

Bangladesh Services Limited

(Owner of InterContinental Dhaka)
Independent Auditor's Report and Audited Financial Statements
as at and for the year ended 30 June 2025



ACNABIN

Chartered Accountants

Dhaka (Level-13 & 15), 12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh.
Tel: (+88-02) 410 20030 to 35 (Level-13), (+88-02) 41010382 to 84 (Level-15)
Fax: (+88-02) 410 20036, E-mail: <acnabin@bangla.net>, Web: www.acnabin.com

Branch Office

Jahan Building No.7 (1st Floor, North Side), 59 Agrabad Commercial Area, Chattogram-4100, Bangladesh.
Tel: (+88-031) 333317352, Fax: (+88-031) 333317353, E-mail: <acnabin.ctg@acnabin-bd.com>
Web: www.acnabin.com

 **bakertilly**
NETWORK MEMBER

**Independent Auditor's Report
To the Shareholders of Bangladesh Services Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Bangladesh Services Limited ("the Company"), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.8 of the financial statements, which shows that as of 30 June 2025, the Company has accumulated losses of BDT 7,058,191,034 and a current assets deficit of BDT 3,084,605,345. In addition, the company has loans of BDT 9,079,688,369 and debt equity ratio of 0.42. These matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Emphasis of Matter

We draw attention to Note 34.00 of the financial statements, which describes various contingent claims against the Company, including additional demands for income tax, value added tax (VAT), from the taxation authority. Management has explained the circumstances surrounding these matters. Our opinion is not modified in respect of these matters.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risk of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the significant effect on the overall audit strategy, allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue recognition Refer to note no. 2.11 and 22 to the financial statements	
<p>The Company generates revenue from diversified sources, such as hotel operations (rooms, food and beverage, and other departments), operation of a business lounge at the airport, and rental income from its office building.</p> <p>During the year, the Company's total revenue amounted to BDT 1,531,545,700 representing a decline of 21% compared to the previous year. The primary reason for this decline was the political unrest in the country, which adversely affected business operations and occupancy levels of rooms.</p> <p>A substantial portion of the Company's sales is made on credit to corporate and government customers. These receivables often remain outstanding for extended periods, increasing the risk of non-recovery. Assessing the recoverability of such receivables and determining expected credit losses (ECL) under applicable accounting standards requires significant management judgment and involves a high degree of estimation uncertainty.</p>	<p>Our audit procedures for revenue recognition included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's revenue streams, related operational processes, and key controls over revenue recognition and receivable management. • Evaluated the design and operating effectiveness of those key controls. • Assessed the application of the revenue recognition under IFRS 15, including determining appropriate cut-off points for satisfying performance obligations. • Reviewed the monitoring of overdue receivables, including periodic debtor balance confirmations and the Company's provisioning and write-off policy. • Reconciled the ageing of receivables to the general ledger and performed year-end cut-off testing to ensure revenue was recognized in the correct period. • Reviewed subsequent receipts from customers and government entities to assess recoverability. • Recalculated provisions for trade receivables in line with company policy and compared them with actual write-offs and historical losses. • Verified supporting documentation for recognized revenue, including contracts, invoices, and records of discounts and commissions, ensuring consistency with Company policies and historical trends.
Income tax and Value Added Tax (VAT) matters Refer to note no 19 to the financial statements	
<p>The Company has several pending corporate tax assessments and legal proceedings with the government revenue authorities related to</p>	<p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the Company's key controls over the legal provision</p>

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>claims for tax, VAT, and customs duty. The pending cases expose the Company to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties, and the outcome may not be predictable.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the tax provisions and contingent liabilities.</p>	<p>and contingencies recognition process. To get more insights, we performed the following procedures:</p> <ul style="list-style-type: none"> • enquired into those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. • We enquired about the Company's internal legal counsel for all significant litigation and regulatory matters and studied internal notes and reports. We have also requested formal confirmations from the external counsel on these matters. • assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. • assessed the Company's provisions and contingent liabilities disclosure.

Other Matter

The financial statements of the Company for the prior period were audited by Hoda Vasi Chowdhury & Co. Chartered Accountants. The auditor's report was unmodified, and the date of the auditor's report was 19 November 2024.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, which we could not obtain prior to the date of this auditor's report, which is expected to be made available to us after that date.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books.
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Dhaka, Bangladesh

Date: 27 October 2025

ACNABIN Chartered Accountants
Firm's Enlistment Number: CAF-001-012

Md. Rokonuzzaman FCA
Partner
Enrollment No.: 0739
DVC: 2510270739AS862719





Bangladesh Services Limited
(Owner of InterContinental Dhaka)
Statement of Financial Position
As at 30 June 2025

