



ANNUAL REPORT 2013-2014



The Peninsula Chittagong
(Best Business Hotel in Town)

The Peninsula Chittagong Limited



The Peninsula Chittagong Limited
(Best Business Hotel in Town)

Letter of Transmittal

All Shareholders,
Bangladesh Securities and Exchange Commission
Register of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Central Depository Bangladesh Ltd. (CDBL)

Dear Sir(s),

Annual report for the year ended June 30, 2014

Enclosed please find a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2014 and Statement of Comprehensive income, Statement of Changes in Equity, Statements of Cash Flows for the year ended June 30, 2014 along with notes thereon of The Peninsula Chittagong Limited for kind information and record.

Best regards,

Yours sincerely,

Mohammad Nurul Azim
Company Secretary





Our Mission
"Service with zero defects"

Our Vision

The long range vision of "The Peninsula Chittagong Limited" is become one of the leading hoteliers in the regional hotel industry. We will have to developed and operated several categories of hotel, motels and holiday resorts across the country with a seamless quality of service and standard, becoming the leader in the industry. We provide a comfortable service driven, modern and quality lodging and entertainment for visiting tourists and business delegations into the country.



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THE PENINSULA CHITTAGONG LIMITED

Registered Office : 8A, Chandrashila Shuvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205
Corporate and Share Office : Bulbul Center 486/B O.R. Nizam Road, CDA Avenue, Chittagong 4100

Notice of the 12th Annual General Meeting

It is here by notice that the 12th Annual General Meeting ("AGM") of The Peninsula Chittagong Limited will be held on Thursday the 13th November 2014 at 10.30 a.m. in The King of Chittagong Convention Centre, in front of Panchlaish Thana, Panchlaish, Chittagong, to transact the following businesses:

AGENDA

1. Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended June 30, 2014.
2. Declaration of Dividend for the year ended June 30, 2014 as recommended by Board of Directors.
3. Retirement of existing Directors
4. Appointment of Independent Directors.
5. Appointment of Auditors and fixation their remuneration.

October 25, 2014

By order of the Board of Directors

Mohammad Nurul Azim
Company Secretary

Notes :

- Members whose names appeared on the Members/Depository Registers as on "**Record Date**" i.e. **October 15, 2014** are eligible to attend the Annual General Meeting (AGM).
- A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead.
- The "Proxy Form", duly filled and stamped at **TK. 20** must be deposited at the Company's Share Office located at **Bulbul Centre, 486/B O.R Nizam Road, CDA Avenue, Chittagong – 4100** not later than 48 hours before commencement of the AGM.
- Members/Proxies are requested to record their entry in the AGM well in time on **November 13, 2014**, the registration counter will open at 10.30 am on the AGM date.
- In case of non-receipt of Annual Report 2013-2014 of the Company sent through courier, Members may collect the same from the company's Share Office within **November 12, 2014**. No additional Annual Report will be distributed at AGM Venue. Annual Report is available in investor Relations section of the Company's website: **www.peninsulactg.com**
- Members are requested to submit to the Company's Share Office before **November 5, 2014**, their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- The Peninsula Chittagong Ltd is concerned about the environment and utilizes natural resources in a sustainable way. We are requesting to our members to update their email address and contact numbers (mobile/fixed phone) with their respective Depository Participant (DP) for quicker and easier communication, such cooperation will help conserve paper and minimize the impact on environment.

Members may please note that no food or gift or benefit in cash or kind shall be given at the Annual General Meeting.







COMPANY PROFILE

The Peninsula Chittagong Limited- WHERE HOSPITALITY IS CULTURE

The Company has been incorporated as a private limited company on July 25, 2002 under the companies Act 1994 vide registration no C-46488(2961)/2002 in the name of Voyager Bangladesh Limited. Later, it was renamed as The Peninsula Chittagong Limited on June 07, 2010 vide special resolution of the shareholders in the Extra Ordinary General meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly. The company offloaded 55,000,000 shares after getting approval from Bangladesh Securities And Exchange Commission (BSEC) on 19 February 2014 through initial public offering. The company's shares were enlisted in both Dhaka and Chittagong Stock Exchanges on 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/ULC/2014/5035 & CSE/Listing/TPCL-2014. The Company started its commercial operation from February 17, 2006.

The Peninsula Chittagong Limited is situated at the prestigious GEC circle of the Port City; the hotel provides superior services combining western sophistication and Chittagonian hospitality in a scenic and convenient location. Tourists can discover this unique retreat for business or pleasure just minutes from the commercial center surrounded by famous retail shops, restaurants and corporate offices.

The registered office of the company is located at 8A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205 and Business Project (4 Star Hotel premises) located at Bulbul Center, 486/B , O.R Nizam Road, C.D.A Avenue, Chittagong 4100, Bangladesh.

The Company has been converted to Public Limited Company on November 30, 2010. At present, the authorized capital of the Company stands at Tk. 300 Crore (Three Hundred Crore) and paid-up capital stands at Tk. 113.01 Crore.

Nature of Business

The Peninsula Chittagong Limited is a hotel based service oriented Company. The Company offers a premier setting for conferences, meetings, and corporate events. Participants are treated by a gracious environment, where personalized service is the standard. For important events, there is a wide range of meeting rooms and venue options to choose from.

Competitive Strengths

1. Experienced and Competent Management Team :

The Chairman and the Managing Director of TPCL have strong sense of hospitality & tourism. The General Manager of the company has been working for major international chains for the last 14 years. Specially, the head of departments carry wealth of knowledge & experience from the hospitality industry all over the world. The unique strength about the management is most of the department heads are with the company since the opening.





2. Located just at the hub of the town:

TPCL is situated at the prestigious GEC circle of the Port City. GEC circle has become the most happening place after TPCL opened its door in 2006. Many business and offices moved to this area and made the place as the most expensive real estate in the city. One can easily get TPCL in his way at any place he intends to visit. TPCL stands just on the very renowned C.D.A. Avenue and connects with all the commercial areas and places of tourist interests of the city.

3. The highest rated Star Hotel in Chittagong town :

It is the only Four Star rated Hotel in Chittagong town. In no way, other hotels in Chittagong are comparable to TPCL at Brand, Comfort, Location, Hospitality and Quality. Being front stray here the brand & friendly service, people in Chittagong with all over the world enjoy the hospitality.

4. Brand Equity & Heritage :

The Peninsula Chittagong Limited has become very rapidly a household name not only in Chittagong but also all over Bangladesh. Moreover, it is already established as an international brand, since opening till today. TPCL became the selected hotel by ICC, BCB, AFC, UN Bodies & all Embassy & High commission and all many international organizations because of its unique & personalized service.

TPCL strongly believes & value CHITTAGONIAN hospitality & its traditions. Being an international standard hotel, it provides services where the Chittagong people can be proud of.



Profiles of the Directors

Engineer Mosharraf Hossain

Chairman, The Peninsula Chittagong Limited



Engineer Mosharraf Hossain, born January 12, 1943, is the Founder and Chairman of The Peninsula Chittagong Limited. Mr. Hossain is a renowned political leader, businessman and a social worker in Chittagong, Bangladesh.

Mr. Hossain earned his Bachelor of Science degree from University of Engineering and Technology, Lahor in 1966. He joined politics and was elected as a Member of Provincial Assembly (MPA) of then East Pakistan in 1970. He was a valiant Freedom Fighter (Mukti Joddha) in the Liberation War of Bangladesh in 1971 as a Sub-sector Commander. He was also the member of Constituent Assembly of Bangladesh and one of the lawmaker of the Constitution of Bangladesh in 1972. After the independence of Bangladesh, he was elected as the Member of Parliament (MP) in 1973, 1986, 1996, 2008 and 2014. He served the country as Minister of two portfolios: Ministry of Civil Aviation & Tourism; and Ministry Public Works and Housing during 1996-2001. Currently he is serving as Minister of the Ministry of Housing & Public Works. At present, he is one of the Presidium Members of Bangladesh Awami League.

Mr. Hossain has 44 years of experience in the Hospitality Industry as a developer, owner and operator. After the liberation war of 1971 Engr. Mosharraf started to look after his inherited family businesses. In 1983, he founded GasMin Limited, a Construction and Engineering Firm primarily providing services in the energy sector development in Bangladesh. As an Engineer and Managing Director of GasMin, he has successfully completed many major Gas Pipeline Construction and other energy sector development Projects in the country. He further expanded the Hotel Sayeman which was first built by his father in 1964 into a 75 room resort with swimming pool and other modern amenities. In order to develop the Tourism and investment atmosphere in the port city of Chittagong, he further went into development of a long awaited Four Star Hotel with vision to further expand the tourism sector of Bangladesh and his Hotelier heritage, Mr. Hossain embarked into new venture to develop a beach front condominium hotel with Sayeman Beach Resort Limited as its Chairman.

Mr. Mustafa Tahseen Arshad

Managing Director, The Peninsula Chittagong Limited



Mr. Mustafa Tahseen Arshad achieved Bachelor of Science in Electronic Bachelor Engineering Technology from Southeastern Oklahoma State University, USA.

He also specialized in Industrial Technology and Management System under direct Supervision of University of Oklahoma, USA. He is the Director of The Peninsula Holdings Limited and Proprietor of Voyager Trading.

During school days he used to work as a part-time in several famous restaurant chains, during summer Job it established and as well as his management trainee. Since 1981-1985 he worked as a management trainee at Steak & Ale Corporation's subsidy, Bennigan's (An Irish restaurant), a very famous restaurant all over USA and 15 countries worldwide. His prime duty was to introduce new line of food and menu implementation from scratch including ensuring the food to be taste for multi ethnic people upscale clientele. From selection of ingredients, shelf life; ease of preparation with minimum training time, waste control. Costing was the main area of his job activity. He plays a very vital role in his current Project and spends a very good number of hours every week with the F&B team and Executive Chef to design and implement new and wide varieties International and fusion menu for the hotel food outlets. His favorite hobby of cooking different international fusion food became very handy on his practical life. In addition of his present job responsibilities, he is currently consulting for few properties as a freelancer namely Sayeman Beach Resort in Cox's Bazar and upcoming Sayeman Heritage in Cox's Bazar.





Mr Mustafa Tahseen Arshad was attended in a special programmed at National Aero Space in Waste Water Management Retrieval system, course organized by NASA, USA. He also attended an international Training Course 'Natural Gas Pipeline'. Construction and Management' Course Conducted by Canadian Petroleum Institute (CPI), Canada under Canadian International Development Agency (CIDA) development Fund. He attended a special Seminar at Waste Management Industrial Area and Surroundings, Industrial Gas Recovery and Management. This Course Organized by Environment Protection Agency (EPA), USA, and a Special Seminar on Occupational Safety and Health Alert (OSHA), USA. Mr. Mustafa Tahseen Arshad is an IT expert; He managed network for Knoll Inc. New York office, Support 86 plus users with Lotus CC Mail and internal database, Upgrade PC's and large Scale Printer, ACAD plug-ins and other Software Support and user support for Boardman Publishing, New York. He managed PC and MAC network Support for Scot Rudin Production (A famous Hollywood Director/Producer, New York.

Mr. Mahboob-Ur-Rahman (Ruhel)

Executive Director, The Peninsula Chittagong Limited



Mr. Mahboob-Ur-Rahman has been the Executive Director of The Peninsula Chittagong Limited since its inception. Mr. Rahman started his career in the USA as an Information Communication Technology Expert. In the year 1999, he returned to his home country Bangladesh after 12 years and became an innovative entrepreneur starting two successful companies in Entertainment and Information Technology and running two leading companies in construction and hospitality industry.

Mr. Rahman is the Founder Chairman of Show Motions Limited, he first and only Multiplex Cinema Theater in Bangladesh under the STAR Cineplex brand. He has also founded BASE Limited, a leading ITES company providing information technology solutions, consulting services in management and finance and technical training to enterprises and government in Bangladesh. In Finland Mr. Rahman co-founded IT Services Company and assisted the Finnish companies to set up an offshore development center in Bangladesh. Since 1999, in the capacity of Managing Director, Mr. Rahman has been leading GasMin Limited, one of the largest Gas Pipeline Construction firm in the country completing many large projects in Gas Pipeline, Drill Pad Development and Civil Structures. Mr. Rahman recently founded Sayeman Holding Limited with a vision to build, operate and own several destination resorts in Bangladesh. He is also the Managing Director of Sayeman Beach Resort Limited the most remarkable beach front hotel in Cox's Bazar.

Mr. Rahman earned his Bachelor degree in Information Systems and Computer Science from the University of Texas, USA and M.B.A from Helsinki School of Economics, Finland.

