd. | 3,137,909 | 3,103,000 |
| Eastern Bank Ltd. | 2,928,378 | 2,895,800 |
| | 6,066,287 | 5,998,800 |
| | 1,563,103,820 | 1,526,136,700 |
| 14. Cash and cash equivalents | | |
| A. Cash in hand | | |
| Cash in hand- Corporate office | 12,976 | 44,123 |
| Cash with brokerage house | 18,032,352 | 6,107,635 |
| Cash in hand- HANSA by UHRL | 323,135 | 175,635 |
| | 18,368,463 | 6,327,393 |



UNIQUE HOTEL & RESORTS LIMITED

| | Amount in Taka | |
|---|--------------------|--------------------|
| | 30 September 2020 | 30 June 2020 |
| Cash at bank | | |
| Prime Bank Limited- HANSA by UHRL | 2,121,296 | 2,121,296 |
| United Commercial Bank Ltd.-HANSA by UHRL | 1,813,196 | 11,293,376 |
| Standard Chartered Bank- HANSA by UHRL | 638,287 | 2,899,381 |
| United Commercial Bank Ltd.-Banani Branch | 2,056,802 | 1,798,802 |
| Bank Alfalah Ltd., Gulshan Branch | - | 88,507 |
| Eastern Bank Ltd.-Gulshan Branch | 194,774 | 195,896 |
| Eastern Bank Ltd., HPA- Banani | 314,549 | 314,549 |
| Eastern Bank Ltd.-Dividend 2011 | 836,150 | 836,150 |
| Eastern Bank Ltd.-Dividend 2012 | 6,589,764 | 6,589,764 |
| Eastern Bank Ltd.-Dividend 2013 | 3,439,923 | 3,439,923 |
| Eastern Bank Ltd.-Dividend 2014 | 2,436,829 | 2,436,829 |
| Eastern Bank Ltd.-Dividend 2015-16 | 2,270,964 | 2,270,964 |
| Eastern Bank Ltd.-Dividend 2016-17 | 1,272,302 | 1,272,302 |
| Eastern Bank Ltd.-Dividend 2017-18 | 855,790 | 855,790 |
| Eastern Bank Ltd.-Dividend 2018-19 | 2,014,742 | 2,079,070 |
| Prime Bank Ltd.- Banani Branch, (Unit-2) | 11,582 | 2 |
| Prime Bank Limited.-Banani Branch | 7,406,852 | (17,628,488) |
| BRAC Bank Ltd., Gulshan- SND | 9,800 | 6,810,950 |
| BRAC Bank Ltd., Gulshan- FC Dollar | 417,022 | 416,872 |
| BRAC Bank Ltd., Gulshan- FC Pound | 2,808,178 | 2,683,312 |
| BRAC Bank Ltd., Gulshan- FC Euro | 1,943,957 | 1,855,725 |
| 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 | 17,970 |
| Mercantile Bank Ltd.-Banani Branch | 44,460 | 44,460 |
| Premier Bank Ltd. Banani Branch | 3,100 | 3,100 |
| Dutch Bangla Bank Ltd. | 2,311 | - |
| One Bank Ltd. | 6,182 | 6,182 |
| 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. | 4,257 | 157,199 |
| IFIC Bank Ltd. | 11,661 | 11,661 |
| Commercial Bank of Ceylon | 76,925 | 76,925 |
| | 39,779,559 | 33,108,403 |
| | 58,148,022 | 39,435,796 |
| B. With The Westin Dhaka | | |
| Cash in hand | 925,000 | 1,425,000 |
| Cash at bank | | |
| Standard Chartered Bank | 46,456,846 | 64,542,105 |
| Standard Chartered Bank CD | 11,195,076 | 17,547,978 |
| Prime Bank Limited- C/A | 929,093 | 2,618,304 |
| Prime Bank Limited- STD | 3,706,699 | 23,429,613 |
| Prime Bank Limited- replacement reserve | 13,760,918 | 13,181,160 |
| The City Bank Limited- Gulshan Branch | 10,056,522 | 43,069,565 |
| Dutch Bangla Bank Ltd. | 228,488 | 228,488 |
| | 86,333,642 | 164,617,213 |
| | 87,258,642 | 166,042,213 |
| Total : (A+B) | 145,406,664 | 205,478,009 |