	<i>Notes</i>	30 June 2025 BDT	30 June 2024 BDT
Assets			
Non-current assets			
Property, plant and equipment	3	34,330,737,390	34,841,055,268
Guarantee deposits	4	171,614,622	166,719,397
		34,502,352,012	35,007,774,665
Current assets			
Inventories - spares and general stores	5	44,977,904	34,148,231
Inventories - food and beverage	6	50,654,891	44,227,493
Accounts receivable	7	706,343,267	694,895,397
Other receivables	8	16,663,987	16,207,667
Advances, deposits and prepayments	9	422,190,876	369,594,463
Cash and cash equivalents	10	443,129,248	463,166,304
		1,683,960,173	1,622,239,556
		36,186,312,185	36,630,014,221
Total assets			
Equity and liabilities			
Equity			
Share capital	11	977,889,130	977,889,130
General reserve		60,000,000	60,000,000
Reserve for replacements, substitutions and additions to furniture and equipment	12	164,638,903	125,041,979
Retained earnings/(accumulated losses)		(7,058,191,034)	(6,185,274,817)
Equity without revaluation		(5,855,663,000)	(5,022,343,708)
Revaluation surplus	13	27,343,762,067	27,343,762,067
Equity with revaluation		21,488,099,067	22,321,418,359
Non-current liabilities			
Deferred tax liabilities	14	1,289,959,232	1,397,469,295
Loans and borrowings - non-current portion	15.1	8,639,688,369	8,218,602,669
		9,929,647,600	9,616,071,964
Current liabilities			
Loans and borrowings - current portion	15.2	440,000,000	400,000,000
Accounts payable	17	3,014,967,873	3,012,529,501
Advance rent, security deposits and earnest money	18	101,168,747	104,740,029
Deferred customs tariff	16	764,926,071	765,998,771
Provision for taxation	19	237,510,846	192,263,613
Provision for supplementary duty	20	153,696,477	160,696,477
Liability for retirement benefits	21	56,295,506	56,295,506
		4,768,565,518	4,692,523,897
		36,186,312,185	36,630,014,221
Total equity and liabilities			
NAVPS with revaluation		219.74	228.26
NAVPS without revaluation		(59.88)	(51.36)

These financial statements should be read in conjunction with annexed notes

For and on behalf of Board of Directors of Bangladesh Services Limited

Mohammad Mahbubur Rahman Bhuiyan
Managing Director

MS. Bilquis Jahan Rimi
Director

Mohammad Mozammel Hoque
Company Secretary

As per our report of same date

Dhaka, Bangladesh
Dated: 27 October 2025

ACNABIN Chartered Accountants
Firm's Enlistment Number: CAF-001-012



Md. Rokonzaman FCA
Partner
Enrollment No.: 0739
DVC: 2510270739AS862719

Bangladesh Services Limited
(Owner of InterContinental Dhaka)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	<i>Notes</i>	2025 BDT	2024 BDT
Revenue	22	1,531,545,700	1,934,183,955
Operating cost	23	(716,383,938)	(834,306,925)
Gross profit		815,161,761	1,099,877,031
Hotel administrative and other expenses	24	(496,116,637)	(560,195,128)
BSL administrative and other expenses	25	(580,239,109)	(688,279,707)
		<u>(1,076,355,746)</u>	<u>(1,248,474,835)</u>
Profit/(loss) from operations		(261,193,984)	(148,597,804)
Other income	26	95,265,547	93,958,576
Revenue from BSL office complex		100,401,837	101,338,956
Less: Expenses on BSL office complex		(45,719,278)	(54,415,760)
Net Income from BSL office complex	27	54,682,559	46,923,196
Income/(loss) from BICC	28	-	(80,659,921)
Finance cost	29	(824,861,740)	(739,779,933)
Profit/(loss) before tax		(936,107,618)	(828,155,886)
Income tax expense			
Current tax expenses	19	(45,247,233)	(59,359,478)
Deferred tax (expenses) / income	14	107,510,064	102,355,142
		<u>62,262,830</u>	<u>42,995,665</u>
Profit/(loss) for the year		(873,844,788)	(785,160,221)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		(873,844,788)	(785,160,221)
Earnings per share (EPS)	36	(8.94)	(8.03)

These financial statements should be read in conjunction with annexed notes.
For and on behalf of Board of Directors of Bangladesh Services Limited

Mohammad Mahbubur Rahman Bhuiyan
Managing Director

MS. Bilquis Jahan Rimi
Director

Mohammad Mozammel Hoque
Company Secretary

As per our report of same date

Dhaka, Bangladesh
Dated: 27 October 2025

ACNABIN Chartered Accountants
Firm's Enlistment Number: CAF-001-012

Md. Rokonzaman FCA
Partner
Enrollment No.: 0739
DVC:2510270739AS862719





Bangladesh Services Limited
(Owner of InterContinental Dhaka)
Statement of Changes in Equity
For the year ended 30 June 2025