Mrs. Ayesha Sultana

Director, The Peninsula Chittagong Limited



Mrs. Ayesha Sultana is the Director of The Peninsula Chittagong Limited. Mrs. Sultana completed her Higher Secondary School Certificate (HSC) from Chittagong College in 1966. She is the daughter of Founder-Chairman of The Peninsula Chittagong Ltd., Late Dr. Golam Arshad and wife of current Chairman, Engr. Mosharraf Hossain, MP. Mrs. Ayesha Sultana holds positions and shares in several leading companies in Bangladesh. Mrs. Sultana is the Chairman of GasMin Limited, a leading Pipeline and Civil Construction Company and Director of Sayeman Holdings Limited and The Peninsula Holdings Limited. Mrs. Sultana is a shareholder of Republic Insurance Company Limited.



Mrs. Bilkis Arshad

Director, The Peninsula Chittagong Limited

Mrs. Bilkis Arshad, graduated from Chittagong Govt. College, is the Director of The Peninsula Chittagong Limited. She is also the Director of The Peninsula Holdings Limited. She is an Ex-Director of voyager computer and communication NY, an IT based company in Long Island, NY from 1993 to 2001. She also manages total inventory, ordering require equipments for each jobs, managing shipments, warranties etc. related issues Mrs. Bilkis Arshad, active director of The Peninsula Chittagong Limited, managed all the businesses during the long time absence of the managing director in the country in 2008-09. Managing F&B sections ideas, as well as all events taken place all the way through. She worked closely with Executive Chef on rolling out new menu lines and popular new food to create a new taste among the guest.



Mr. Mustafa Tahir Arshad

Overseas Director, The Peninsula Chittagong Limited

Mr. Mustafa Tahir Arshad achieved BFA Honors from Chittagong University and Associate of the Fashion Art Institute, Dallas, Texas. He served as the main designer for a leading sign company. Since 1997, he is successfully running a sign designing and manufacturing company based in Woodside, New York, USA. He is a Fine Arts and Music lover. He has hosted numerous art exhibitions both in New York and in Bangladesh. He was the convener for Chittagong Art Exhibition Forty Years Celebration held at Chittagong on January 2012. He also has large collection of Painting and Artifacts in his New York residence. He has been selected as the Overseas Director of The Peninsula Chittagong Limited since 2006. He is the President of Sign Media International, New York and awarded for his contribution for the Bangladeshi community and the first Bangladeshi Digital Sign Maker in Tri-State Area of the New York and vicinity states for a long time. He designed and made the first Shahid Minar in New York City for the Bangladesh Associate of New York.



Mr. Mustafa Tahir Arshad is also the Director of Peninsula Holdings Limited. He is engaged in various social welfare organizations and world famous foreign artists who work with Bangladesh.

Mr. M. Sawkat Hossain

Independent Director, The Peninsula Chittagong Limited

Mr. M. Sawkat Hossain is an Independent Director of The Peninsula Chittagong Limited, appointed on September 11, 2013. With a distinguished academic record, Mr. Hossain currently served as a faculty member of Jahangirnagar University. He is considered one of the most promising minds in business academic arena for his recent publications. His recent publications, 'A test and extension of Fama French Three (FF3) factor model: the perceived need for and implementation of arbitrage pricing theory' and 'A Test of Asset Pricing Model: The Real World Application as Investment Strategy' draw the attention of business academicians. His extensive interest on hospitality management and implication of modern business theories enables him to contribute on this sector. Mr. M. Sawkat Hossain obtained his MSc. in Finance & Accounting from WLV Business School, UK with International open scholarship.





Corporate Information

Board of Directors

Engineer Mosharraf Hossain
Mr. Mustafa Tahseen Arshad
Mr. Mahboob-Ur-Rahman
Mrs. Ayesha Sultana
Mrs. Bilkis Arshad
Mr. Mustafa Tahir Arshad
Mr. M. Sawkat Hossain

Auditor

Hoda Vasi Chowdhury & Co.
Chartered Accountants
Delwar Bhaban-4th floor, 104 Agrabad C/A, Chittagong-4100
Tel: +88- 031 -716305 & 723391
Fax: +88 (031) 2512485
Email: hvc@globalctg.net

Company Secretary

Mr. Mohammad Nurul Azim

Corporate Advisor

Mr. Eradat Ullah, FCA
Chartered Accountants

Tax Consultant

Advocate Kamrul Islam
61, Motijheel, Dhaka -1000

Bankers

AB Bank Limited
Brac Bank Limited
The City Bank Limited
Eastern Bank Limited
Prime Bank Limited
Standard Chartered Bank Limited
Social Islami Bank Limited
Sonali Bank Limited
Standard Bank Limited
The Premier Bank Limited
IFIC Bank Limited

Registered Office - The Peninsula Chittagong Limited, 8A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205, Tel : +88-02-8614565, 8622605, Fax : +88-02-8612455

Corporate & Share Office - The Peninsula Chittagong Limited, Bulbul Center, 486/B O.R. Nizam Road, CDA Avenue, Chittagong 4100, Tel: +88 031 2850860-9, Fax: +88 (031) 624385, 632506

Email : ipoinfo@peninsulactg.com, Website: www.peninsulactg.com



CHAIRMAN'S LETTER TO THE SHAREHOLDERS



Fiscal year 2014 was an exciting and important year for The Peninsula Chittagong Limited, as the company went through public. I welcome and congratulate all new shareholders and partners of The Peninsula Chittagong Limited for their wise investment. I believe that 2014 is a turning point for us in our twelve-year journey in the hotel industry. We are planning for a major expansion of our business for 2015, which will enable us to gain additional market share and new market segment ultimately increasing shareholder value.

The foundation for our success is the passion and hard work of our employees, the value of our brands, the vision for the growth and smart strategies. And these are the key factors that we believe will continue to differentiate The Peninsula Chittagong Limited and drive growth for our shareholders over a long period. You can review the details of our financial performance in the following pages. In short, 2014 was a very selling year with healthy growth in profit. We increased our adjusted net profit after tax by Tk. 26.08 percent compared with 2013, driven by strong management of finance and sales.

PERFORMANCE IN 2014

In 2014, revenues were Tk. 42.01 Crore and earnings per share totaled Tk. 2.70. Our balance sheet is strong, positioning us well for business opportunities. We reached our targeted debt level in 2014, ending the year with Tk. 14.83 in debt. Our credit ratings improved. Our cash balances amounted to Tk. 160.79 Crore at year-end.

FINANCIAL HEALTH

In 2014 The Peninsula Chittagong Limited issued 55,000,000 shares by IPO, hence, total of 55,000,000 numbers of ordinary shares of Taka 10 each is increased in the paid up capital. During the year 2013-2014 total of Taka 116,701,312 was added to the fixed asset and additional Taka 74,490,836 to Capital work-in-progress for the newly constructed extension on north side of the main Hotel Building.

Retained earnings of the Company in 2014 stood at Taka 270,048,765 against Taka 148,222,411 in 2013. The Board of Directors of the company recommend dividend at ten percent in cash for the year 2014. Dividend for the year 2013 was also ten percent.

The Board has the ultimate responsibility of establishing effective systems of internal control. To ensure the internal control regarding risk management, financial control and compliance legislation, the Company follows the principle of decentralization. It has been designed to manage the risk of failure to achieve the objectives of the Company. The Company has established internal audit department and appointed Head of Internal Audit to ensure internal control and compliances in place.

REVENUE GENERATIONS

Our Sales & Marketing team did a great job leveraging our industry-leading privilege cards, enrolling in Global Distribution Systems for online booking, and reservations and revenue management systems. Online reservation has brought in additional revenue and guests in to the hotel.

In 2015, we plan to begin rollout of our new central reservation system based in Dhaka managed by sales and marketing team. This system will be connected to more Global Distribution System for greater exposure to the worldwide travelers planning to visit Chittagong.





ACHIEVEMENTS

In 2014 we have successfully completed the extension of existing facility to include 22 additional rooms, larger laundry facility, 24 hour café, bigger business center, first sports lounge in Chittagong and larger banquet and restaurant facilities. These new outlets and extensions are already in operation earning revenue for the hotel. This year TripAdvisor.com has given the excellence award to The Peninsula Chittagong Limited for our superior service and quality.

OUTLOOK

The Peninsula Chittagong Limited has been able to establish a good brand value through excellent reputation for service. I believe that this gives us a unique opportunity to grow our presence in other areas of the country where our customers expect to get same superior service. In 2015 we plan to work towards opening a new hotel. This expansion is not only meaningful for us but it will also increase shareholders' value in a shortest possible time.

APPRECIATION

In closing, I want to thank all the shareholders for their confidence in The Peninsula Chittagong Limited and to all employees for their dedication and hard work that have made this year's achievement possible. We are very excited with the upcoming opportunities in the hospitality sector in Bangladesh with Chittagong becoming a regional focus for shipping and logistic hub. While the Peninsula Chittagong Limited is preparing to address the growing demand of lodging and tourism in this region, it has plans for rapid expansion in next five years with a vision to be the leading chain hotel in country.

Engineer Mosharraf Hossain
Chairman
The Peninsula Chittagong Limited



MANAGING DIRECTOR'S LETTER TO THE SHAREHOLDERS

Respected Shareholders,
Ladies and Gentlemen

Assalamu Aalykum.



It is a great pleasure for me to be facilitated to put forward, on behalf of the Board of Directors, the Annual Report 2013-14 containing the Directors' Report and Financial Statements as required under the Companies Act 1994 and Regulations of Bangladesh Securities and Exchange Commission for your consideration and approval thereof by you at this 12th Annual General Meeting of The Peninsula Chittagong Limited.

We are proud to declare that the Financial Year 2013-2014 was yet another outstanding year for The Peninsula Chittagong Ltd. despite of all the political turmoil. We don't believe in customer, instead we believe they are our guest. Our managers and employees are constantly dealing with our guest to make sure proper service are provided and make guest comfortable during their stay. With our motto "Where Hospitality Our Culture" we are going forward and meeting guests demand. Over the past nine years, The Peninsula Chittagong Limited has been fine tuning constantly by providing leadership training to their HOD's and employees to strive the best to meet or beat any competitor and our guests are very pleased with the service we render. Guest often comments that this is their second and they feel like they are coming home after long day of hard work. This is a biggest achievement for us and we do get frequently and repeated guest.

You will be pleased to know that our next project are already in the pipeline and we looking for ways to complete the project earlier then we have planned. We are currently seeking for few alternate lands for the Airport Garden and also working to open another airport hotel in Dhaka International Airport. This will further add to the already healthy recurring revenue streams that TPCL enjoys today.

Our Turnover Tk. 42.01 Crore, Gross Profit Tk. 26.34 Crore, Profit from Operation Tk. 21.52 Crore, Net Profit before Tax Tk. 23.59 Crore, Net Profit after Tax Tk. 18.21 Crore, EPS 2.70 due to effective Cost Control measures and good governance of Management and HOD's.

Mustafa Tahseen Arshad

Managing Director/CEO

The Peninsula Chittagong Limited





EXECUTIVE DIRECTOR'S LETTER TO THE SHAREHOLDERS

First of all, I would like to congratulate all the new shareholders on their wise investment in the bright future of The Peninsula Chittagong Limited. This is an exciting time for our hotel industry. The country is progressing rapidly with more than 6% annual growth rate and Chittagong is increasingly becoming the new destination of regional business hub. The first and foremost important infrastructure needed for such economic growth is a safe and comfortable accommodation for investors. We foresee a great opportunity and potential for our company to grow in this market as one of the pioneer business hotels in this region.



You are now a partner in one of the most promising ventures in Bangladesh. With a clear vision of our honorable Chairman and dedicated team of board members and management we have embarked upon a journey of a sustainable growth in the hospitality sector that will ensure good return on shareholder's equity.

We continue to improve our facilities and services at The Peninsula Chittagong Limited to keep our ever-increasing business and leisure guests satisfied and keep returning to us. Our expanded facilities now offer a new sports lounge, rooftop Indian cuisine restaurant, 24-hour café in addition to our existing outlets. While keeping our guests and employees fully satisfied we plan for a steady growth in our shareholders earnings and values.

In our next Shareholders' meeting we plan to reveal new strategies and plans that will not only add value to shareholder's capital, it will also open up new chapter for the company in new segment of tourism industry.

I want to thank our valued employees whose creativity, hard work and dedication to customers have helped us to grow and achieve what we are today. Our commitment to customer service and strong customer relationship are the key assets that help us grow in this competitive market. As the economy of the country continues to grow we are confident that we will expand our operations and continue to grow and maximize shareholder value.

Mahboob-ur-Rahman (Ruhel)

Executive Director

The Peninsula Chittagong Limited



Report of Audit Committee

The Peninsula Chittagong Limited established an Audit Committee as a sub-committee of the Board of directors. The Audit Committee is responsible to the Board and they assist the Board of directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.