UNIQUE HOTEL & RESORTS LIMITED

| | | Amount in Taka | |
|---|-------------------|--|-----------------------|
| | | 30 September 2020 | 30 June 2020 |
| 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 |
| | | 10,000,000,000 | 10,000,000,000 |
| 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 |
| | | 2,944,000,000 | 2,944,000,000 |
| C. Shareholding position | | | |
| | Percentage | No. of shares | |
| Sponsors/Directors | 52.23% | 153,756,905 | 1,537,569,050 |
| Companies and financial institutions | 32.14% | 94,606,313 | 946,063,130 |
| Foreign individual & companies | 0.86% | 2,537,298 | 25,372,980 |
| General public | 14.78% | 43,499,484 | 434,994,840 |
| | 100.00% | 294,400,000 | 2,944,000,000 |
| 16. Share premium | | 6,181,931,836 | 6,181,931,836 |
| 17. Revaluation reserve | | | |
| Opening balance | | 10,168,822,832 | 10,261,164,914 |
| Realized through excess depreciation on revaluation of assets | | (22,677,339) | (92,342,082) |
| | | 10,146,145,493 | 10,168,822,832 |
| 18. Total long term loan | | | |
| Foreign currency loan- SCB (18.1) | | 1,166,495,000 | 1,166,687,500 |
| Term loan- SCB (18.2) | | 1,469,632,506 | 1,469,632,506 |
| Term loan- DBBL (18.3) | | 1,000,000,000 | 1,000,000,000 |
| | | 3,636,127,506 | 3,636,320,006 |
| Current and non-current distinction | | | |
| Non-current portion | | 3,265,127,421 | 3,265,101,171 |
| Current portion | | 371,000,085 | 371,218,835 |
| | | 3,636,127,506 | 3,636,320,006 |
| 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 2nd February,
- 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 26th December, 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.



UNIQUE HOTEL & RESORTS LIMITED

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

| | |
|--|--|
| Opening balance | |
| Deferred tax obligation/(benefit) during the year | |
| Transferred to retained earnings- excess depreciation on revaluation reserve | |

| Amount in Taka | |
|----------------------|----------------------|
| 30 September 2020 | 30 June 2020 |
| 2,870,482,266 | 2,887,441,556 |
| 10,681,236 | 13,821,404 |
| (7,559,113) | (30,780,694) |
| 2,873,604,389 | 2,870,482,266 |

| <u>As at 30 September 2020</u> | <u>Carrying amount</u> | <u>Tax Base</u> | <u>Temp. difference</u> |
|--|------------------------|-----------------|-------------------------|
| Property, Plant and Equipment | 6,743,480,104 | 4,467,477,051 | 2,276,003,053 |
| Revaluation of Land (Tax 4%) | 3,790,955,298 | - | 3,790,955,298 |
| Revaluation of Property, Plant and Equipment | 8,675,771,208 | - | 8,675,771,208 |
| | | | 14,742,729,559 |
| Provision for bad debt | (6,541,488) | - | (6,541,488) |
| Gratuity provision | (18,924,950) | - | (18,924,950) |
| Unrealized gain/(loss) from investment in shares (Tax 10%) | (96,107,776) | - | (96,107,776) |
| | | | 14,621,155,345 |
| Deferred tax liability @ 25% (other than land & gain/ (loss) on shares), 10% and 4% | | | 2,873,604,390 |
| Transferred to retained earnings- excess depreciation on revaluation reserve | | | (7,559,113) |
| | | | 2,866,045,277 |



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| <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 |
| | | | <u>14,757,270,370</u> |
| 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) |
| | | | <u>14,568,182,709</u> |
| Deferred tax liability @ 25% (other than land & gain/ (loss) on shares), 10% and 4% | | | 2,870,482,267 |
| Transferred to retained earnings- excess depreciation on revaluation reserve | | | (30,780,694) |
| | | | <u><u>2,839,701,572</u></u> |

| | | <u>Amount in Taka</u> | |
|---|--|--------------------------|----------------------|
| | | <u>30 September 2020</u> | <u>30 June 2020</u> |
| 20. Short term loans | | | |
| Standard Chartered Bank | | 195,000,000 | 190,000,000 |
| Bank Alfalah Ltd. | | 500,000,000 | 500,000,000 |
| Prime Bank Ltd. Banani Branch-LTR | | 42,203,384 | 42,203,384 |
| Prime Bank Ltd. Banani Branch- overdraft | | 640,051,843 | 625,692,677 |
| Standard Chartered Bank, Gulshan- overdraft | | 306,868,776 | 302,817,645 |
| | | <u>1,684,124,003</u> | <u>1,660,713,706</u> |
| 21. Due to operator and its affiliates | | | |
| License fee | | 91,066,313 | 90,229,862 |
| Marketing fee | | 107,878,047 | 106,411,426 |
| Office base fee | | 2,243,735 | 1,536,374 |
| Incentive fee | | 155,349,824 | 155,072,154 |
| Reservation fee/program service fund | | 29,317,317 | 28,119,493 |
| | | <u>385,855,236</u> | <u>381,369,309</u> |
| 22. Accounts payable | | | |
| R. M. Enterprise | | 369,491 | 249,692 |
| Paragon Poultry Ltd. | | 536,215 | 269,069 |
| Idol Ace Ltd. | | 326,103 | 122,375 |
| Band Box | | 783,908 | 762,556 |
| Noor Trade House | | 902,811 | 473,691 |
| Taj Enterprise | | 534,029 | 17,249 |
| Other creditors | | 6,698,910 | 31,002,162 |
| Payables of HANSA by UHRL | | 898,442 | 1,217,656 |
| | | <u>11,049,909</u> | <u>34,114,450</u> |
| 23. Undistributed/unclaimed dividend | | | |
| Opening balance | | 12,611,384 | 10,598,403 |
| Add: Dividend declared during the year | | - | 588,800,000 |
| Less: Dividend paid during this period/year | | (64,328) | (586,787,019) |
| | | <u>12,547,056</u> | <u>12,611,384</u> |