Particulars	Share capital	General reserve	Reserve fund for replacements	Retained earnings/ (accumulated losses)	Revaluation surplus	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 01 July 2024	977,889,130	60,000,000	125,041,979	(6,185,274,817)	27,343,762,067	22,321,418,359
Depreciation adjustment- prior years adj.	-	-	-	45,096,665	-	45,096,665
Rental & Other adjustment- prior years adj	-	-	-	(4,571,169)	-	(4,571,169)
Net profit/(loss) for the year	-	-	-	(873,844,788)	-	(873,844,788)
Allocation for replacement reserve	-	-	61,261,828	(61,261,828)	-	-
Utilisation of replacement reserve	-	-	(21,664,903)	21,664,903	-	-
Net allocation for replacement reserve	-	-	39,596,925	(39,596,925)	-	-
Balance at 30 June 2025	977,889,130	60,000,000	164,638,903	(7,058,191,034)	27,343,762,067	21,488,099,067
Balance at 01 July 2023	977,889,130	60,000,000	244,451,128	(5,717,081,261)	27,343,762,067	22,909,021,065
Adjustment made during the year (note 3)	-	-	-	197,557,516	-	-
Restated balance at 01 July 2023	977,889,130	60,000,000.00	244,451,128	(5,519,523,745)	27,343,762,067	23,106,578,581
Net profit/(loss) for the year	-	-	-	(785,160,221)	-	(785,160,221)
Allocation for replacement reserve	-	-	77,367,360	(77,367,360)	-	-
Utilisation of replacement reserve	-	-	(196,776,510)	196,776,510	-	-
Net allocation for replacement reserve	-	-	(119,409,150)	119,409,150	-	-
Balance at 30 June 2024	977,889,130	60,000,000	125,041,979	(6,185,274,817)	27,343,762,067	22,321,418,359

These financial statements should be read in conjunction with annexed notes.

Bangladesh Services Limited
(Owner of InterContinental Dhaka)
Statement of Cash Flows
For the year ended 30 June 2025

<i>Notes</i>	2025 BDT	2024 BDT
A. Cash flows from operating activities		
Cash receipts from customers	1,517,448,433	1,922,732,248
Cash paid to suppliers, employees and administrative purpose	<u>(1,263,690,980)</u>	<u>(1,550,532,371)</u>
	253,757,453	372,199,877
Cash received from tenants	119,782,069	125,954,832
Cash received from other income	(1,819,187)	6,395,214
Bank interest receipt	39,909,565	37,566,022
	<u>157,872,447</u>	<u>169,916,067</u>
	411,629,900	542,115,944
Income tax paid	(45,247,233)	(59,359,478)
Retirement benefits paid	-	(8,200)
Net cash from/(used in) operating activities	<u>366,382,667</u>	<u>482,748,267</u>
B. Cash flows from investing activities		
Net changes in property, plant and equipment*	(22,543,683)	(11,122,385)
Addition in capital works-in-progress	-	-
Net cash from/(used in) investing activities	<u>(22,543,683)</u>	<u>(11,122,385)</u>
C. Cash flows from financing activities		
Borrowings from bank (net of repayment)	15 (363,876,040)	(400,000,000)
Net cash from/(used in) financing activities	<u>(363,876,040)</u>	<u>(400,000,000)</u>
D. Net changes in cash and cash equivalents (A+B+C)	(20,037,056)	71,625,882
E. Opening cash and cash equivalents	463,166,304	391,540,422
F. Closing cash and cash equivalents (D+E)	<u>443,129,248</u>	<u>463,166,304</u>
Closing cash and cash equivalents have been arrived at as follows:		
Cash in hand	2,525,000	2,525,000
	<u>443,129,248</u>	<u>463,166,304</u>

These financial statements should be read in conjunction with annexed notes.

**Bangladesh Services Limited
(Owner of InterContinental Dhaka)
Notes to the financial statements
As at and for the year ended 30 June 2025**

Reporting entity and basis of preparation

1.1 Company profile

Bangladesh Services Limited ("BSL" or the "Company") is a public company, limited by shares. The shares of the Company are listed with Dhaka Stock Exchange Ltd. The registered office of the Company is situated at 1 Minto Road, Ramna, Dhaka 1000.

1.2 Nature of the business

The principal activities of the Company is to perform the business of a hotel and all related activities thereto. Upon expiry of the management contract between Starwood Hotels and Resorts Asia Pacific Pte Ltd and Bangladesh Services Limited on 30 April 2011 for operation and management of its hotel in the name of Dhaka Sheraton Hotel, the Company had taken over management of its hotel operation and operated the hotel in the name of "Ruposhi Bangla Hotel" until closure of the hotel from 1 September 2014 for renovation. In the meantime, prior to closure of the hotel, the Company had signed a 30 years management agreement with InterContinental Hotels Group (Asia Pacific) Pte Ltd (IHG) on 19 February 2012 for operation and management of its hotel. As per the management agreement, the hotel has undergone an extensive renovation to achieve the brand standard of IHG, for which, the hotel's operation had been closed from 1 September 2014. After completion of the renovation, the hotel has been rebranded as "InterContinental Dhaka" on 13 September 2018 and started commercial operation from 1 December, 2018. The Company's 'Balaka Lounge' at Hazrat Shahjalal International Airport, Dhaka is also managed and operated by IHG. The Company has an office complex adjacent to its hotel which has been rented out to different tenants.

1.3 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 as well as the provisions of and other laws and regulations. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different to the requirements of the Companies Act, 1994. However, such differences are not considered material.

1.4 Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 27 October 2025.

1.5 Reporting period

The current financial period of the Company covers one year from 1 July 2024 to 30 June 2025 with the corresponding period 1 July 2023 to 30 June 2024.

1.6 Functional and presentation currency

The financial statements are prepared in Bangladesh Taka (BDT/Tk), which is both functional and presentation currency of the Company. All financial information presented in Taka have been rounded off to the nearest integer, unless otherwise indicated.