Background

The formation and operation of the Committee are primarily guided by a Charter approved by the Board of directors that is based on the underlying corporate laws and regulations, currently accepted best practice and latest corporate governance guidelines of Bangladesh Securities and Exchange Commission (BSEC)

Composition

In accordance with the Corporate Governance Guidelines of BSEC (no. SEC/CMRRC/2006/158/134/Admin/44) issued on 07 August 2012, the Audit Committee of The Peninsula Chittagong limited comprised of three members including Independent director who is the Chairman of the Committee. The Company Secretary is the Member Secretary of the Committee.

The members of the Audit Committee are as follows:

1. Mr. M. Sawkat Hossain (Independent director), Chairman
2. Mr. Engineer Mosharraf Hossain, Member
3. Mr. Mahboob-Ur-Rahman, Member
4. Mr. Mohammad Nurul Azim, Member Secretary

Roles and Responsibilities

The roles and responsibilities of the Audit Committee are clearly defined in the Audit Committee Charter. The Audit Committee shall assist the Board in fulfilling its oversight responsibilities. To recognise the importance of oversight responsibilities of the Board with special emphasis on ensuring compliance with all applicable legislations and regulations, the prime responsibilities of the Audit Committee, among others, are as follows:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor internal control risk management process.
- Oversee hiring process and performance of statutory auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the annual, quarterly and half yearly financial statements of subsidiary and associate companies.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management letters/ letter of Internal Control Weakness issued by the statutory auditors.
- Perform other activities related to this Charter as requested by the Board of directors.





Committee Meetings

During the year, the Committee held 4 (four) meetings in which the Committee reviewed issues relating to business operation, human resource, finance and accounts, among other things. Managing director, Chief Operating Officer, Chief financial Officer, head of finance & Accounts and head of Internal Audit were the permanent invitees of the meeting.

Committee's Report Summary

The Committee has the following observations regarding Corporate and the financial Affairs of the Company:

- Laws and regulations relating to business and internal policies / guidelines have been complied with.
- Financial Statements for the year ended 30 June 2014 contained full disclosures and these are prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh financial Reporting Standards (BFRS) as adopted by the Institute of Chartered Accountants of Bangladesh.
- Appropriate Management Information Systems (MIS) are in place and in effect.
- Existing risk management procedures are effective to capture and mitigate risk.
- Adequate internal control systems are put in place to detect, correct and prevent fraud and errors on timely manner.
- The Committee considered the recommendations made by the statutory and internal auditors of the Company in their respective reports.

Statutory Auditor

The Committee has satisfied itself through enquiry that the statutory auditor of the Company is independent as defined by the related Act. As per Section 210 of the Companies Act 1994, the Audit Committee of the Board recommended to re-appoint M/s Hoda Vasi Chowdhury & Co, Chartered Accountants (Independent Correspondent Firm to Deloitte Touche Tohmatsu) as the auditors of the Company for the year 2014-2015 which will be placed before the shareholders at this AGM for approval. Remuneration of the auditor will also be fixed by the shareholders at this AGM.

Internal Audit

Internal audit is regarded as one of the four pillars of corporate governance. Internal audit is conducted under the supervision of Mr. Mohammad Nurul Haider, head of Internal Audit in accordance with the approved Audit Committee Charter and corporate governance guidelines/best practice.

Financial Management

The financial management/activities of the Company are running under the supervision head of finance & Accounts of the Company. The Audit Committee has satisfied itself that the appropriate expertise and knowledge to fulfill his role efficiently.

Annual Financial Statements

The Committee has tabled the financial statements for approval by the Board. The Board has subsequently approved the financial statements which will be opened for discussion at the forthcoming annual general meeting.

Appreciation

The Audit Committee expressed their sincere thanks to the members of the Board, Management and the statutory auditors for their support in carrying out its duties and responsibilities effectively.

Mr. M. Sawkat Hossain
Chairman of the Audit Committee
The Peninsula Chittagong Limited



Report of Directors' to the Shareholders for the Year ended June 30, 2014

Dear Shareholders, Ladies & Gentleman

Assalamu Alaikum.

It is a great pleasure and privilege on the part of the Board of Directors of The Peninsula Chittagong Limited to welcome you all to this November occasion of the 12th Annual General Meeting of the Company and it took place before the Annual Report together with the Audited Financial Statements and the Auditors' Report thereon for the year ended 30 June 2014.

Financial results and appropriations

The Directors are pleased to report the financial results for the year 2013-2014 and recommend the following appropriations:

Amount in Taka

Particulars	Taka (2013-2014)	Taka (2012-2013)
Profit before Tax	235,949,295	239,692,133
Less-Provision for Tax	53,817,411	95,242,241
Profit after Tax	182,131,884	144,449,892
Add: Un-appropriated profit brought forward	148,222,411	132,694,246
Profit available for distribution	330,354,295	277,144,138
Less: Appropriation of dividend	58,016,000	126,910,000
Less: Unrealized Loss	2,289,530	2,011,727
Un-appropriated profit	270,048,765	148,222,411

Key operating and financial data of preceding two years

Amount in Taka

Particulars	2013-2014	2012-2013
Revenue	420,149,834	420,264,263
Cost of Sales	(156,679,551)	(111,424,625)
Gross Profit / (Loss)	263,470,283	308,839,638
Administrative Expenses	(43,294,779)	(33,185,954)
Selling & Distribution Expenses	(4,949,224)	(3,982,575)
Operating Profit	215,226,280	271,671,109
Financial Expenses	(23,795,089)	(27,823,778)
Other Income*	56,936,488	8,460,178
Workers Profit Participation Fund(WPPF)	(12,418,384)	(12,615,376)
Net Profit before Tax	235,949,295	239,692,133
Provision for Tax	(53,817,411)	(95,242,241)
Net Profit after Tax	182,131,884	144,449,892

* Other income includes interest income, dividend income, profit on sale of fixed assets and share of profit/(loss) of This Company



Segment wise or Product wise performance

Particulars	Taka (2013-2014)	Taka (2012-2013)
Rooms	323,054,462	329,386,912
Food & Beverages	72,169,989	66,429,421
Minor Operating Departments	16,367,362	16,626,376
Rental and Others	8,558,021	7,821,554
Total	420,149,834	420,264,263

Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin

Cost of Goods Sold

Particulars	Taka (2013-2014)	Taka (2012-2013)
Opening stock	9,077,953	2,533,082
Purchase during the year	45,543,337	30,976,629
Cost of goods available for sale	54,621,290	33,509,711
Operating Expense	108,763,480	86,992,867
	163,384,770	120,502,578
Closing inventory	(6,705,219)	(9,077,953)
Cost of Sales	156,679,551	111,424,625

Particulars	Taka (2013-2014)	Taka (2012-2013)
Revenue	420,149,834	420,264,263
Cost of Sales	(156,679,551)	(111,424,625)
Gross Profit/ (Loss)	263,470,283	308,839,638
Operating Profit	215,226,280	271,671,109
Net Profit after Tax	182,131,884	144,449,892
Gross Profit ratio	62.71%	73.49%
Net Operating Profit ratio	51.23%	64.64%
Net Profit ratio	43.35%	34.37%



Issuance of shares

The Peninsula Chittagong Limited issue 55,000,000 number of shares by IPO in the year 2014. Hence, total 55,000,000 numbers of ordinary shares of Taka 10 each increased in the paid up capital due to IPO.

Fixed assets additions

During the year 2013-2014 total additions to the fixed assets was Taka 116,701,312.00 and additional Taka 74,490,836.00 addition to Capital work-in-progress which is under construction on north side of the main Hotel Building during year.

Reserve and surplus

Retained earnings of the Company in 2013-2014 stood at Taka 270,048,765.00 against Taka 148,222,411.00 in 2012-2013.

Dividend

The Board of Directors of the Company is pleased to recommend dividend at 10 percent in cash for the year 2013-2014. The Company paid dividend at 10 percent in cash for the year 2012-2013 also.

Risks and concerns

The detail of risks and concerns of the Company is discussed in Managing Risks in this annual report.

Auditors

HODA VASI CHOWDHURY & CO, Chartered Accountants (a member firm of Independent Correspondent Firm to Deloitte Touche Tohmatsu) shall retire in 12th AGM, being eligible, they offered themselves for re-appointment and the Board also recommended re-appointing them for the year 2014. Remuneration of the auditor will be fixed by the shareholders at this Annual General Meeting.

Basis for related party transactions

The detail list of the related parties with whom transactions has been taken and their relationship as identified and certified by management is disclosed in related party disclosures under BAS-24 this annual report.

Internal control

The Board has the ultimate responsibility of establishing effective systems of internal control. To ensure the internal control regarding risk management, financial control and compliance legislation, the Company follows the principle of decentralization. It has been designed to manage the risk of failure to achieve the objectives of the Company. The Company has established internal audit department and appointed Head of Internal Audit to ensure internal control and compliances in place.





Financial reporting standards

The Directors, in accordance with BSEC's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 confirms the following to the best of their knowledge:

- a. The financial statements prepared by the management of Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b. Proper books of accounts of the Company has been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Bangladesh, has been followed in preparation of the financial statements and any departure has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts of the Company's ability to continue as a going Concern.
- g. The significant deviations from the last year's operating results of the Company have been highlighted in the report and reasons thereof have been explained.

Post balance sheet events

There is no material events occurred after the balance sheet/reporting date, non disclosure of which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Appreciation

The Board would like to take this opportunity to thank the Government bodies and its shareholders, investors, bankers and as well as its employees for their continuous commitment, cooperation, confidence and support in achieving the Company's objectives.

On behalf of the Board of Directors,

Engineer Mosharraf Hossain

Chairman

The Peninsula Chittagong Limited



Rahman Rahman Huq
Chartered Accountants
 102 Agrabad C/A (3rd Floor)
 Chittagong, Bangladesh

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**Certificate on
 Compliance with Conditions of Corporate Governance Guidelines to
 the Shareholders of The Peninsula Chittagong Limited**

We were engaged by The Peninsula Chittagong Limited (the "Company") to provide certification whether the Company has complied with the conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission in its notification number SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 (the "conditions of corporate governance guidelines") for the year ended 30 June 2014.

The Company's Responsibilities

Those charged with governance and management of the Company is responsible for complying with the conditions of corporate governance guidelines. Those charged with the governance of the Company is also responsible for stating in the directors' report whether the Company has complied with the conditions of corporate governance guidelines.

Our Responsibilities

Our responsibility is to examine the Company's status of compliance with the conditions of corporate governance guidelines and to certify thereon in the form of an independent assurance conclusion based on the evidence obtained. For the purpose of the engagement, we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain assurance whether the Company has complied with the conditions of corporate governance guidelines.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company has complied with the conditions of corporate governance guidelines for the year ended 30 June 2014 except condition 1.2 (i) and 1.3(ii) as stated in the Annexure.

Chittagong, 27 September 2014


 Mohammad Saif Uddin, CISA, FCA

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of Independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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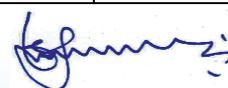


Status of compliance with the conditions imposed by the Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013.