UNIQUE HOTEL & RESORTS LIMITED

| | Amount in Taka | |
|--|----------------------|----------------------|
| | 30 September 2020 | 30 June 2020 |
| 24. Liabilities to intercompanies | | |
| Borak Real Estate Ltd. | 1,988,720,378 | 1,818,016,758 |
| Unique Eastern (Pvt.) Ltd. | 365,389,245 | 365,392,213 |
| Borak Travels Pvt Ltd. | 172,725,192 | 172,725,510 |
| Unique Vocational Training Centre | 15,654,911 | 15,656,289 |
| | 2,542,489,726 | 2,371,790,770 |
| 25. Other accruals and payables | | |
| Taxes, deposits and other creditors- The Westin Dhaka (25.1) | 26,248,940 | 35,211,617 |
| Accrued expenses (25.2) | 198,118,608 | 244,400,534 |
| Provision for corporate tax (25.3) | 151,351,738 | 143,479,956 |
| Provision for Workers' Profit Participation Fund (WPPF) (Note- 25.4) | 35,095,472 | 35,095,472 |
| Liability to directors and shareholders | 509,739,705 | 490,239,705 |
| Provision for gratuity | 18,924,950 | 18,900,736 |
| Liability for finance cost | 219,552,349 | 165,397,512 |
| Other payables | 287,626,871 | 274,120,391 |
| | 1,446,658,633 | 1,406,845,923 |
| 25.1 Taxes, deposits and other creditors-The Westin Dhaka | | |
| Security deposits from suppliers | 7,640,000 | 7,740,000 |
| Security deposits from tenants | 5,207,980 | 5,207,980 |
| Supplementary duty | 867,870 | 395,089 |
| Service charge | 3,164,702 | 1,319,887 |
| Breakage fund and others | 2,500,193 | 1,787,678 |
| TDS payables- suppliers | 335,868 | 97,625 |
| VAT payables The Westin Dhaka | (14,405,183) | 529,839 |
| Tax payable on management fees | 17,416,857 | 14,990,325 |
| Service charge of HANSA by UHRL | 3,033,163 | 2,584,190 |
| VAT payables of HANSA by UHRL | 487,490 | 559,004 |
| | 26,248,940 | 35,211,617 |
| 25.2 Accrued expenses | | |
| Income tax payable for expatriate salaries | - | 1,736,755 |
| Salaries, wages, bonus and other benefits | 8,822,847 | 9,847,423 |
| Accruals for utility services | 2,149,883 | 6,201,908 |
| Accrual for Marriott Bonvoy | 86,187,069 | 122,279,221 |
| Accrual for employee survey and vacation | 1,879,268 | 1,432,816 |
| Accrual for Starwood GSI/GEI | 36,081,865 | 31,873,795 |
| Westin privilege card and SPP card selling | 33,336 | 50,002 |
| Advance received tower rent and workout | 8,965,917 | 11,136,251 |
| Expatriate benefits | 1,586,779 | 1,416,715 |
| Audit fee | 4,127,000 | 3,719,500 |
| Other accrued expenses of Westin Dhaka | 11,102,189 | 15,610,066 |
| Accrued expenses of HANSA by UHRL | 11,339,663 | 10,448,070 |
| Accrued expenses- corporate office | 25,842,792 | 28,648,012 |
| | 198,118,608 | 244,400,534 |



UNIQUE HOTEL & RESORTS LIMITED

| | Amount in Taka | |
|--|--------------------|--------------------|
| | 30 September 2020 | 30 June 2020 |
| 25.3 Provision for corporate tax | | |
| Opening balance | 143,479,956 | 450,488,499 |
| Add: Income tax expense for this period/year | 7,871,781 | 161,660,191 |
| Less: Income tax adjusted during the year | - | (468,668,734) |
| Closing balance | 151,351,738 | 143,479,956 |

| | | |
|---|-------------------|-------------------|
| 25.4 Provision for Workers' Profit Participation Fund (WPPF) | | |
| Opening balance | 35,095,472 | 104,149,914 |
| Add: Provision made during the year | - | 22,782,838 |
| Less: Paid during the year to the WPPF Trustee account | - | (91,837,280) |
| Closing balance | 35,095,472 | 35,095,472 |