1.7 Basis of measurement

The financial statements have been prepared under the historical cost convention.



1.8 Going concern

These financial statements are prepared under going concern basis notwithstanding the fact that as at 30 June 2025 the Company's current liabilities exceeded its current assets by BDT 3,084,605,345 (2024: BDT 3,070,284,341). In addition, the Company has incurred a net loss of BDT 873,844,788 for the year ended 30 June 2025 (2024: BDT 785,160,221) due to the extraordinary situation, travel advisories, security alerts, and frequent protests, along with road blockades around the hotel, which collectively created a negative effect on overall revenue. The hospitality industries like the Company could not achieve its target revenue as planned. In addition the company loans of BDT 9,079,688,369 and debt equity ratio of 0.42. The Board and management of the Company are closely reviewing matters and determined that the Company has adequate resources to continue its operations for the foreseeable future. The Company has negotiated with its lender for the restructure of the loan with longer repayment term as well as waiver of interest. Accordingly, these financial statements have been prepared on going concern basis.

1.9 Use of estimates and judgment

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgments, estimates and assumptions that affect the applicable accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised in any future years affected as required by IAS 8: Accounting Policies, Changes in Accounting Estimates and In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognised in the financial statements are as follows:

Note 3 : Property, plant and equipment
Note 8 : Provision an accounts receivable
Note 18: Other provision and accruals
Note 20: Income tax provision
Note 34: Contingent liabilities

1.10 Statement of cash flows

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules, 2020.

Events after reporting period that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

Significant accounting policies

2.1 Property, plant and equipment

Initial recognition and measurement

Items of property, plant and equipment have been measured at cost less accumulated depreciation and accumulated impairment losses, if any, as per IAS 16: Property, Plant and Equipment. Cost includes expenditures that are directly attributable to the acquisition of the assets and any other cost directly attributable to bringing the asset to usable condition for its intended use.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The cost of the day to day servicing of property, plant and equipment are expensed when incurred.



Impairment

The carrying value of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amounts are estimated.

Depreciation

Depreciation is charged on property, plant and equipment following straight-line method at the rates as stated.

<u>Category of asset</u>	<u>Rate</u>
Building on leasehold land	2.5%
Other operating property, plant and equipment	10%

2.2 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined following average cost method in all cases other than engineering stores, which are valued at first-in, first-out (FIFO) method.

2.3 IFRS 16: Lease

At initial application for IFRS 16: Lease, the Company chose, on a lease by lease basis, to measure lease liability at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate and recognise the right-of-use assets at an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. The Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices to measure the lease liability at initial application.

Currently the Company has assessed all its leasehold properties and conclude that all agreement fall under low value or short lives items.

2.4 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses. Deposits are measured at payment value without any

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss on accrual basis.

2.5 Employee benefits

The Company maintains both defined benefit obligation (gratuity fund for eligible permanent employees) and a defined contribution plan (provident fund).

Defined benefit obligation (gratuity)

The Company operates a gratuity scheme, covering all its eligible permanent employees other than expatriates. Provision is made annually on the basis of period of employment and latest basic pay to cover obligation under the scheme in respect of the employees who meet eligibility requirement. This fund has to be separately funded and approved by National Board of Revenue under the First Schedule, Part C of Income Tax Ordinance 1984 (ITO) to get tax exemption under Para 20 of the Sixth Schedule, Part A of ITO 1984 (subsequent repealed by Income Tax Act 2023).

Defined contribution plan (provident fund)

The Company also operates a contributory provident fund for its permanent employees in the name of Bangladesh Services Limited Employees' Provident Fund. The provident fund is administrated by a board of trustees. The contributions are invested separately from the company's assets.

Defined retirement benefit plan

The Company operates another unfunded retirement benefit scheme. These results in the Company having a constructive obligation to pay the benefits. Consequently, the Company is required to recognize the liability related to such benefits.



2.6 Foreign currency transactions

Foreign currency transactions are translated into BDT at the rate prevailing on the dates of transactions. Year end balances of monetary items are translated at the rate prevailing on the balance sheet date. Exchange differences are taken to the profit and loss statement.

2.7 Taxation

Current tax

Provision for corporate income tax is made following income tax laws. The applicable rate of income tax for the Company is 22.5% (20% subject to all individual transaction over 6 lac and accumulated transactions above 36 lac must paid via bank transfer) of taxable profit as the Company is a publicly-traded company. A provision has been made for tax liability as per the Income Tax Act 2023. Tax assessments of the Company have been finalised up to the assessment year 1999-2000. Assessment for the subsequent years are pending at various levels of assessing authority as well as at appeal stages. For these pending assessments additional demand has been raised by the Tax authority which the Company has disputed. However, no provision has been made for these disputed additional amount claimed by the tax authority as the Company has reasonable grounds to believe its appeal against such unjust additional demand will be ultimately successful and these would be set aside at the time disposal of final appeal.

Deferred tax

Deferred tax has been calculated and provided in the accounts using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liability or asset has been calculated on the basis current tax rate.

2.8 Provisions and contingencies

A provision is recognised on the balance sheet date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an out flow of economic benefits will be required to settle the obligation.

Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured, otherwise a disclosure is provided if the matter is significant.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date on which the Company becomes a party to the Contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

An entity shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- a. the entity's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial assets.

Amortised cost

The asset is measured at the amount recognised at initial cost minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the asset is derecognised or reclassified.



At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transactions costs are recognised in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognised in profit or loss.

At fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets include cash and cash equivalents, trade and other receivables.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances which were held and readily available for use of the Company without restrictions.

(ii) Trade and other receivables

Accounts receivable at the balance sheet date are stated at receivable amount. Provision for bad and doubtful debt is made following the simplified model on lifetime expected credit loss as per IFRS 9.

(b) Financial liabilities

The Company initially recognises financial liabilities on the dates that are originated. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the liabilities for expenses category. Such financial liabilities are recognised initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortised cost.

Financial liabilities include trade and other payables, accrued expenses and loans and borrowings.

(i) Loans and borrowings

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

(ii) Trade and other payables

The Company recognises a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(C) Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as expenses. Paid-up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company.

2.10 Impairment

(i) Financial assets

The Company recognise a loss allowance for expected credit losses on a financial asset that is measured at amortised cost or measured at fair value through other comprehensive income. These financial assets are assessed at each reporting date to determine impairment.

Objective evidence that financial assets are impaired includes:

The Company measures impairment allowance for financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition impairment is assessed at an amount equal to 12 month expected credit losses.

Expected credit losses for trade receivables not having financing components are estimated using the simplified approach of lifetime Expected Credit Loss (ECL) based on a combination of write-off history, ageing analysis and ability to make immediate repayment.

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss, if and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in profit or loss. As at 30 June 2024, the assessment of indicators of impairment revealed that impairment testing was not required for the Company.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.11 Revenue

Revenue from Hotel Operations

Revenue include income of any kind derived directly or indirectly from operations at the hotel determined in accordance with the revenue recognition criteria specified in IFRS 15, which is essentially when the goods is supplied and/or service is provided to the customer. The revenue is net of VAT, supplementary duty and service charge collected from customer as well as any discounts given.

Airport Lounge

Revenue is net off value added tax, supplementary duty, services charges and surcharge collectable from guests as well as rebate and discount allowed to customers. Revenue is recognised when the goods is supplied and/or service is provided to the customer.

BSL Office Complex

Rental income from BSL office complex has been recognised as per accrual basis in terms of the respective agreements with tenants.

2.12 Earnings per share

Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the year. No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during the year under audit.

2.13 New Standards and interpretations yet adopted

A number of new standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a material impact on the Company's financial statements:

Effective date	New accounting standards or amendments
1 January 2025	- Amendments to IAS 21- Lack of Exchangeability
1 January 2026	- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
1 January 2027	- IFRS 18 Presentation and Disclosure in Financial Statement - IFRS 19 Subsidiaries without Public Accountability: Disclosures

2.14 Off setting

In compliance to IAS 1 and IAS 32, offsetting is done for a particular vendor or customer when the following conditions are met:

- Each of the two parties owes the other determinable amounts;
- The entity has the right to set off against the amount owed by the other party;
- The entity intends to offset;
- The right of set off is legally enforceable.

2.15 Finance income and finance expenses

Finance income comprises interest income on banks. Interest income is recognized on accrual basis. Finance expense comprises interest expense on short term loan, overdraft and long term loan. All finance expenses are recognised in the statement of profit or loss and other comprehensive income. As per IAS 23, interest expended during the construction/renovation of the Hotel has been capitalised.

Bangladesh Services Limited
(Owner of Inter-Continental Dhaka)
Notes to the financial statements
As at and for the year ended 30 June 2025