Condition No	Titles	Compliance Status		Remarks (If Any)
		Complied	Not Complied	
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors		√	To comply with the guidelines, two directors have resigned to make total number of directors to 5(five) including Independent Director.
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	√		
1.2 (ii) b)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2 (ii) d)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2 (ii) e)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	√		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies; 1.2 (ii) d) Not a member, director or officer of any stock exchange	√		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI	√		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	√		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	√		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days	√		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		



1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge of Independent Directors	√		
1.3 (ii)	Background of Independent Directors		√	Independent Director has resigned from BOD. New Independent Director having required qualification and experience has been selected by the Board who will be appointed in the next AGM with approval from shareholders.
1.3 (iii)	Special cases for qualifications			Not Applicable
1.4	Individual Chairman of the Board and CEO	√		
1.5	The Directors' Report to Shareholders :			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or Product wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others	√		
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			Not Applicable
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements			Not Applicable
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	Fairness of Financial Statement	√		
1.5 (xii)	Maintenance of proper books of accounts	√		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	√		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	√		
1.5 (xv)	Soundness of internal control system	√		
1.5 (xvi)	Ability to continue as a going concern	√		
1.5 (xvii)	Significant deviations from the last year's	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	√		






Rahman Rahman Huq
Chartered Accountants

1.5 (xix)	Reasons for not declared dividend			Not Applicable
1.5 (xx)	Number of board meetings held during the year and attendance	√		
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties			Not Applicable
1.5 (xxi) b)	Directors, CEO,CS,CFO,HIA and their spouses and minor children	√		
1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	10% or more voting interest	√		
1.5 (xxii)	Appointment/re-appointment of director:			
1.5 (xxii) a)	Resume of the director	√		
1.5 (xxii) b)	Expertise in specific functional areas	√		
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other than this Company.	√		
2.1	Appointment of CFO, HIA and CS:	√		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors	√		
3.	Audit Committee :	√		
3 (i)	Constitution of Audit Committee	√		
3 (ii)	Assistance of the Audit Committee to Board of Directors	√		
3 (iii)	Responsibility of the Audit Committee	√		
3.1	Constitution of the Audit Committee:			
3.1 (i)	At least 3 (three) members	√		
3.1 (ii)	Appointment of members of the Audit Committee	√		
3.1 (iii)	Qualification of Audit Committee members	√		
3.1 (iv)	Term of Service of Audit Committee members	√		
3.1 (v)	Secretary of the Audit Committee	√		
3.1 (vi)	Quorum of the Audit Committee	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	Board of Directors shall select the Chairman.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	√		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management Process	√		
3.3 (iv)	Oversee hiring and performance of external Auditors	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		



3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3 (vii)	Review the adequacy of internal audit Function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	√		
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:	√		
3.4.1 (i)	Activities of Audit Committee	√		
3.4.1 (ii) a)	Conflicts of interests	√		
3.4.1 (ii) b)	Material defect in the internal control system	√		
3.4.1 (ii) c)	Infringement of laws, rules and regulations	√		
3.4.1 (ii) d)	Any other matter	√		
3.4.2	Reporting to the Authorities	√		
3.5	Reporting to the Shareholders and General Investors	√		
4	Engagement of External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or Fairness Opinions	√		
4 (ii)	Financial information systems design and Implementation	√		
4 (iii)	Book-keeping	√		
4 (iv)	Broker-dealer services	√		
4 (v)	Actuarial services	√		
4 (vi)	Internal audit services	√		
4 (vii)	Services that the Audit Committee determines	√		
4 (viii)	Audit firms shall not hold any share of the company they audit.	√		
4 (ix)	Audit/certification services on compliance of corporate governance.	√		
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors			Not Applicable
5 (ii)	At least 1 (one) independent director to the subsidiary company			Not Applicable
5 (iii)	Submission of Minutes to the holding company			Not Applicable
5 (iv)	Review of Minutes by the holding company			Not Applicable
5 (v)	Review of Financial Statement by the holding company			Not Applicable






Rahman Rahman Huq
Chartered Accountants

6	Duties of Chief Executive Officer and Chief Financial Officer:			
6 (i) a)	Reviewed the materially untrue of the financial statement	√		
6 (i) b)	Reviewed about compliance of the accounting standard	√		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	√		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	√		
7 (ii)	Annexure attached in the directors' report	√		



Hoda Vasi Chowdhury & Co

Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE PENINSULA CHITTAGONG LIMITED

We have audited the accompanying financial statements of **The Peninsula Chittagong Limited**, which comprises the Statement of Financial Position as at **30 June 2014** and the related Statement of Comprehensive Income, Statement of Cash Flows for the year ended, Statement of changes in Equity and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2014 and of the results of its operations and its cash flows for the year ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by **The Peninsula Chittagong Limited** so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns.
- (iv) The expenditure incurred was for the purpose of the company's business.

Chittagong, *2 October* 2014

Hoda Vasi Chowdhury
Chartered Accountants
Hoda





THE PENINSULA CHITTAGONG LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note(s)	30-Jun-2014 Taka	30-Jun-2013 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
		2,385,866,825	2,258,316,470
Property, Plant & Equipment	4	2,080,981,604	2,024,692,314
Capital Work-in-Progress	5	304,885,221	230,394,385
Preliminary Expenses	6	-	3,229,771
CURRENT ASSETS & PROPERTIES			
		1,730,938,984	145,588,487
Financial Assets	7	17,582,086	61,550,248
Inventory	8	9,511,789	10,529,534
Accounts Receivables	9	35,244,256	33,868,421
Interest Receivables	10	50,587	2,579,716
Advances, Deposits & Prepayments	11	60,561,632	20,261,248
Cash and Cash Equivalents	12	1,607,988,634	16,799,320
TOTAL ASSETS & PROPERTIES			
		4,116,805,809	2,403,904,957
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
		3,687,869,144	1,956,796,253
Share Capital	13	1,130,160,000	580,160,000
Revaluation Surplus	14	1,228,413,842	1,228,413,842
Share Premium Account	15	1,059,246,537	-
Retained Earnings	16	270,048,765	148,222,411
NON CURRENT LIABILITIES			
Long Term Portion of Term Loan	17	-	132,973,234
CURRENT LIABILITIES AND PROVISIONS			
		428,936,665	314,135,470
Current Portion of Long Term Loan	17	-	29,085,115
Accounts Payables	18	58,276,110	37,313,634
Short Term Loan	19	148,381,521	9,275,098
Provision for Taxation	20	222,279,034	238,461,623
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES			
		4,116,805,809	2,403,904,957
Net Assets Value Per Share With Revaluation	30.2	54.75	33.73
Net Assets Value Per Share Without Revaluation	30.2	36.51	12.55

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 27 September 2014 and were signed on its behalf by :

COMPANY SECRETARY

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

CHAIRMAN

Signed in terms of our separate report of even date annexed

Chittagong, 02 October 2014

CHARTERED ACCOUNTANTS



THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note(s)	30-Jun-2014 Taka	30-Jun-2013 Taka
Revenue	21	420,149,834	420,264,263
Cost of Sales	22	(156,679,551)	(111,424,625)
Gross Profit/ (Loss)		263,470,283	308,839,638
Administrative Expenses	24	(43,294,779)	(33,185,954)
Selling & Distribution Expenses	25	(4,949,224)	(3,982,575)
		(48,244,003)	(37,168,529)
Operating Profit		215,226,280	271,671,109
Financial Expenses	26	(23,795,089)	(27,823,778)
		191,431,191	243,847,331
Other Income	27	56,936,488	8,460,178
		248,367,679	252,307,509
Workers Profit Participation Fund (WPPF)	28	(12,418,384)	(12,615,376)
Net Profit before Tax		235,949,295	239,692,133
Provision for Tax			
Current	20.1	(58,397,450)	(89,884,550)
Deferred	20.2	4,580,039	(5,357,691)
Net Profit after Tax		182,131,884	144,449,892
Other Comprehensive Income			
Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	7.2	(2,289,530)	(2,011,727)
Total Comprehensive Income		179,842,354	142,438,165
Earnings per share (Basic)	30.1	2.70	2.49
Earnings per share (Restated)	30.1	2.70	2.14
Earnings per share (Diluted)	30.1	2.70	2.49

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These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 27 September 2014 and were signed on its behalf by :


COMPANY SECRETARY

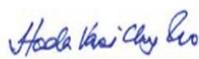

MANAGING DIRECTOR


EXECUTIVE DIRECTOR


CHAIRMAN

Signed in terms of our separate report of even date annexed

Chittagong, 02 October 2014


CHARTERED ACCOUNTANTS



THE PENINSULA CHITTAGONG LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total Equity
Balance as on 01 July 2013	580,160,000	-	1,228,413,842	148,222,411	1,956,796,253
Net Profit after Tax	-	-	-	182,131,884	182,131,884
Unrealized Gains/(Loss) on Available-- for Sale Financial Assets	-	-	-	(2,289,530)	(2,289,530)
Dividend Paid	-	-	-	(58,016,000)	(58,016,000)
Issuance of Share with Premium	550,000,000	1,059,246,537	-	-	1,609,246,537
	550,000,000	1,059,246,537	-	121,826,354	1,731,072,891
Balance as at 30 June 2014	1,130,160,000	1,059,246,537	1,228,413,842	270,048,765	3,687,869,144
Balance as on 01 July 2012	453,250,000	-	1,228,413,842	132,694,246	1,814,358,088
Net Profit after Tax	-	-	-	144,449,892	144,449,892
Unrealized Gains/(Loss) on Available-for- Sale Financial Assets	-	-	-	(2,011,727)	(2,011,727)
Issuance of Bonus Share	-	-	-	-	-
	126,910,000	-	-	(126,910,000)	-
	126,910,000	-	-	15,528,165	142,438,165
Balance as at 30 June 2013	580,160,000	-	1,228,413,842	148,222,411	1,956,796,253

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 27 September 2014 and were signed on its behalf by :

COMPANY SECRETARY

MANAGING DIRECTOR

EXECUTIVE DIRECTOR

CHAIRMAN

Signed in terms of our separate report of even date annexed

Chittagong, 02 October 2014

CHARTERED ACCOUNTANTS



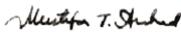
THE PENINSULA CHITTAGONG LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note(s)	30-Jun-2014 Taka	30-Jun-2013 Taka
Cash flows from Operating Activities			
Cash Received from Customers	29.1	418,773,999	420,316,118
Cash Received from other sources	29.2	59,319,934	67,982,560
Cash Paid to suppliers	29.3	(108,788,546)	(94,063,056)
Cash Paid for admin & selling expense	29.4	(73,403,075)	(31,727,949)
Cash Payment for financial expenses	26	(23,795,089)	(27,823,778)
Income Tax Paid	20.1	(70,000,000)	(20,609,381)
Net cash inflow/(outflow) from operating activities (A)		202,107,223	314,074,514
Cash flows from investing activities			
Acquisition of property, plant and equipment	4.1	(116,701,312)	(95,892,296)
Deletion of property, plant and equipment	29.5	1,000,000	3,530,520
Capital Work in Progress	5	(74,490,836)	(218,671,950)
Investment in Financial Assets	7 & 7.2	41,678,632	12,032,038
Net cash inflow/(outflow) from investing activities (B)		(148,513,516)	(299,001,688)
Cash flows from financing activities			
Cash proceeds from issuing share (include Tk. 9,316,995 refundable to NRB Applicant)	13, 15 & 18	1,618,563,533	-
Dividend Paid	16	(58,016,000)	-
Long term loan (repaid)/received	17	(162,058,349)	(16,621,561)
Short term loan(repaid)/ received	19	139,106,423	9,275,098
Net cash inflow/(outflow) from financing activities (C)		1,537,595,607	(7,346,463)
Net increase of cash and cash equivalents for the year (A+B+C)		1,591,189,314	7,726,363
Cash and cash equivalents at the beginning of the year		16,799,320	9,072,957
Cash and cash equivalents at the end of the year		1,607,988,634	16,799,320
Net Operating Cash Flows Per Share - note 30.3		3.00	5.41
Net Operating Cash Flows Per Share -(Restated)- note 30.3		3.00	4.66

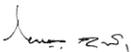
ANNUAL REPORT 2013 - 2014

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 27 September 2014 and were signed on its behalf by :


COMPANY SECRETARY


MANAGING DIRECTOR


EXECUTIVE DIRECTOR


CHAIRMAN





THE PENINSULA CHITTAGONG LIMITED

Notes to the Financial Statements

For the year ended 30 June 2014

1 Background and Introduction

1.1 Formation and Legal Status

The company was formed on 25 July 2002 under the companies Act 1994 vide registration no C-46488 in the name of Voyager Bangladesh Limited. Later, it renamed as The Peninsula Chittagong Limited on 7 June 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) & The company converted from Private Limited Company to Public Limited Company on 30 November 2010 vide special resolution of the shareholders in the Extra Ordinary General Meeting (EGM) and Registrar of Joint Stock Companies & Firms, Dhaka & approved the same accordingly. The company offloaded 55,000,000 shares after getting approval from Bangladesh Securities And Exchange Commission (BSEC) on 19 February 2014 through initial public offering. The company's shares were enlisted in both Dhaka and Chittagong Stock Exchanges on 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/UCL/2014/5035 & CSE/Listing/TPCL-2014.

The registered office of the company is located at 8/A, Chandrishila Shuvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205 and Business Project (4 Star Hotel premises) located at Bulbul Center, 486/B, O.R Nizam Road, C.D.A Avenue, Chittagong 4100, Bangladesh.

1.2 Nature of Business

The principal activities of the company includes carrying of business of modern hotel, restaurants, etc. In this context the company has established a hotel named "The Peninsula Chittagong" which offers a range of hotel facilities including fitness centre, a luxurious oasis within the hotel with gymnasium, swimming pool, sauna, steam bath and massage treatments etc. The company started commercial operation on 17th February 2006.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements of the company under reporting have been prepared under historical cost convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with The Companies Act 1994, The Securities and Exchange Rules 1987, International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and other applicable laws and regulations

2.2 Functional and Presentation Currency

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.3 Use of Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected.

2.4 Reporting Period

The financial statements of the Company consistently cover one financial year from 01 July 2013 to 30 June 2014 for all reported periods.