The Company has formed a Board of Trustees of WPPF and disbursed the required fund up to June 2019 to the respective bank account of the Trustee Board in compliance with the said Act. However, during this period, no provision has been accounted for regarding WPPF due to loss incurred on business.

| | Amount in Taka | |
|-----------------------------------|--------------------------------------|--------------------------------------|
| | 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |
| 26. Revenues | | |
| Revenue from Westin Dhaka | | |
| Rooms | 16,729,016 | 212,505,934 |
| Food and beverage | 54,517,681 | 250,557,987 |
| Minor operating department (MOD) | 5,779,044 | 18,522,026 |
| Space rental | 131,905 | 6,911,586 |
| Shop rent | 2,407,591 | 3,076,676 |
| | 79,565,237 | 491,574,209 |
| Revenue from HANSA by UHRL | | |
| Rooms | 7,748,473 | 15,690,419 |
| Food and beverage | 4,831,083 | 4,477,022 |
| Minor operating department (MOD) | 895,439 | 1,453,306 |
| | 13,474,995 | 21,620,747 |
| | 93,040,232 | 513,194,956 |

27. Costs of sales (COS)

| Particulars | 1 July 2020 to 30 September 2020 | | | | 01 July 2019 to 30 September 2019 |
|--|----------------------------------|--------------------|-------------------------|------------|--------------------------------------|
| | Rooms | Food & beverage | Minor operating dept | Total | |
| Salary, wages, bonus and benefits | 1,397,189 | 4,196,373 | 599,265 | 6,192,827 | 24,733,892 |
| Cost of materials & other related expenses | - | 18,120,138 | | 18,120,138 | 60,372,712 |
| Operating supplies | 1,147,288 | 1,114,288 | 10,831 | 2,272,407 | 7,326,703 |
| Laundry, dry cleaning and uniforms | 152,602 | 1,153,452 | 65,419 | 1,371,473 | 4,379,794 |
| Complementary guest services | 1,382,970 | - | - | 1,382,970 | 5,565,608 |
| Linen, china, glass etc. | 2,618,388 | - | - | 2,618,388 | 220,800 |
| In-house TV , video, movies, music etc. | | 307,107 | - | 307,107 | 1,473,624 |
| Travel agents commission | (59,583) | 292,774 | - | 233,191 | 1,906,313 |
| Traveling and communication | 4,632 | 1,212 | 7,361 | 13,205 | 191,346 |
| Airport counter charge | - | - | - | - | 197,832 |



UNIQUE HOTEL & RESORTS LIMITED

| Particulars | 1 July 2020 to 30 September 2020 | | | | 01 July 2019 to 30 September 2019 |
|---------------------------------------|----------------------------------|-------------------|----------------------|-------------------|-----------------------------------|
| | Rooms | Food & beverage | Minor operating dept | Total | |
| Fees and purchase | 116 | - | - | 116 | - |
| Third party reservation & amenities | 48,696 | - | - | 48,696 | 168,003 |
| Decoration & training | 4,500 | 60,900 | - | 65,400 | 203,324 |
| Postage | 140 | - | - | 140 | 135,082 |
| Promotion & others | - | - | - | - | 61,609 |
| Others | 224,934 | (10,157) | - | 214,777 | 654,632 |
| | 6,921,872 | 25,236,087 | 682,876 | 32,840,835 | 107,591,274 |
| Cost of sales of HANSA by UHRL | | | | | |
| Cost of sales | 1,616,557 | 2,108,391 | 51,659 | 3,776,607 | 6,864,355 |
| Total | 8,538,429 | 27,344,478 | 734,535 | 36,617,442 | 114,455,629 |

| Amount in Taka | |
|-----------------------------------|-----------------------------------|
| 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |

28. Administrative and other expenses

Administrative and other expenses of The Westin Dhaka

| | | |
|--|-------------------|--------------------|
| Operators and its affiliated company fees (28.1) | 1,698,047 | 26,963,370 |
| Administrative and general expenses (28.2) | 9,951,887 | 25,392,337 |
| Repairs and maintenance (28.3) | 21,927,800 | 40,198,190 |
| Advertising, promotion and public relations (28.4) | 6,299,778 | 31,560,697 |
| Information and Telecommunications systems (28.5) | 3,272,870 | 2,967,269 |
| | 43,150,382 | 127,081,863 |

Administrative and other expenses of HANSA by UHRL

| | | |
|---|-------------------|--------------------|
| Administrative and general expenses | 1,941,983 | 5,025,337 |
| Repairs and maintenance | 2,894,262 | 3,449,587 |
| Advertising, promotion and public relations | 438,936 | 1,275,970 |
| Information and Telecommunications systems | 420,369 | 318,998 |
| | 5,695,550 | 10,069,892 |
| | 48,845,932 | 137,151,755 |