3. Property, plant and equipment - at cost less accumulated depreciation and amortisation

Particulars	Cost			Rate %	Depreciation			Amount in BDT			
	At 01 July 2024	Addition /Transfer during the year	Adjustment at 01 July 2024		Total at 30 June 2025	Up to 01 July 2024	Adjustment made at 01 July 2024	Restated depreciation up to 01 July 2024	Charge for the year	Total to 30 June 2025	Written down value at 30 June 2025
BSL Operations											
Land-Minto Road (Hotel)**	27,000,000,000	-	-	27,000,000,000	-	-	-	-	-	-	27,000,000,000
Leasehold land-Mirpur residential Complex'	1,484,960,000	-	-	1,484,960,000	-	-	-	-	-	-	1,484,960,000
Building on leasehold land	4,896,656,114	4,594,302	(86,155,452)	4,815,094,964	2.5%	904,686,223	893,585,392	120,307,026	1,013,892,418	3,801,202,545	
Admin office furniture and equipment	63,377,417	4,600	(36,284,893)	33,382,017	10%	27,079,121	27,079,121	6,338,137	33,417,258	29,964,759	
Electrical fittings and general equipment	752,534,469	5,000,000	(739,845)	721,249,576	10%	309,086,884	289,522,865	71,909,889	361,432,754	359,816,822	
Elevators	178,112,333	1,600,000	(132,500)	178,972,488	10%	73,742,513	73,363,672	17,819,221	91,182,893	87,789,595	
Air-conditioning plant	453,089,890	81,590,263	132,500	534,812,653	10%	185,159,871	185,160,778	45,334,727	230,495,505	304,317,148	
Hotel furniture and equipment	956,933,160	485,000	(187,500)	957,418,160	10%	393,794,576	393,794,576	95,734,375	489,528,951	467,889,210	
IT and telecom equipment	508,379,567	6,109,713	(24,000,403)	514,301,780	10%	186,898,484	186,898,278	51,260,695	238,158,973	276,142,807	
Kitchen equipment	381,390,005	179,934,725	(187,500)	559,247,230	10%	215,934,322	215,934,322	15,593,432	231,527,754	327,719,476	
Laundry equipment	179,390,982	4,100,000	(3,343,516)	180,147,466	10%	73,945,084	73,586,152	17,861,980	90,105,992	89,199,199	
Special equipment and fire alarms	176,493,556	-	(150,579,109)	25,914,447	10%	2,695,001	2,695,001	17,649,356	20,344,356	5,570,191	
Health club equipment	37,211,252,218	104,068,878	(150,579,109)	37,164,741,987	10%	2,458,776,096	2,413,691,864	497,997,363	2,911,689,228	34,253,052,759	
BSL Office Complex											
Building on leasehold land	181,678,955	-	(12,432)	181,678,955	2.5%	126,188,115	126,188,115	4,541,974	130,730,089	50,948,866	
Admin office furniture and equipment	1,647,897	-	(12,432)	1,635,465	10%	1,600,970	1,588,538	46,927	1,635,465	-	
Electrical fittings and general equipment	47,221,945	-	-	47,221,945	10%	47,221,945	47,221,945	380,000	47,601,945	2,750,251	
Elevators	16,762,706	-	-	16,762,706	10%	13,632,455	13,632,455	466,169	14,098,624	3,885,170	
Air-conditioning plant	88,780,099	-	-	88,780,099	10%	84,428,760	84,428,760	-	84,428,760	-	
Special equipment and fire alarms	25,388,546	-	-	25,388,546	10%	25,388,546	25,388,546	5,459,446	30,847,992	20,100,343	
Motor vehicles	54,594,461	-	-	54,594,461	10%	29,034,672	29,034,672	10,894,516	39,929,188	14,665,273	
	416,074,609	-	(12,432)	416,062,177		327,495,462	327,483,030	10,894,516	338,377,547	77,684,630	
Total 30 June 2025	37,627,326,827	104,068,878	(150,591,541)	37,580,804,164		2,786,271,559	2,741,174,895	508,891,879	3,250,066,774	34,330,737,390	
Total 30 June 2024	38,860,993,851	75,385,603	1,309,052,627	37,627,326,827		2,501,121,643	2,303,564,127	546,970,650	2,786,271,559	34,841,055,268	

* Leasehold land and building on leasehold land of the Company are mortgaged with Agrani Bank Limited to secure long term renovation loan.

**The Company's hotel and office complex are situated on 4.5 Acres of land at 1 Minto Road, Ramna, Dhaka and valued at Tk 60 million per decimal by an independent valuer M/S Syful Shamsul Alam & Co as at 30 June 2022 which is reflected above. Initially, this parcel of land was given to the Company's predecessor Pakistan Services Limited (PSL) in December 1963 on 30 years lease. Upon the emergence of independent Bangladesh, on 26 December 1971, all properties of the erstwhile PSL was taken over by the Ministry of Commerce, Government of the Peoples' Republic of Bangladesh. Subsequently, the Ministry of Commerce in 1973 has handed over this parcel of land along with all other assets of PSL to Bangladesh Services Limited (BSL) under the Ministry of Civil Aviation and Tourism (MCAT). Finally, as per the order of AC Land Ramna Circle dated 14 September 2015 this 4.5 acres of land has been recorded in the name of BSL on behalf of MCAT by creating a separate record (khaban). Accordingly, this parcel of land is considered as Freehold land of the Company.

***The Company has executed a lease deed on 4th August 1975 for 24,000 square yard of land at Mirpur under Senpara Parbata Mouja with the Government for a housing plot of its employees. The lease period is 99 years starting from 1 July 1975. A portion of this land has been subsequently given to other Government agencies and presently, 185.62 decimal of land in under the custody of the Company which has been revalued at Tk 80 lac per decimal. The initial lease rent payment made by the Company has been fully amortized and hence the book value of this leasehold land is considered zero. The Company has also revalued this parcel of land in 2022 and reflected above at fair value.