2.5 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of The Peninsula Chittagong Limited is responsible for the preparation and presentation of financial statements of the Company.



2.6 Comparative Information

Comparative figures and account titles in the financial statements have been rearranged / reclassified and restated where necessary to conform with changes in presentation in the current year.

3 Significant Accounting Policies

The financial statements have been prepared in compliance with requirement of BASs (Bangladesh Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following BASs are applicable for the financial statements for the year under audit:

BAS-1	Presentation of Financial Statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Reporting Date
BAS-12	Income Taxes
BAS-16	Property, Plant & Equipment
BAS-18	Revenue
BAS-19	Employee Benefits
BAS-21	The effects of Changes in Foreign Exchange Rate
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-26	Accounting and Reporting by Retirement Benefit Plans
BAS-33	Earnings Per Share
BAS-36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BFRS-5	Non-current Assets Held for Sale and Discontinued Operations
BAS-32	Financial Instrument: Presentation
BAS-39	Financial Instrument: Recognition and Measurement
BFRS-7	Financial Instrument: Disclosure

3.1 Property, Plant and Equipment (PPE)

i) Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the BAS 16 "Property, plant and equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use. During Financial year 2010-2011, all fixed assets had been revalued by Syful Shamsul Alam & Co., Chartered Accountants.

Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as expense when incurred. Subsequent expenditure on property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.





ii) Depreciation

Depreciation is charged on property, plant and equipment on reducing balance method at rates varying from 5% to 25%. Full year's depreciation is charged on addition if it has been taken place within 6 months to fixed assets during the year of acquisition and no depreciation is charged on addition in last 6 months. In case of retirement/disposal, during the year of retirement/disposal if assets dispose of within first 6 months. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the period.

Depreciation is charged on property, plant and equipment on reducing balance method at the annual rate(s) shown below.

Category	Rate
Hotel Building	5%
Plant & Machineries	15%
Office Equipment	15%
Electrical Equipment	15%
Air Conditioner	15%
Kitchen Equipment	20%
House Keeping Equipment	20%
Bar Equipment	20%
Security Equipment	20%
Linen	25%
SPA	5%
Wooden Floor	10%
Tumbler Drier	10%
Furniture & Fixtures	10%
Office Decoration	15%
Motor Vehicles	15%

iii) Revaluation of Fixed Assets

Since inception, the company revalued its fixed assets for the 1st time in the year 2010-2011 by Syful Shamsul Alam & Co., Chartered Accountants. Reserve was created by the sum of revaluation surplus as per the provision of BAS-16.

The board of directors agreed to discard the revaluation surplus of all assets except Land & Land Development in a board meeting held on 05 August 2012 and instructed the management to consider the proper Accounting Policies for it. Details in note 4.

iv) Retirement and Disposals

An asset is recognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the Statement of Comprehensive Income.

3.2 Inventories & Consumables

Inventories comprise of food & beverage, house keeping materials, printing & stationary, hard drinks, stores & spares which are valued lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 "Inventories". Details of valuation are as follows:

i) Food	at cost
ii) House Keeping Materials	at cost
iii) Printing & Stationary	at cost
iv) Store & Spares	at cost
v) Beverage	at cost

3.3 Revenue Recognition

Revenues are recognized at the time of delivery / providing services in accordance with Bangladesh Accounting Standard (BAS) -18 "Revenue".



3.4 Taxation

The Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

i) Current Income tax:

Provision is made at the effective rate of 24.75% of tax applied on 'estimated' taxable profit. The Company enjoyed tax holiday facilities for four years from 01 February 2006 to 31 January 2010 as per letter no.11(60) anu-1/2006/364(2) dated 04 September 2006 issued by NBR under section 46 A and 46A (1) (a).

ii) Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current enacted tax rates are used in the determination of deferred income tax.

3.5 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the reporting date are classified as current liabilities whereas borrowings repayable after twelve months from the reporting date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

3.6 Provision

In accordance with the guidelines as prescribed by BAS 37, provisions are recognized when all the following criteria are met:

- i) When the company has a present obligation as a result of past event;
- ii) When it is probable that an outflow of resources embodying economic benefit will be required to
- iii) Settle the obligation; and
- iv) Reliable estimate can be made of the amount of the obligation.

We have shown the provisions in the balance sheet at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the reporting date.

3.7 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in the Notes to the financial statements.

3.8 Statement of Cash flows

Statement of Cash Flows is prepared principally in accordance with BAS 7 " Statement Cash Flow " and the cash flow from the operating activities have been presented under direct method as prescribed by Securities and Exchange Rules, 1987.





3.9 Events after the Reporting Date

Events after the reporting date that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when they are material.

3.10 Borrowing Cost

The company capitalizes borrowing cost for new project such as interest on term loan and other related fees/Charges for the period till to commencement of commercial operation and charges the cost to revenue account as financial expenses after commencement of commercial operation.

3.11 Advertisement and Promotional Expenses

All cost associated with advertising and promotional activities are charged out in the year incurred.

3.12 Creditors and Accrual

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.13 Cash and Cash Equivalent

According to BAS 7 "Statement Cash flows" cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value IAS 1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

3.14 Components of the Financial Statements

According to the Bangladesh Accounting Standard BAS-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30 June 2014.
- ii) Statement of Comprehensive Income for the year ended 30 June 2014.
- iii) Statement of Cash flows for the year ended 30 June 2014.
- iv) Statement of Changes in Equity for year then ended 30 June 2014.
- v) Accounting Policies and Explanatory Notes.

3.15 Earnings Per Share

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share".

- i) Basic Earnings Per Share:

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

- ii) Diluted Earnings Per Share:

As there is no prospective dilutive securities, diluted earning per share has been calculated based on the total existing number of share as prescribed in the rules 8 (B), 20 (e) of Securities and Exchange Commission (Public Issue) Rules, 2006.



3.16 Related Party Transactions

The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

A party is related to an entity if: [IAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. Detailed in note-32.

3.17 Financial Expenses

Financial expenses comprise the interest on external borrowings and bank charges and are recognized as they accrue.

3.18 Employee Benefits

i) Short Term Employee Benefits

Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

ii) Worker's Profit Participation Fund:

The company had created a fund for workers as "Worker's Profit Participation Fund" by contributing 5% of the profit before charging such expenses.

3.19 Going Concern

The company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may significant doubt upon the Company's ability to continue as a going concern.





30-Jun-2014
Taka

30-Jun-2013
Taka

4 PROPERTY, PLANT AND EQUIPMENT

Detail of fixed assets and depreciation as on 30 June 2014 are shown in the notes 4.1 & 4.2

A. Cost

Opening Balance as on 01 July 2013

2,295,558,506

2,203,468,512

Add: Addition during the year

116,701,312

95,892,296

Less: Decrease Due to Sales

1,479,138

3,802,302

Total Cost as on 30 June 2014

2,410,780,680

2,295,558,506

B. Accumulated Depreciation

Opening Balance as on 01 July 2013

270,866,193

224,552,116

Add : Depreciation for the year

59,557,704

47,437,169

Less : Adjustments during the year

624,821

1,123,093

Total Depreciation as on 30 June 2014

329,799,076

270,866,192

Written Down Value (WDV), (A-B)

2,080,981,604

2,024,692,314



PROPERTY, PLANT & EQUIPMENT

4.1 Fixed Assets - at Cost Less Accumulated Depreciation - note 4

(a) Cost:

Particulars	Cost (Amount in Taka)			Depreciation Rate (%)	Depreciation (Amount in Taka)			Written Down Value as on 30.06.2014 (Taka)
	Opening Balance as on 01.07.2013	Addition During the year	Deletion During the year		Closing Balance as on 30.06.2014	Charge During the year	Deletion During the year	
Land and Land Development:								
Free Hold Land	205,836,564	-	-		205,836,564	-	-	205,836,564
Building:								
Hotel Building	414,786,215	45,303,186	-	5%	460,089,401	18,352,310	99,372,548	360,716,853
Plant & Machinery:								
Plant & Machinery	64,331,762	5,753,356	-	15%	70,085,118	6,585,758	29,786,306	40,298,812
Equipment & Appliance:								
Office Equipment	14,464,721	1,456,875	-	15%	15,921,596	1,848,195	4,723,556	11,198,040
Electrical Equipment	31,595,952	681,574	-	15%	32,277,526	1,832,914	21,364,738	10,912,788
Air Conditioner	67,917,728	4,228,675	-	15%	72,146,403	4,121,476	47,679,694	24,466,709
Kitchen Equipment	37,730,660	8,772,127	-	20%	46,502,787	5,593,993	23,236,526	23,266,261
House Keeping Equipment	31,775,904	188,820	-	20%	31,964,724	5,330,351	10,513,591	21,451,133
Bar Equipment	2,272,470	96,640	-	20%	2,369,110	207,369	1,442,996	926,114
Security Equipment	5,975,336	649,250	-	20%	6,624,586	439,012	4,566,060	2,058,526
Linen	15,161,961	1,481,703	-	25%	16,643,664	1,635,887	10,460,891	6,182,773
SPA	19,982,780	-	-	5%	19,982,780	846,891	3,891,855	16,090,925
Wooden Floor	51,685,190	13,047,369	-	10%	64,732,559	3,549,894	19,738,543	44,994,016
Tumbler Drier	232,200	-	-	10%	232,200	16,927	79,854	152,346
	278,794,902	30,603,033	-		309,397,935	25,422,909	147,698,304	161,699,631
Furniture & Fixtures								
Furniture & Fixtures	41,254,258	7,460,950	-	10%	48,715,208	2,629,041	17,622,434	31,092,774
Office Decoration	39,217,358	15,810,497	-	15%	55,027,855	3,668,483	25,351,157	29,676,698
Motor Vehicles	22,923,605	11,770,290	1,479,138	15%	33,214,757	2,899,203	9,968,327	23,246,430
30.06.2014	1,067,144,664	116,701,312	1,479,138		1,182,366,838	59,557,704	624,821	852,567,762
30.06.2013	975,054,670	95,892,296	3,802,302		1,067,144,664	47,437,169	270,866,193	796,278,471





(b) Revaluation:

Particulars	Cost (Amount in Taka)			Depreciation Rate (%)	Depreciation (Amount in Taka)				Written Down Value as on 30.06.2014 (Taka)
	Opening Balance as on 01.07.2013	Addition During the year	Deletion During the year		Closing Balance as on 30.06.2014	Opening Balance as on 01.07.2013	Charge During the year	Deletion During the year	
Land and Land Development:									
Free Hold Land	1,228,413,842	-	-	1,228,413,842	-	-	-	-	1,228,413,842
30.06.2014	1,228,413,842	-	-	1,228,413,842	-	-	-	-	1,228,413,842
Total Assets(a+b)	2,295,558,506	116,701,312	1,479,138	2,410,780,680		59,557,704	624,821	329,799,076	2,080,981,604
30.06.2013	2,203,468,512	95,892,296	3,802,302	2,295,558,506		47,437,169	1,123,093	270,866,193	2,024,692,313
4.2 Depreciation Allocated to:		30-Jun-2014 Taka	30-Jun-2013 Taka	Basis					
Operating Expenses - note 23.3		47,646,163	37,949,736	80%					
Administrative Expenses - note 24		11,911,541	9,487,433	20%					
		59,557,704	47,437,169	100%					



	Taka	Taka
5 Capital Work -in- Progress		
Opening balance	230,394,385	11,722,435
Add: Expenses incurred during the year	74,490,836	218,671,950
Closing Balance	304,885,221	230,394,385

Capital work-in-progress includes all the costs of extension of hotel building which is under construction on North side of the main building.

6 Preliminary Expenses		
Opening balance	3,229,771	4,037,218
Less: Amortized during the year - note 23.3	-	807,447
Less: Adjustment with share premium account - note 15	3,229,771	-
Closing Balance	-	3,229,771

The company already adjusted Tk.4,844,665 during 01 July 2007 to 30 June 2013 in accordance with Board decision. The remaining balance of Tk.3,229,771 has been adjusted with share premium account as per section 52(2)(b) of Companies Act 1994.