28.1 Operators and its affiliated company fees

| | | |
|------------------------|------------------|-------------------|
| License fee (28.1.1) | 1,543,777 | 9,771,116 |
| Incentive fee (28.1.2) | 154,270 | 17,192,254 |
| | 1,698,047 | 26,963,370 |

28.1.1 License fee

| | | |
|--|------------------|------------------|
| Payable to Starwood Asia Pacific Hotels & Resorts Pte. Ltd. (now Marriott International) | 1,543,777 | 9,771,116 |
|--|------------------|------------------|

28.1.2 Incentive fee

| | | |
|--|----------------|-------------------|
| Payable to Starwood Asia Pacific Hotels & Resorts Pte. Ltd. (now Marriott International) | | |
| Gross operating profit (GOP) | 2,571,167 | 286,537,567 |
| Incentive fee @ 6% on GOP | 154,270 | 17,192,254 |



UNIQUE HOTEL & RESORTS LIMITED

| | Amount in Taka | |
|--|--------------------------------------|--------------------------------------|
| | 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |
| 28.2 Administrative and general expenses | | |
| Legal and professional charges | 229,609 | - |
| Salaries, wages, bonus and benefits | 6,215,522 | 15,194,320 |
| Operating supplies | 139,737 | 890,659 |
| Postage | 6,212 | (35,921) |
| Travel and communication | 31,812 | 127,128 |
| Entertainment | 105,786 | 370,178 |
| Internal audit fee | 407,500 | 407,500 |
| Fee and purchased services | - | 725 |
| Uniforms | - | 98,002 |
| Subscriptions | 108,748 | 40,000 |
| Bank charges | 245,929 | 61,394 |
| Credit card commission | 814,398 | 5,470,090 |
| Recruitment and training | 1,325,592 | 1,509,125 |
| Bad debt provision | (64,091) | 75,575 |
| Permits and license fee | 387,894 | 1,143,968 |
| Other expenses | (2,761) | 39,594 |
| | 9,951,887 | 25,392,337 |
| 28.3 Repairs and maintenance | | |
| Salaries, wages, bonus and benefits | 908,454 | 2,734,004 |
| Electric bulbs | 90,940 | 150,215 |
| Painting and decorations | 160,906 | 175,030 |
| Travel and communication | 7,845 | 2,436 |
| Laundry equipments | - | 51,000 |
| Electricity expenses | 14,250,334 | 25,918,082 |
| Fuel expenses | - | 193,256 |
| Repair and maintenance | 2,038,702 | 3,515,830 |
| Locks and keys | 6,600 | 47,414 |
| Operating supplies | 127,010 | 241,472 |
| Plumbing charge | 36,525 | 107,136 |
| Propine gas | 2,271,077 | 3,745,019 |
| Waste removal expenses | 42,200 | 120,352 |
| Water treatment and pest control | 1,262,052 | 2,440,696 |
| Insurance Premium | 332,233 | 722,244 |
| Uniforms | - | 38,929 |
| Other expenses | 392,922 | (4,925) |
| | 21,927,800 | 40,198,190 |
| 28.4 Advertising, promotion and public relation | | |
| Salaries, wages, bonus and benefits | 788,315 | 3,454,009 |
| Operating supplies | 57,916 | 372,924 |
| Travel and communication | 35,397 | 10,440 |
| Entertainment | 54,530 | 143,174 |
| Marriott Bonvoy expenses | 650,638 | 10,050,103 |
| Institutional marketing fee | 2,518,802 | 11,603,200 |
| Reservation fee/Program service fund | 1,454,481 | 3,988,895 |
| Uniforms | - | 22,951 |
| Other expenses | 39,597 | 66,444 |
| Digital Marketing fee | 170,224 | 604,748 |
| Food festival & promotion for guests | 529,878 | 1,243,809 |
| | 6,299,778 | 31,560,697 |