Bangladesh Services Limited
(Owner of InterContinental Dhaka)
Notes to the financial statements
As at and for the year ended 30 June 2025

	30-Jun-25	30-Jun-24
	BDT	BDT
4. Guarantee deposit		
Guarantee deposit - (for BICC)*	165,000,000	165,000,000
Cash margin against guarantee issued by bank in favour of court relating to Mir Akhter Hossain Ltd	920,015	920,015
Advances to Titas gas	<u>5,694,607</u>	<u>799,382</u>
	<u>171,614,622</u>	<u>166,719,397</u>
<p>*This amount remained with Bangladesh Commerce Bank PLC as bank guarantee deposit for BICC in the form of FDR as per requirement of lease contract between Bangladesh Services Limited (BSL) and Public Works Department (PWD). The total balance of above FDR along with interest as at 30 June 2025 is 183,688,792 (BDT). Since, the guarantee obligation is sixteen crore and fifty lac, the remaining amount 18,688,792 (BDT) of that FDR being freely convertible into cash has been presented in cash and cash equivalents.</p>		
5. Inventories - spares and general stores		
Hotel Operation		
Stores and spares in hand		
Merchandise in transit	6,924,654	862,050
Linen - in use	295,861	295,861
General and other stores	<u>37,757,389</u>	<u>32,990,321</u>
	<u>44,977,904</u>	<u>34,148,231</u>
6. Inventories - food and beverage		
Food	18,178,460	19,232,559
Beverage	<u>32,476,431</u>	<u>24,994,935</u>
	<u>50,654,891</u>	<u>44,227,493</u>
<p>Detail breakup of food and beverage and spare parts could not be given as it is not feasible to quantify each item in a separate and distinct category due to the large variety of inventory. Information in summarized form may not be useful for the user.</p>		
7. Accounts receivable		
Accounts receivable - trade	806,883,321	785,164,120
Rent receivable	<u>80,627,670</u>	<u>83,277,066</u>
Gross balance	887,510,991	868,441,186
Less: Provision for bad and doubtful debts on accounts receivables-trade (note 7.1)*	<u>181,167,724</u>	<u>173,545,789</u>
	<u>706,343,267</u>	<u>694,895,397</u>
<p>* Management has reviewed the above receivables balances and satisfied that the provision for doubtful debts recognized at 30 June 2025 is adequate to cover any potential impairments.</p>		
7.1 Provision for bad and doubtful debts on account receivable-trade		
Opening balance	173,545,789	114,708,528
Add: Provision made during the year	<u>7,621,935</u>	<u>58,837,261</u>
Closing balance	<u>181,167,724</u>	<u>173,545,789</u>
8. Other receivables		
Receivable from BSL Employees' Gratuity Trust	8,756,748	8,756,748
IHG reward club charges / reimbursement	5,184,229	4,727,908
Interest receivable	2,705,311	2,705,311
Sundry debtors	<u>17,699</u>	<u>17,699</u>
	<u>16,663,987</u>	<u>16,207,667</u>
9. Advances, deposits and prepayments		
Advances		
Advances to Titas gas	2,014,550	-
Income tax deducted at source - BSL (note 9.1)	308,593,737	263,346,504
Advance to Depa (Renovation)	7,487,792	7,487,792
Advance to suppliers	10,690,271	1,065,501
Retired/resigned Employees 4/5 Month Salary & 5 month Service Charge	1,173,230	2,835,618
Advance to employees	1,891,667	132,406
Advances for VAT and tax	<u>808,108</u>	<u>721,107</u>
	332,659,355	275,588,928
Deposits		
L/C and BG margin	70,323,116	72,877,116
Security/guarantee deposit	<u>15,461,131</u>	<u>16,461,131</u>
	85,784,247	89,338,247
Prepayments		
Prepaid insurance	455,136	513,279
Licenses and permits	3,013,561	3,884,920
Workmen's compensation	<u>278,577</u>	<u>269,089</u>
	3,747,273	4,667,288
	<u>422,190,876</u>	<u>369,594,463</u>
9.1 Income tax deducted at source - BSL		
Opening balance	263,346,504	203,987,026
Add: addition during the year	<u>45,247,233</u>	<u>59,359,478</u>
Closing balance	<u>308,593,737</u>	<u>263,346,504</u>



10. Cash and cash equivalents

	30-Jun-25 BDT	30-Jun-24 BDT
Cash in hand		
Bank balances	2,525,000	2,525,000
Short term deposit with		
Agrani Bank PLC:		
Reserve Replacement A/c No: 0200000619813	27,258	27,650
Reserve Replacement A/c No: 0200012793416*	63,020,708	35,406,676
Reserve Account A/c No: 0200018734699	49,960,365	600,088
Gratuity A/c No: 0200000617718	2,807,903	2,807,903
Retirement Benefit A/c No: 0200000617722	188,278	159,934
Residential complex (537) A/c No: 0200000620294	15,499,197	274,979
STD account (132) A/c No: 0200000619777	266,777	16,589
Rental account (487) A/c No: 0200000620251	15,002,371	1,196,564
Sonali Bank PLC:		
Employee's Gratuity Bank Account A/c No: 4425503000069	32,056,729	88,874,878
STD account (53) A/c No: 4425503000053	4,633,463	4,462,010
Standard Chartered Bank:		
(SND) A/c No: 02 1094823 01	660,599	660,599
(SND) A/c No: 02 5127661 01	7,293,987	7,293,987
	191,417,635	141,781,856
Fixed deposit with		
Agrani Bank PLC	230,778,970	215,281,106
Bangladesh Commerce Bank PLC	18,688,792	4,205,001
	249,467,766	219,486,111
Current accounts with		
Agrani Bank PLC:		
Account (19051) A/c No: 0200000623150	21,898	22,588
Account (21998) A/c No: 0200000608392	(324,318)	4,123,226
Hotel operations A/c No: 0200012787325	734,497	72,449,369
RBH Operation A/c No: 0200000618717	25,198	8,797
BICC Operation A/c No: 0200001642600	(1,018,562)	22,489,221
Dividend account (15711) A/c No: 0200000617610	280,135	280,135
	(281,153)	99,373,337
	443,129,248	463,166,304

*This amount has been kept aside due to utilization of reserve for replacements, substitutions and additions to furniture and equipment (note 12). The shortfall of this account will recover when fund will be sufficient.