	30-Jun-2014 Taka	30-Jun-2013 Taka
7 FINANCIAL ASSETS		
FDR - note 7.1	1,147,183	43,895,315
Shares - note 7.2	16,434,903	17,654,933
	17,582,086	61,550,248

7.1 FDR - note 7

Bank name	FDR No	Rate	Maturity Date	Amount
A B Bank	12209	12.50%	24 February 2015	1,147,183
				1,147,183

7.2 Shares - note 7

i) Quoted Securities - note 7.2

Particulars	Qty	Market Price 30.06.2014	Market Price 30.06.2013	Unrealized Gain (Loss)
A B Bank	66,447	1,720,977	1,776,060	(55,083)
BRAC Bank	171,120	4,551,792	*4,288,695	263,097
First Securities Bank	8,944	98,384	123,428	(25,044)
Unique Hotel & Resort	57,500	3,938,750	6,411,250	(2,472,500)
		10,309,903	12,599,433	(2,289,530)

* The balance of Brac Bank Ltd. on 30 June 2013 includes Tk. 1,069,500 worth of right shares purchased during the year.





ii) Unquoted Securities - note 7.2

Particulars	Qty	Market Price	Cost Price Per Unit	Unrealized Gain (Loss)
Lanka Bangla Securities	52,500	-	3,750,000	-
Energy Prima Ltd	25,000	-	2,375,000	-
		-	6,125,000	-

Cost price of Lanka Bangla Securities is Tk 71.42 per share and Energy Prima Ltd is Tk 95 per share.

	30-Jun-2014 Taka	30-Jun-2013 Taka
8 INVENTORY		
Food- note 8.1	3,120,884	1,351,285
House Keeping Materials - note 8.2	1,494,420	340,274
Printing & Stationary - note 8.3	1,127,190	880,107
Store & Spares	184,960	231,200
Beverage - note 8.4	3,584,335	7,726,668
	9,511,789	10,529,534
8.1 Food - note 8		
Opening balance	1,351,285	765,770
Add: Purchase during the year	45,550,537	22,152,018
	46,901,822	22,917,788
Less: Consumption during the year	43,780,938	21,566,503
Closing balance - note 22.1	3,120,884	1,351,285
8.2 House Keeping Materials - note 8		
Opening balance	340,274	337,482
Add: Purchase during the year	6,918,798	4,181,586
	7,259,072	4,519,068
Less: Consumption during the year	5,764,652	4,178,794
Closing balance - note 23.1	1,494,420	340,274
8.3 Printing & stationary - note 8		
Opening balance	880,107	900,545
Add: Purchase during the year	2,075,046	1,593,103
	2,955,153	2,493,648
Less: Consumption during the year	1,827,963	1,613,541
Closing balance - note 24.1	1,127,190	880,107
8.4 Beverage - note 8		
Opening balance	7,726,668	1,767,312
Add: Purchase during the year	-	8,824,611
	7,726,668	10,591,923
Less: Consumption during the year	4,142,333	2,865,255
Closing balance - note 22.2	3,584,335	7,726,668



	30-Jun-2014 Taka	30-Jun-2013 Taka
9 ACCOUNTS RECEIVABLES		
Opening Balance	33,868,421	33,920,276
Add: Addition during the year	135,283,751	103,646,502
	169,152,172	137,566,778
Less: Realized during the year	133,907,916	103,698,357
	35,244,256	33,868,421

There is no related party transaction.

9.1 Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

Debts exceeding 6 Months	1,386,518	3,385,629
Other debts less provision	33,857,738	30,482,792
	35,244,256	33,868,421
Debts considered Good & secured	35,244,256	33,868,421
Debts considered Good without security	-	-
Debts considered doubtful or Bad	-	-
Debts due by Directors or other Officers	-	-
Debts due from companies under same management	-	-
Maximum debt due by Directors or Officers at any time	-	-
	35,244,256	33,868,421

10 INTEREST RECEIVABLES

Accrued Interest Income on FDR	50,587	2,579,716
	50,587	2,579,716

Bank wise interest

Bank name	FDR No	Rate	Maturity Date	Interest Amount
A B Bank Limited	3279133/112/09	12.50%	24 February 2015	50,587
				50,587

10.1 The interest was accrued for the FDR of Tk 1,147,183 maintained with The AB Bank Limited, O.R Nizam Road, 1367 CDA Avenue Branch, BMA Bhaban, East Nasirabad, Chittagong, from 23 February 2014.

10.2 Disclosure as per Schedule-XI, Part-I, of the Companies Act, 1994

Debts exceeding 6 Months	-	2,579,716
Other debts less provision	-	-
	-	2,579,716
Debts considered Good & secured	-	2,579,716
Debts considered Good without security	50,587	-
Debts considered doubtful or Bad	-	-
Debts due by Directors or other Officers	-	-
Debts due from companies under same management	-	-
Maximum debt due by Directors or Officers at any time	-	-
	50,587	2,579,716





	30-Jun-2014 Taka	30-Jun-2013 Taka
11 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - note 11.1	57,362,593	16,606,636
Deposits - note 11.2	1,572,508	1,572,508
Prepayments - note 11.3	1,626,531	2,082,104
	60,561,632	20,261,248

There is no Related party transaction.

11.1 Advances - note 11

Advance Income Tax	11,583,876	5,207,165
Lanka Bangla Securities	3,868	4,990
Advances to Others - note 11.1.1	1,017,915	2,200,418
VAT Current Account	7,895,605	3,059,108
SD Account	91,863	83,293
Defodil Electric Company	2,220,000	1,920,000
Store In Transit	34,549,466	4,131,662
	57,362,593	16,606,636

11.1.1 Advances to Others - note 11.1

Rainbow CNG Service Station	25,000	25,000
Kuwait Airways	-	41,882
Fly Dubai Advance Allowance	-	1,992,000
Advance Salary	992,915	141,536
	1,017,915	2,200,418

11.2 Deposits - note 11

Bangladesh Telecommunications Company Limited (BTCL)	140,000	140,000
Karnaphuli Gas Distribution Company Limited	1,069,148	1,069,148
Bangladesh Power Development Board (BPDB)	285,000	285,000
House Rent Deposit	54,000	54,000
Shah Amanat International Airport(Security Deposit)	24,360	24,360
	1,572,508	1,572,508

11.3 Prepayments - note 11

Prepaid Expense (Staff Haj Expense)	100,000	100,000
Prepaid Insurance	1,526,531	1,982,104
	1,626,531	2,082,104

All are security deposits against contractual services to be provided by the respective institutions.

Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

Advance, deposits and pre-payments exceeding 6 Months	1,572,508	1,572,508
Other advance, deposits & pre-payments less provision	58,931,024	16,524,126
Taka	60,503,532	18,096,634

Advance, deposits and pre-payments considered Good & secured	60,503,532	18,096,634
Advance, deposits and pre-payments considered Good without security	-	-
Advance, deposits and pre-payments considered doubtful or Bad	-	-
Advance, deposits and pre-payments due by Directors or other Officers	-	-
Advance, deposits and pre-payments due from companies under same management.	-	-
Maximum Advance, deposits and pre-payments due by Directors or Officers at any time.	-	-
	60,503,532	18,096,634



	30-Jun-2014 Taka	30-Jun-2013 Taka
12 CASH AND CASH EQUIVALENTS		
Cash in Hand	254,028	419,232
Cash at Banks - note 12.1	1,607,734,606	16,380,088
	1,607,988,634	16,799,320

12.1 Cash at Bank : Balances with Schedule Banks - note 12

Prime Bank Ltd, IBB O.R Nizam Road, CD-13411030000449	245,276	199,695
Standard Bank Ltd, CD-33000324	145,080	146,005
Standard Chartered Bank Ltd	2,181,577	4,705,282
AB Bank Ltd, CD-4110-753162-000	364,720	18,290
AB Bank Ltd, Notice-4110-761221-430	2,726,244	1,626,765
Social Islami Bank Ltd, CD-13300025306	1,033	1,723
AB Bank Ltd, STD-4110-776797-430	6,758,079	6,796,782
Brac Bank Ltd, CD-02019912560-01	11,206,492	1,150,360
City Bank Ltd, CD-1101238038001	8,487,918	992,415
Eastern Bank Ltd. A/C No- 13331	1,564,075,246	-
Sonali Bank Ltd, CD-33023975	559	1,709
The Premier Bank Ltd. A/C No: 012311100008242	3,520	-
AB Bank(Current A/C-4110-753033-000)	72,135	77,985
AB Bank Ltd, STD-4110-776797-000	1,562,603	-
Brac Bank Ltd- Card Balance	150,796	138,012
City Bank Ltd- Card Balance	436,333	525,065
Eastern Bank Ltd. A/C No. 0013050813341	8,759,095	-
Eastern Bank Ltd. A/C No. 0013070813363	142,705	-
Eastern Bank Ltd. A/C No. 0013060813352	415,195	-
	1,607,734,606	16,380,088

13 SHARE CAPITAL

13.1 Authorized Capital

<u>300,000,000</u> (2011 : 300,000,000) Ordinary Shares of Tk 10 each	3,000,000,000	3,000,000,000
	3,000,000,000	3,000,000,000

13.2 Issued, Subscribed and Paid-up Capital

250,000 equity shares of Taka 10 each paid up in cash	2,500,000	2,500,000
9,000,000 equity shares of Taka 10 each issued as Bonus Share	90,000,000	90,000,000
23,125,000 equity shares of Taka 10 each issued as Bonus Share	231,250,000	231,250,000
12,950,000 equity shares of Taka 10 each issued as Bonus Share	129,500,000	129,500,000
12,691,000 equity shares of Taka 10 each issued as Bonus Share	126,910,000	126,910,000
55,000,000 equity shares of Taka 10 each paid up in cash	550,000,000	-
113,016,000	1,130,160,000	580,160,000

The company sub divided the face value of share from Tk.1,000 to Tk.10 by passing a special resolution in its Extraordinary General Meeting (EGM) held on 30 November 2010. The company offloaded 55,000,000 shares at a premium of Tk.20 per share (note-15) after getting approval from Bangladesh Securities And Exchange Commission (BSEC) on 19 February 2014 through initial public offering. The company's shares were enlisted in both Dhaka and Chittagong Stock Exchange on date 04 June 2014 & 22 May 2014 respectively in accordance with letter ref. DSE/Listing/ULC/2014/5035 & CSE/Listing/TPCL-2014.

13.3 A. Position of Shares holding as on 30 June 2014

Name of the Shareholders	Nature of Shareholding	Nationality	Percentage (%)	30-Jun-2014 Taka	30-Jun-2013 Taka
Engineer Mosharrif Hossain	Individual	Bangladeshi	6.16	69,619,200	69,619,200
Mrs. Ayesha Sultana	Individual	Bangladeshi	4.11	46,412,800	46,412,800
Mr. Mustafa Tahseen Arshad	Individual	American	12.32	139,238,400	139,238,400
Mrs. Bilkis Arshad	Individual	American	7.70	87,024,000	87,024,000
Mr. Mustafa Tahir Arshad	Individual	American	4.62	52,214,400	52,214,400
Mr. Mahboob- Ur-Rahman	Individual	Bangladeshi	2.57	29,008,000	29,008,000
Mrs. Mirka Rahman	Individual	Finnish	2.57	29,008,000	29,008,000
Mr. Aminur Rahman	Individual	Bangladeshi	2.57	29,008,000	29,008,000
Mr. Sabedur Rahman	Individual	Bangladeshi	2.57	29,008,000	29,008,000
Mrs. Arifa Sultana	Individual	Bangladeshi	3.08	34,809,600	34,809,600
Mr. Afzal Bin Tarique	Individual	Bangladeshi	2.05	23,206,400	23,206,400
Mrs. Shaheda Sultana	Individual	Bangladeshi	1.03	11,603,200	11,603,200
General Public	Individual	Bangladeshi	48.67	550,000,000	-
Total			100	1,130,160,000	580,160,000



B. The details of the above shares holding are as follows:

Name of the shareholders	No. of shares as at 01 July 2013	Movement of shares issued during the year		No. of shares as at 30 June 2014	Share capital in Taka as at 30 June 2014
		In cash	Bonus shares		
Engineer Mosharraf Hossain	6,961,920	-	-	6,961,920	69,619,200
Mrs. Ayesha Sultana	4,641,280	-	-	4,641,280	46,412,800
Mr. Mustafa Tahseen Arshad	13,923,840	-	-	13,923,840	139,238,400
Mrs. Bilkis Arshad	8,702,400	-	-	8,702,400	87,024,000
Mr. Mustafa Tahir Arshad	5,221,440	-	-	5,221,440	52,214,400
Mr. Mahboob- Ur-Rahman	2,900,800	-	-	2,900,800	29,008,000
Mrs. Mirka Rahman	2,900,800	-	-	2,900,800	29,008,000
Mr. Aminur Rahman	2,900,800	-	-	2,900,800	29,008,000
Mr. Sabedur Rahman	2,900,800	-	-	2,900,800	29,008,000
Mrs. Arifa Sultana	3,480,960	-	-	3,480,960	34,809,600
Mr. Afzal Bin Tarique	2,320,640	-	-	2,320,640	23,206,400
Mrs. Shaheda Sultana	1,160,320	-	-	1,160,320	11,603,200
General Public	-	55,000,000	-	55,000,000	550,000,000
Total	58,016,000	55,000,000	-	113,016,000	1,130,160,000

C. A distribution schedule of the shares as at 30 June 2014 is given below as required by listing regulations:

Slabs by number of shares	Number of shareholders	No of Shares	Holding (%)
Less than 500	166,621	33,538,800	29.676%
From 500 to 5,000	4,154	7,193,200	6.365%
From 5,001 to 10,000	421	3,142,800	2.781%
From 10,001 to 20,000	207	2,970,400	2.628%
From 20,001 to 30,000	58	1,374,800	1.217%
From 30,001 to 40,000	37	1,297,400	1.148%
From 40,001 to 50,000	18	827,600	0.732%
From 50,001 to 100,000	19	1,303,400	1.153%
From 100,001 to 1,000,000	14	3,351,600	2.966%
Above 1,000,000	12	58,016,000	51.334%
Total	171,561	113,016,000	100%

14 REVALUATION SURPLUS

Revaluation Surplus

	30-Jun-2014 Taka	30-Jun-2013 Taka
Revaluation Surplus	1,228,413,842	1,228,413,842
	1,228,413,842	1,228,413,842

Revaluation

Revaluation of Company's assets were carried out by, an Independent Valuer, Syful Shamsul Alam & Co, Chartered Accountants following Estimated Net Realisable Value Method of Valuation based on the nature of the Asset as on 30 April 2011 and submitted their report on 23 June 2011. Revaluation Surplus has been credited to Revaluation Surplus Account and treated as per BAS & BFRS and other applicable laws, regulations & guidelines.