UNIQUE HOTEL & RESORTS LIMITED

| | Amount in Taka | |
|--|--------------------------------------|--------------------------------------|
| | 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |
| 28.5 Information and Telecommunications Systems | | |
| Salaries, wages, bonus and benefits | 135,266 | 336,185 |
| Uniforms | - | (33,026) |
| Operating supplies | 9,249 | - |
| Travel and communication | - | 549,178 |
| Data processing and maintenance | 2,652,476 | 2,072,578 |
| Other expenses | 475,879 | 42,354 |
| | 3,272,870 | 2,967,269 |
| 29. Corporate office expenses | | |
| Managing Director's remuneration | - | 1,500,000 |
| Salary, wages and allowances | 6,963,115 | 7,733,396 |
| Festival allowance and incentives | 487,620 | 580,420 |
| Travelling, conveyance and allowances | 52,048 | 106,610 |
| Printing, stationary and papers | 31,770 | 239,229 |
| Computer expenses | 71,758 | 341,832 |
| Food and entertainment | 127,335 | 191,650 |
| Office repairs and maintenance | 679,329 | 66,836 |
| Telephone, mobile and internet | 256,287 | 146,077 |
| Advertisement and publicity for BSEC compliance | 34,500 | 40,725 |
| Trade license, renewal fees, duty and taxes | - | 116,250 |
| Utility expenses | 400,000 | 3,049 |
| AGM expenses | 25,317 | - |
| Board meeting fees | 48,000 | 208,000 |
| Insurance premium | 3,437,810 | 877,468 |
| Audit fees | 137,500 | 125,000 |
| Car repairs and maintenance | 570,775 | 198,242 |
| Bank charge | 7,659 | 58,980 |
| Depreciation | 55,751,366 | 56,785,191 |
| Other expenses | 78,541 | 780,410 |
| Renewal of bank guarantee | 249,094 | 112,832 |
| Uniform | 113,240 | 1,050,964 |
| Demand from LTU for withholding VAT | 2,056,676 | - |
| Paper, books and periodicals | 2,825 | 10,390 |
| | 71,582,565 | 71,273,550 |
| 30. Other income/(expenses) | | |
| Dividend income | 3,865,502 | 1,071,766 |
| Tower rent | 651,000 | 651,000 |
| Hotel service charge | 636,583 | 8,746,542 |
| Receipts from Westin for limousine service | 674,018 | 3,689,389 |
| Receipts from Westin for Security service | - | 748,060 |
| Receipts from Westin for electricity | 5,592,438 | 14,329,804 |
| Fluctuation gain/ (loss) | 229,285 | 50,098 |
| Others | 38,159 | 145,260 |
| | 11,686,985 | 29,431,919 |



UNIQUE HOTEL & RESORTS LIMITED

| Amount in Taka | |
|--------------------------------------|--------------------------------------|
| 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |

31. Gain/(loss) on investment in shares

Realized gain from sale of shares
Unrealized gain/(loss) for difference between cost and market price

| | |
|-------------------|---------------------|
| 3,900,304 | 190,354 |
| 67,473,566 | (26,329,747) |
| 71,373,870 | (26,139,393) |

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
Interest expenses

| | |
|--------------------|------------------|
| 16,780,154 | 27,508,789 |
| (25,710,392) | (28,027,375) |
| (8,930,238) | (518,586) |

33. Provision for income tax

Current tax expenses
Deferred tax expenses/(benefit)

| | |
|-------------------|-------------------|
| 7,871,781 | 43,531,374 |
| 10,681,236 | 3,336,162 |
| 18,553,018 | 46,867,537 |

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

| Amount in Taka | |
|-------------------|--------------|
| 30 September 2020 | 30 June 2020 |

34.1 Net Asset Value (NAV) per share

Net Asset Value
Number of ordinary shares
Net Asset Value (NAV) per share

| | | |
|----------|----------------|----------------|
| A | 23,457,373,842 | 23,458,242,837 |
| B | 294,400,000 | 294,400,000 |
| C= (A/B) | 79.68 | 79.68 |

| Amount in Taka | |
|--------------------------------------|--------------------------------------|
| 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |

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
Number of ordinary shares
Basic and Diluted Earnings Per Share

| | | |
|----------|---------------|-------------|
| A | (8,428,108) | 137,025,760 |
| B | 294,400,000 | 294,400,000 |
| C= (A/B) | (0.03) | 0.47 |

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. 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.

Apart from the above, During this pandemic situation, Unique Hotel & Resorts Limited (UHRL) has faced 82% revenue loss for the period July to September 2020 compared to the previous period which ultimately impacted on profitability and earnings per share (EPS).