	30-Jun-2014 Taka	30-Jun-2013 Taka
15 SHARE PREMIUM ACCOUNT		
Opening Balance	-	-
Add: Addition during the year	1,100,000,000	-
	1,100,000,000	-
Less: Adjustment for preliminary expenses - note 6	(3,229,771)	-
Less: Share issuing cost	(37,523,692)	-
	1,059,246,537	-

Preliminary expenses has been adjusted with share premium account as per Company Act 1994 under section 57 (2)(b) during the year.

16 RETAINED EARNINGS		
Opening balance	148,222,411	132,694,246
Add: Addition during the year	182,131,884	144,449,892
	330,354,295	277,144,138
Less: Unrealized Gains/(Loss) on Available-for-Sale Financial Assets	(2,289,530)	(2,011,727)
	328,064,765	275,132,411
Less: Bonus shares issued	-	(126,910,000)
Less: Dividend Paid	(58,016,000)	-
	270,048,765	148,222,411

17 LONG TERM BANK LOAN		
Opening Balance	162,058,349	178,679,910
Add: Interest charged during the year	21,991,665	27,674,439
	184,050,014	206,354,349
Less: Payment during the year	184,050,014	44,296,000
	-	162,058,349
Less: Current portion of term loan	-	29,085,115
	-	132,973,234

18 ACCOUNTS PAYABLES		
Opening Balance	37,313,634	38,800,000
Add: Addition during the year	280,788,604	226,733,239
	318,102,238	265,533,239
Less: Paid during the year	259,826,128	228,219,605
	58,276,110	37,313,634

There is no Related party transaction.

19 SHORT TERM LOAN		
Eastern Bank Ltd. (OD) A/C No: 0012040870653	82,757,837	-
IFIC Bank Ltd. (OD) A/C No: 2030536573101	33,325,957	-
IFIC Bank Ltd. (Demand Loan) - 2030536573576	25,252,778	-
Premier Bank Ltd. A/C No: 01237360000330	2,033,282	-
IFIC Bank Ltd. (Demand Loan) - 2030536573577	5,011,667	-
AB Bank Ltd, STD-4110-776797-000	-	9,275,098
	148,381,521	9,275,098





	30-Jun-2014 Taka	30-Jun-2013 Taka
20 PROVISION FOR TAXATION		
Current Tax - note 20.1	214,165,050	225,767,600
Deferred Tax - note 20.2	8,113,984	12,694,023
	222,279,034	238,461,623

20.1 Provision for Current Tax - note 20

Opening Balance	225,767,600	156,492,431
Add: Provision made for the year	58,397,450	89,884,550
	284,165,050	246,376,981
Less: Income Tax paid	70,000,000	20,609,381
	214,165,050	225,767,600

Total Tax liability includes the liability for the assessment year 2011-2012 and 2012-2013 on which final assessment is under process.

20.2 Provision for Deferred Tax - note 20

Opening Balance	12,694,023	7,336,332
Add: Provision made for the year	-	5,357,691
	12,694,023	12,694,023
Less: Adjustment during the year	(4,580,039)	-
Closing balance	8,113,984	12,694,023

Since the company is now a publicly traded company, the corporate tax rate has been reduced from 37.5% to 27.5% and therefore a temporary difference has arisen resulting in a deferred tax asset rather than liability.

21 REVENUE

Rooms	323,054,462	329,386,912
Food & Beverages	72,169,989	66,429,421
Minor Operating Departments	16,367,362	16,626,376
Rental and Others	8,558,021	7,821,554
	420,149,834	420,264,263

22 COST OF SALE

Opening stock	9,077,953	2,533,082
Purchase during the year - note 22.1 & 22.2	45,543,337	30,976,629
Cost of goods available for sale	54,621,290	33,509,711
Operating Expense - note 23	108,763,480	86,992,867
	163,384,770	120,502,578
Closing inventory - note 8.1 & 8.4	(6,705,219)	(9,077,953)
	156,679,551	111,424,625

22.1 Food consumed - note 22

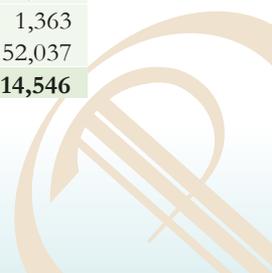
Opening inventory	1,351,285	765,770
Purchase during the year	45,543,337	22,152,018
Total materials available	46,894,622	22,917,788
Closing inventory - note 8.1	(3,120,884)	(1,351,285)
	43,773,738	21,566,503

22.2 Beverage consumed - note 22

Opening balance	7,726,668	1,767,312
Purchase during the year	-	8,824,611
Total beverage available	7,726,668	10,591,923
Closing inventory - note 8.4	(3,584,335)	(7,726,668)
	4,142,333	2,865,255



	30-Jun-2014 Taka	30-Jun-2013 Taka
23 Operating Expense - note 22		
Salary & Allowance	23,285,684	19,766,903
Festival Bonus	1,102,003	1,023,056
House Keeping - note 23.1	5,764,652	4,178,794
Repair & Maintenance - note 23.2	5,161,198	3,804,786
Depreciation & Amortization - note 23.3	47,646,163	38,757,183
Fuel & Power - note 23.4	21,524,800	18,276,376
Function Expense	3,337,587	671,223
Others - note 23.5	941,393	514,546
	108,763,480	86,992,867
23.1 House Keeping Expense - note 23		
Opening balance	340,274	337,482
Add: Purchase during the year	6,918,798	4,181,586
	7,259,072	4,519,068
Less: Closing Balance- note 8.2	1,494,420	340,274
Consumption during the year	5,764,652	4,178,794
23.2 Repair & Maintenance - note 23		
Repair & Maintenance - Building	258,761	556,858
Repair & Maintenance - Machinery	1,630,826	623,881
Repair & Maintenance - General	1,268,019	1,072,699
Repair & Maintenance - Kitchen Equipment	217,031	56,047
Repair & Maintenance - Vehicle	1,103,008	497,413
Repair & Maintenance - Lift	234,600	508,110
Repair & Maintenance - Computer	168,545	184,124
Repair & Maintenance- Electrical Goods	280,408	305,654
	5,161,198	3,804,786
23.3 Depreciation & Amortization - note 23		
Depreciation Expense - note 4.2	47,646,163	37,949,736
Amortization Expense- note 6	-	807,447
	47,646,163	38,757,183
23.4 Fuel & Power - note 23		
Electricity Bill	13,673,609	11,836,298
Generator Fuel	2,444,230	2,176,877
Gas Bill	3,940,255	3,287,642
Fuel & Power	1,466,706	975,559
	21,524,800	18,276,376
23.5 Others - note 23		
Tobacco Expense	659,394	407,248
Carriage Inward	187,370	53,898
Dish Washing	2,160	1,363
Packet & Packing	92,469	52,037
	941,393	514,546





	30-Jun-2014 Taka	30-Jun-2013 Taka
24 ADMINISTRATIVE EXPENSES		
Salaries & Allowances	8,612,513	7,311,046
House Rent Allowance	803,667	934,765
Festival Bonus	407,590	378,390
Director Remuneration	5,952,500	5,635,000
Insurance Expense	2,892,829	2,162,299
Printing & Stationery - note 24.1	1,827,963	1,613,541
Dish Line Rent	244,000	240,000
Telephone & Communication	974,041	970,978
Fees & Renewals	400,875	388,945
Rent, Rates & Taxes	948,985	1,127,114
Staff Uniform	1,267,996	844,757
Office Expenses	751,238	96,898
Paper & Periodicals	137,685	153,536
Postage & Courier	33,414	11,033
Conveyance	149,991	60,535
Tours & Travel Expense	1,475,337	285,566
Dhaka Office Expenses	1,692,800	-
Audit fee	345,000	345,000
Rating Fee	200,000	-
Legal Fees & other professional charges	752,550	522,276
Medical Expense	495,268	11,298
Entertainment Expense	150,731	77,749
Gift & Donation	516,265	185,495
Depreciation Expense - note 4.2	11,911,541	9,487,433
Staff Hajj Expense	350,000	342,300
	43,294,779	33,185,954
24.1 Printing & stationary - note 24		
Opening balance	880,107	900,545
Add: Purchase during the year	2,075,046	1,593,103
	2,955,153	2,493,648
Less: Closing Balance - note 8.3	1,127,190	880,107
Consumption during the year	1,827,963	1,613,541
25 SELLING AND DISTRIBUTION EXPENSE		
Advertisement	1,896,273	457,339
Card Charges	3,052,951	3,525,236
	4,949,224	3,982,575
26 FINANCIAL EXPENSES		
Bank Interest - note 26.1	23,662,371	27,661,922
Bank Charges & Commission	132,718	161,856
	23,795,089	27,823,778



	30-Jun-2014 Taka	30-Jun-2013 Taka
This is arrived as follows:		
26.1 Bank Interest - note 26		
26.1.1 Sonali Bank Limited		
Interest on Loan (801137006002)	15,585,355	19,620,205
Interest on ISL Loan	6,363,067	8,033,994
	21,948,422	27,654,199
26.1.2 AB Bank Limited		
Interest on Short Term Loan (CC Hypo)	502,078	7,723
	502,078	7,723
26.1.3 IFIC Bank Ltd.		
Interest on Overdraft (2030536573101)	760,553	-
Interest on Demand Loan (2030536573576)	264,445	-
	1,024,998	-
26.1.4 Eastern Bank Ltd.		
Interest on Overdraft (0012040870653)	137,166	-
	137,166	-
26.1.5 Premier Bank Ltd.		
Interest on Auto Loan (01237360000330)	49,707	-
	49,707	-
27 OTHER INCOME		
Gain on Sale of Non Current Assets	145,683	851,311
Interest on FDR	1,996,665	7,303,334
Bank Interest	54,182,008	57,406
Dividend Income	-	60,000
Sale of Wastages	612,132	188,127
	56,936,488	8,460,178
28 WORKERS' PROFIT PARTICIPATION FUND (WPPF)		
Net profit before distribution of WPPF	248,367,679	252,307,509
Workers' Profit Participation Fund (WPPF) @ 5%	12,418,384	12,615,376





	30-Jun-2014 Taka	30-Jun-2013 Taka
29 Related Notes for Statement of Cash Flows		
29.1 Cash Receive from Customers		
Revenue	420,149,834	420,264,263
Add: Opening balance of accounts receivables	33,868,421	33,920,276
Less: Closing balance of accounts receivables	(35,244,256)	(33,868,421)
	418,773,999	420,316,118
29.2 Cash Received from other sources		
Other income	56,790,805	7,608,867
Add: Opening balance of interest receivables	2,579,716	2,403,409
Less: Closing balance of interest receivables	(50,587)	(2,579,716)
Add: cash receive back from advance land deposit	-	60,550,000
	59,319,934	67,982,560
29.3 Cash Paid to suppliers		
Cost of sales	156,679,551	111,424,625
Changes in inventories - increase (decrease)	(1,017,745)	6,486,425
	155,661,806	117,911,050
Changes in accounts payable - increase (decrease)	772,903	14,101,742
	156,434,709	132,012,792
Less: Depreciation expenses	47,646,163	37,949,736
	108,788,546	94,063,056
29.4 Cash Paid for Admin & Selling Expense		
Admin & selling expense	48,244,003	37,168,529
Add: Decrease in preliminary expenses	(3,229,771)	(807,447)
	45,014,232	36,361,082
Changes in advance deposit & prepayment	40,300,384	4,854,300
	85,314,616	41,215,382
Less: Depreciation Expense	11,911,541	(9,487,433)
	73,403,075	31,727,949
29.5 Deletion of Property, Plant and Equipment		
Cost of property, plant and equipment	1,479,138	3,802,302
Less: Accumulated depreciation of property, plant and equipment	(624,821)	(1,123,093)
Add: Profit on sale of property, plant and equipment	145,683	851,311
	1,000,000	3,530,520



	30-Jun-2014 Taka	30-Jun-2013 Taka
30 INFORMATION BASED ON PER SHARE		
30.1 Earnings Per Share (EPS)		
Earnings per share (Basic)		
The computation of EPS is given below:		
Earnings attributable to the ordinary shareholders from business	182,131,884	144,449,892
Number of ordinary shares outstanding during the year	67,358,466	58,016,000
Number of ordinary shares outstanding during the year	67,358,466	58,016,000
Earnings Per Share - (Basic)	2.70	2.49
Earnings Per Share - (Restated)	2.70	2.14
Earnings per share - (Diluted)	2.70	2.49
Weighted Average Number of Shares Outstanding		
Share Outstanding as on 01.07.2013	58,016,000	45,325,000
55,000,000 shares issued through IPO on 30.04.2014	9,342,466	-
Bonus Share Issue in the year 2013	-	12,691,000
	67,358,466	58,016,000
30.2 NET ASSET VALUE PER SHARE (NAV)		
A. Net Assets Value Per Share With Revaluation		
Total Assets	4,116,805,809	2,403,904,957
Less: Intangible Assets	-	-
Less: Liabilities	428,936,665	447,108,704
Net Asset Value (NAV)	3,687,869,144	1,956,796,253
Weighted Average Number of shares outstanding	67,358,466	58,016,000
Net Assets Value Per Share	54.75	33.73
B. Net Assets Value Per Share Without Revaluation		
Total Assets	2,888,391,967	1,175,491,115
Less: Intangible Assets	-	-
Less: Liabilities	428,936,665	447,108,704
Net Asset Value (NAV)	2,459,455,302	728,382,411
Weighted Average Number of shares outstanding	67,358,466	58,016,000
Net Assets Value Per Share	36.51	12.55
30.3 NET OPERATING CASH FLOW PER SHARE (NOCFPS)		
Net Operating Cash Flows	202,107,223	314,074,514
Weighted Average Number of shares outstanding	67,358,466	58,016,000
Net Operating Cash Flows per share	3.00	5.41
Net Operating Cash Flows per share - (Restated)	3.00	4.66





31 CONTINGENT LIABILITIES AND COMMITMENTS

31.1 Contingencies

There is no contingent event that may require recognition of contingent liabilities for the period ended 30 June 2014.

31.2 Capital expenditure commitment

There was no capital expenditure commitment with the any company on the reporting period.

31.3 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

31.4 Segment reporting

As there is a single business and geographic segment within the company operates as such no segment reporting is felt necessary.

31.5 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2014 other than trade credit available in the ordinary course of business.

31.6 Events after the reporting period

The Board of directors at their board meeting held on 27 September 2014 recommended to the shareholders 10% Cash Dividend (Tk. 113,016,000) for the year ended 30 June 2014. This will be considered for approval by the shareholders at the next Annual General Meeting (AGM).

Except the fact stated above, no circumstances have arisen since the reporting date, which would require adjustment to or disclosure in the financial statement or notes thereto.

32 Related Party Disclosures

- i) The Company has no parents, entities with joint control or significant influence over the entity, subsidiaries, joint ventures in which the entity is a venture and associates to which the related party transactions to occur which would require adjustment to or disclosure in the financial statement or notes thereto.
- ii) The details of key management personnel of the entity or its partner's transactions during the year along with the relationship is illustrated below in accordance of BAS 24



			30-Jun-2014 Taka	30-Jun-2013 Taka
Particulars			Transacted Amount	Transacted Amount
Name of the party	Relationship	Nature of Transaction		
Md. Mustafa Tahseen Arshad	MD & Shareholder	Board Meeting fee	25,000	20,000
		Remuneration	4,020,000	4,020,000
Engineer Mosharraf Hossain	Chairman & Shareholder	Board Meeting fee	25,000	20,000
		Remuneration	1,500,000	1,200,000
Mr. Mahboob-Ur-Rahman	Director & Shareholder	Board Meeting fee	25,000	17,500
		Remuneration	300,000	300,000
Md. Mustafa Tahir Arshad	Director & Shareholder	Board Meeting fee	5,000	20,000
		Remuneration	-	-
Mrs Ayesha Sultana	Director & Shareholder	Board Meeting fee	22,500	17,500
		Remuneration	-	-
Mrs. Bilkis Arshad	Director & Shareholder	Board Meeting fee	25,000	20,000
		Remuneration	-	-
Mr. M. Sawkat Hossain	Independent Director	Board Meeting fee	5,000	-
		Remuneration	-	-
			5,952,500	5,635,000

iii) Particulars of Directors of The Peninsula Chittagong Ltd as at 30 June 2014

SL No	Name of Directors	BOD of The Peninsula Chittagong Ltd.	Entities where they have interests
1	Engineer Mosharraf Hossain	Chairman	Rahman Enterprise Limited, Trams Oriental Limited, Pioneer Concrete Block Limited, Sayeman Feed & Hatchery Limited, The Peninsula Holdings Limited, Sayeman Holdings Limited, Sayeman Beach Resort Limited. Jamuna Life Insurance Co. Ltd.
2	Mr. Mustafa Tahseen Arshad	Managing Director	The Peninsula Holdings Limited.
3	Mrs. Ayesha Sultana	Director	Gasmin Limited, The Peninsula Holdings Limited, Re-Public Insurance Company Limited, Sayeman Holdings Limited, Rahman Enterprise Limited.
4	Mrs. Bilkis Arshad	Director	The Peninsula Holdings Limited.
5	Mr. Mustafa Tahir Arshad	Overseas Director	The Peninsula Holdings Limited.
6	Mr. Mahboob- Ur-Rahman	Executive Director	Rahman Enterprise Limited, Pioneer Concrete Block Limited, Sayeman Feed & Hatchery Limited, The Peninsula Holdings Limited, Gasmin Limited, Sayeman Holdings Limited, Sayeman Beach Resort Limited, Orient Poultry & Hatchery Limited, Wave Technology Limited, Base Limited, Show-motion Limited, Re-public Insurance Company Limited.





33 Disclosure as per requirement of Schedule XI, Part II of The Company Act 1994

33.1 Employee Position of The Peninsula Chittagong Limited as per requirement of schedule XI, part II, Para 3

Salary Range (Monthly)	Total Employee	Officer & Staff	Worker & Employee
		Head Office	Head Office
For the year ended 30 June 2014	272	60	212
Below 3,000	-	-	-
Above 3,000	272	60	212
For the year ended 30 June 2013	249	41	208

During the year 2014, 204 no of employees were in the permanent payroll of the Company.

33.2 Payment information to Directors as per requirement of schedule XI, part II, Para 4

a)	Name	Designation	Remuneration	
			30-Jun-2014 Taka	30-Jun-2013 Taka
	Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
	Engineer Mosharraf Hossain	Executive Chairperson	1,500,000	1,200,000
	Mr. Mahboob-Ur-Rahman	Executive Director	300,000	300,000
			5,820,000	5,520,000

b)	Name	Designation	Board Meeting Fee	
			30-Jun-2014 Taka	30-Jun-2013 Taka
	Md. Mustafa Tahseen Arshad	Managing Director	25,000	20,000
	Engineer Mosharraf Hossain	Executive Chairperson	25,000	20,000
	Mr. Mahboob-Ur-Rahman	Executive Director	25,000	17,500
	Md. Mustafa Tahir Arshad	Director	5,000	20,000
	Mrs Ayesha Sultana	Director	22,500	17,500
	Mrs. Bilkis Arshad	Director	25,000	20,000
	Mr. M. Sawkat Hossain	Independent Director	5,000	-
			132,500	115,000

33.3 Service rendering capacity and current utilization as per Companies Act 1994, Schedule-XI para-7

Description	Capacity (Room Per Year)	Utilization during the year	Utilization in Percentage during the year ended 30 June 2014	Utilization in Percentage during the year ended 30 June 2013
Guest Room	47,214	35,774	75.77%	81.02%



33.4 Managerial Remuneration as per Para-4(i)(b), Part-2 of the Securities and Exchanges Commission Rules, 1987.

a) Remuneration paid to top five Salaried Officers

Name	Designation	Remuneration	
		30-Jun-2014 Taka	30-Jun-2013 Taka
Md. Mustafa Tahseen Arshad	Managing Director	4,020,000	4,020,000
Mr. Mustak Luhar	General Manager	2,453,900	2,028,000
Engineer Mosharraf Hossain	Chairman	1,500,000	1,200,000
Mr. Mohammad Nurul Azim	Company Secretary	1,125,025	813,660
Mr. Edward Gomes	Executive Chef	812,600	780,000
		9,911,525	8,841,660

b) Aggregate Amount of Remuneration Paid to all Directors & Employees

Particulars	Payment Type	30-Jun-2014 Taka	30-Jun-2013 Taka
Director's	Board Meeting Fees	132,500	115,000
Director's	Remuneration	5,820,000	5,520,000
Officers & Others	Salary & Allowances	34,211,457	29,414,160
		40,163,957	35,049,160

34 Attendance Status of Board Meeting of Directors

During the year ended 30 June 2014, there were ten Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting held	Attendance
Engineer Mosharraf Hossain	Chairman	10	10
Mr. Mustafa Tahseen Arshad	Managing Director	10	10
Mrs. Ayesha Sultana	Director	10	9
Mrs. Bilkis Arshad	Director	10	10
Mr. Mustafa Tahir Arshad	Director	10	2
Mr. Mahboob- Ur-Rahman	Director	10	10
Mr. M. Sawket Hossain	Independent Director	10	2

The directors of the Company were paid TK 2,500 per meeting for fee for attending board meeting during the year.

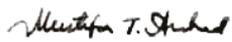
35 GENERAL

35.1 Figures appearing in these accounts have been rounded off to the nearest taka.

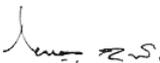
35.2 Previous year's phrases & amounts have been restated and re-arranged, wherever considered necessary, to conform to the presentation for the year under review.

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 27 September 2014 and were signed on its behalf by :


COMPANY SECRETARY


MANAGING DIRECTOR


EXECUTIVE DIRECTOR


CHAIRMAN







The Peninsula Chittagong Limited

Corporate & Share office : Bulbul Centre, 486/B, O.R. Nizam Road, CDA Avenue, Chittagong-4100

PROXY FORM

I/We(Name)
of(Address)
being a Shareholder of The Peninsula Chittagong Limited hereby appoint,

Mr. /Ms. (Name)
of (Address)

as my /our proxy to attend on my/our behalf at the 12th Annual General Meeting (AGM) of the Company to be held on 13 November, 2014 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated this----- day of -----2014.

Signature of the Shareholder
Folio/BO ID No:
Number of Share:
Dated -----

Signature of the Proxy
Folio/BD ID No:

Dated -----

Signature of the witness

Note: The Proxy Form, dully filled in and stamped, must be deposited at the Corporate & Share Office of the Company, Bulbul Centre, 486/B, O.R. Nizam Road, CDA Avenue Chittagong-4100, not later than 48 hours before the time fixed for the holding of the meeting.



Signature Verified

Authorized Signature
The Peninsula Chittagong Limited

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The Peninsula Chittagong Limited

Corporate & Share office: Bulbul Centre, 486/B, O.R. Nizam Road, CDA Avenue, Chittagong-4100

ATTENDANCE SLIP

I hereby record my presence at the 12th Annual General Meeting of The Peninsula Chittagong Limited on 13th November. 2014.

Name -----

BO ID

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

Signature

Signature Verified

Authorized Signature
The Peninsula Chittagong Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.



www.peninsulactg.com



The Peninsula Chittagong Limited

Registered Office

8A, Chandrashila Suvastu Tower, 69/1 Green Road, Panthapath, Dhaka-1205, Bangladesh. Tel: +88-02-8614565, 8622605, Fax: +88-02-8612455

Corporate & Share Office

"Bulbul Center" 486/B O.R. Nizam Road, CDA Avenue, Chittagong 4100, Bangladesh. PABX: +88 031 2850860-9 (auto hunt), Fax: +88 (031) 632506, 624385

Email : ipoinfo@peninsulactg.com, Website: www.peninsulactg.com