UNIQUE HOTEL & RESORTS LIMITED

| | | Amount in Taka | |
|-------------|--|--------------------------------------|--------------------------------------|
| | | 01 July 2020 to 30 September 2020 | 01 July 2019 to 30 September 2019 |
| 34.3 | Net Operating cash inflow/(outflow) per share | | |
| | Net cash from operating activities | A 80,445,901 | 338,789,083 |
| | Number of ordinary shares | B 294,400,000 | 294,400,000 |
| | Net Operating cash inflow/(outflow) per share | C= (A/B) <u>0.27</u> | <u>1.15</u> |
| 34.4 | Reconciliation of net operating cash flow with net profit | | |
| | Profit after tax (PAT) | (8,428,108) | 137,025,760 |
| | Income tax expense | 18,553,018 | 46,867,537 |
| | Profit before tax (PBT) | 10,124,910 | 183,893,297 |
| | Adjustment for: | | |
| | Depreciation | 55,751,366 | 56,785,191 |
| | Interest Expense | 25,710,392 | 28,027,375 |
| | Unrealized foreign exchange loss | (213,247) | 261,510 |
| | Dividend received | (3,865,502) | (1,071,766) |
| | (Gain)/loss from investment in shares | (71,373,870) | 26,139,393 |
| | | 16,134,049 | 294,035,000 |
| | Changes in: | | |
| | Decrease in inventory | (425,463) | (591,825) |
| | Decrease/ (Increase) in receivables | 2,412,634 | 3,255,095 |
| | Decrease/ (Increase) in advances, deposits and prepayments | 56,060,144 | 81,075,624 |
| | Decrease in accounts payable | (23,064,541) | 4,191,971 |
| | Increase in accruals and payables | 31,940,928 | (39,868,271) |
| | Increase in due to operator and its affiliates | 4,485,927 | 39,437,046 |
| | Cash generated from operating activities | 87,543,678 | 381,534,639 |
| | Tax paid during the year | (7,097,777) | (42,745,556) |
| | Net cash generated by operating activities | 80,445,901 | 338,789,083 |



UNIQUE HOTEL & RESORTS LIMITED

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 | (1,818,016,758) | 46,631,011 | 217,334,631 | (1,988,720,378) |
| Unique Group of Companies Ltd. | Common Director | Balance with current account | 6,746,062 | 7,314 | 2,128,000 | 4,625,376 |
| Unique Vocational Training Centre Ltd. | Common Director | Balance with current account | (15,656,289) | 1,378 | - | (15,654,911) |
| Ms. Salina Ali | Chairperson | Balance with current account | (145,558,447) | - | - | (145,558,447) |
| Mr. Mohd. Noor Ali | Managing Director | Balance with current account | (91,065,560) | - | - | (91,065,560) |
| Ms. Nabila Ali | Director | Balance with current account | (107,519,684) | - | 19,500,000 | (127,019,684) |
| Ms. Nadiha Ali | Shareholder | Balance with current account | (56,005,295) | - | - | (56,005,295) |
| Ms. Nadila Ali | Shareholder | Balance with current account | (90,090,719) | - | - | (90,090,719) |
| Purnima Construction Ltd. | Common Director | Balance with current account | - | - | - | - |
| Chartered Life Insurance Company Ltd. | Common Director | Balance with current account | (1,278,195) | - | - | (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 | - | 49,900,000 | - | 49,900,000 |
| 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 | (365,392,213) | 84,470 | 81,502 | (365,389,245) |
| Sonargoan Economic Zone Ltd. | Common Director | Advance against land | 833,868,133 | 151,060 | - | 834,019,193 |
| Unique Ceramics Industries (Pvt.) Ltd. | Common Director | Balance with current account | 142,872 | 1,484 | 30,400,000 | (30,255,644) |
| Borak Travels (Pvt.) Ltd. | Common Director | Balance with current account | (172,725,510) | 318 | - | (172,725,192) |
| Total | | | 1,308,491,342 | 96,777,035 | 269,444,133 | 1,135,824,244 |



UNIQUE HOTEL & RESORTS LIMITED

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 2020 to 30 September 2020 to the directors, including managing directors, a managing agent or manager | Nil |
| (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 in respect of 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 |



UNIQUE HOTEL & RESORTS LIMITED

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.

Subsequently, 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 Customs Excercise and VAT Appellate 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. Please see note no. 4.20 for detail analysis of COVID-19 for subsequent event.

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 September 2020 | 30 June 2020 |
|---------------------|-------------------|--------------|
| Number of employees | 748 | 801 |

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.

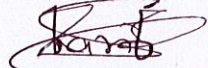
39.3 Rounding off

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

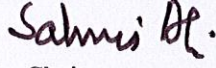
To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to current year presentation.


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairperson

Dated, Dhaka;
11 November 2020

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

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

| Sl. No. | Assets | Cost/Revaluation | | | | Rate (%) | Depreciation | | | | Written down value as on 30 September 2020 |
|--------------------------------------|--|---------------------------|-----------------------------|----------------------------|---------------------------------|----------|---------------------------|---------------------------|---------------------------------------|---------------------------------|--|
| | | Balance as at 1 July 2020 | Additions during the period | Disposal during the period | Balance as at 30 September 2020 | | Balance as at 1 July 2020 | Charged during the period | Accumulated depreciation for disposal | Balance as at 30 September 2020 | |
| 1 | Land and land developments | 6,914,503,519 | 28,283 | - | 6,914,531,802 | - | - | - | - | - | 6,914,531,802 |
| 2 | Building and other Civil constructions | 11,919,350,282 | 100,001 | - | 11,919,450,283 | 1.25% | 32,880,487 | - | 1,430,574,935 | - | 10,488,875,348 |
| 3 | Office furniture and equipments | 38,535,549 | 161,669 | - | 38,697,218 | 5% | 322,889 | - | 13,188,969 | - | 25,508,249 |
| 4 | Hotel furniture | 423,463,937 | 9,697,471 | - | 433,161,408 | 5% | 3,353,794 | - | 168,211,666 | - | 264,949,742 |
| 5 | Motor vehicles | 178,960,611 | - | - | 178,960,611 | 5% | 1,619,576 | - | 51,014,121 | - | 127,946,490 |
| 6 | Hotel equipments | 2,287,905,294 | 6,537,607 | - | 2,294,442,901 | 5% | 17,574,620 | - | 906,047,921 | - | 1,388,394,980 |
| Total as at 30 September 2020 | | 21,762,719,192 | 16,525,031 | - | 21,779,244,223 | - | 55,751,366 | - | 2,569,037,612 | - | 19,210,206,611 |
| 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 |

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



UNIQUE HOTEL & RESORTS LIMITED

Annexure-B

**Unique Hotel & Resorts Limited
Calculation of Current Tax Provision
For the period from 01 July 2020 to 30 September 2020**

| | | Amount in Taka | |
|---|--------------------|--------------------------|----------------------|
| | | 30 September 2020 | |
| Profit before Tax | | | 10,124,910 |
| Add: Expenditures to be considered separately | | | |
| Accounting Depreciation | 55,751,366 | | |
| Gratuity | 24,214 | | |
| Provision for bad & doubtful debts | (64,091) | | |
| Unrealized gain from investment in shares | (67,473,566) | | |
| Entertainment | 287,651 | | (11,474,426) |
| | | | (1,349,516) |
| Less: Allowable expenditures | | | |
| Tax Depreciation | 41,210,554 | | |
| Entertainment | 287,651 | | 41,498,205 |
| | | | (42,847,721) |
| Assessed profit/(loss) before tax | | | 3,865,502 |
| Less: Dividend Income | | | 3,900,304 |
| Less: Income from sale of share | | | 16,780,154 |
| Less: Interest income | | | (18,301,761) |
| Actual business loss u/s 30 | | | |
| Category of Income | Income | Rate | Tax Liability |
| Business Loss u/s 30 | 18,301,761 | N/A | Nil |
| Interest income u/s 33 (Note 32) | 16,780,154 | 25% | 4,195,039 |
| Dividend Income u/s 33 (Note 30) | 3,865,502 | 20% | 773,100 |
| Income from sale of shares (Note 31) | 3,900,304 | 10% | 390,030 |
| Gross current tax liability for period ended on 30 September 2020 | 42,847,721 | | 5,358,169 |
| <u>Tax Calculation u/s 82C</u> | | | |
| Gross receipts: | | | |
| Revenue (Note 26) | 93,040,232 | 0.60% | 558,241 |
| Other income (excluding dividend, note 30) | 7,821,483 | 25.00% | 1,955,371 |
| Dividend Income u/s 33 (Note 30) | 3,865,502 | 20.00% | 773,100 |
| Income from sale of shares (Note 31) | 3,900,304 | 10.00% | 390,030 |
| Interest income (Note 32) | 16,780,154 | 25.00% | 4,195,039 |
| | 125,407,675 | | 7,871,781 |
| Consider for tax provision: Higher of tax calculation in normal manner and u/s 82C | | | 7,871,781 |



UNIQUE HOTEL & RESORTS LIMITED

Annexure-C

**Unique Hotel & Resorts Limited
Calculation of Average effective Tax Rate
For the period from 01 July 2020 to 30 September 2020**

Amount in Taka

Components of tax expense

| | | |
|---------------------------------|------------|--------------------------|
| Current tax expense | (Note -33) | 7,871,781 |
| Deferred tax expense | (Note -33) | 10,681,236 |
| Total income tax expense | | <u>18,553,018</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 | | 10,124,910 |
| Current tax expense | | |
| Revenue (Note 26) - applicable tax rate @0.60% | | 558,241 |
| Other income (excluding dividend, note 30) - applicable tax rate @25% | | 1,955,371 |
| Dividend Income u/s 33 (Note 30) - applicable tax rate @20% | | 773,100 |
| Income from sale of shares (Note 31) - applicable tax rate @10% | | 390,030 |
| Interest income (Note 32) - applicable tax rate @25% | | 4,195,039 |
| Total current tax expense (A) | | <u>7,871,781</u> |
| Total deferred tax expense (B) | | <u>10,681,236</u> |
| Total income tax expense (A+B) | | <u>18,553,018</u> |

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

| | |
|---|-----------------------|
| Tax effect on business | 5.51% |
| Tax effect on other income | 19.31% |
| Tax effect on dividend income | 7.64% |
| Tax effect on income from sale of share | 3.85% |
| Tax effect on income from interest | 41.43% |
| Tax effect on deferred tax | 105.49% |
| Average effective tax rate | <u>183.24%</u> |