11. Share capital

11.1 Authorized:		
250,000,000 ordinary shares of BDT 10 each	2,500,000,000	2,500,000,000
11.2 Issued, subscription and paid up:		
4,741,993 ordinary shares of BDT 10 each issued for consideration other than cash	47,419,930	47,419,930
4,258,007 ordinary shares of BDT 10 each issued in cash	42,580,070	42,580,070
88,788,913 ordinary shares of BDT 10 each issued as bonus shares	887,889,130	887,889,130
	977,889,130	977,889,130
11.3 Shareholding position at 30 June 2025 is as under:		

Allocation of shares	Nationality	Number of shares	BDT	Percentage of shares (%)
Government of Bangladesh	Bangladeshi	97,470,791	974,707,910	99.67
H. H. Prince Sadaruddin Aqa Khan	Swiss	183,751	1,837,510	0.19
Individuals	Bangladeshi	92,359	923,590	0.09
Bangladesh Parijatan Corporation	Bangladeshi	42,012	420,120	0.04
		97,788,913	977,889,130	100

11.4 Classification of shareholders by holding:

Holding of shares	2025		2024	
	No. of shareholders		No. of shareholders	
Less than 500	39		39	
501 -- 5000	16		16	
5001 -- 10000	4		4	
10001 -- 20000	0		0	
20001 -- 30000	1		1	
30001 -- 40000	0		0	
40001 -- 50000	1		1	
50,001 -- 100000	0		0	
100001 -- 1000000	1		1	
100001 and above	1		1	
	63		63	

12. Reserve for replacements, substitutions and

Opening balance	125,041,979	244,451,128
Less: Adjustment during the period	-	-
Add: Charged to operation during the year	61,261,828	77,367,360
Less: Amount utilization during the year	(21,664,903)	(196,776,510)
Closing balance	164,638,903	125,041,979

The reserve fund is created for 4% of the Hotel Revenue as per the Management Agreement with the operation. This fund is non distributable and only to be used for the procurement of Assets required for Hotel operation.

13. Revaluation surplus
 Revaluation surplus for land

30-Jun-25 BDT	30-Jun-24 BDT
27,343,762,067	27,343,762,067
27,343,762,067	27,343,762,067

As mentioned in note 3 in prior year the Company has changed its basis of accounting for Land from cost to Revaluation model. The Company appointed an independent valuer M/s. Syful Shamsul Alam & Co. The valuation report resulted revaluation surplus of Tk. 28,483,085,486 on which deferred tax liability @ 4% of BDT 1,139,323,419 has been calculated.

14. Deferred tax liabilities/ (assets)

Deferred tax liability has been recognized in accordance with the provision of IAS 12 based on temporary difference arising due to difference in the carrying amount of the assets/liabilities and its tax base.

Opening balance	1,397,469,295	1,499,824,437
Deferred tax expenses/(income) recognized in profit or loss	(107,510,064)	(102,355,142)
Closing balance	1,289,959,232	1,397,469,295

Deferred tax liability is arrived at as under:

	Carrying amount	Tax base	Taxable / (deductible) temporary difference
30 June 2025			
Property, plant and equipment	5,845,777,390	5,119,989,386	725,788,004
Deferred liability for gratuity	(56,295,506)	-	(56,295,506)
Taxable/ (deductible) temporary difference	5,789,481,884	5,119,989,386	669,492,498
Applicable rate			22.50%
Revaluation surplus on land	28,483,085,486	-	150,635,812
Deferred tax liability/ (asset)-A			1,139,323,419
			1,289,959,232
30 June 2024			
Property, plant and equipment	6,356,095,268	5,152,484,759	1,203,610,509
Deferred liability for gratuity	(56,295,506)	-	(56,295,506)
Taxable/ (deductible) temporary difference	6,299,799,762	5,152,484,759	1,147,315,003
Applicable rate			22.50%
Revaluation surplus on land	28,483,085,486	-	258,145,876
Deferred tax liability/ (asset)-B			1,139,323,419
			1,397,469,295

15. Long term secured loan

Agrani Bank- renovation loan	4,856,136,519	5,111,590,679
Interest during construction period	4,223,551,850	3,507,011,990
Total Loan Liability	9,079,688,369	8,618,602,669

15.1 Non-current loans and borrowings

Agrani Bank- renovation loan	8,639,688,369	8,218,602,669
15.2 Current loans and borrowings		
Agrani Bank- renovation loan	440,000,000	400,000,000
	9,079,688,369	8,618,602,669

15.1 Opening Loan amount

Add: Interest during the year	8,618,602,669	9,523,512,145
	874,961,740	739,879,933
	9,443,564,409	10,263,392,078
Less: Adjustment for moratorium interest	-	(1,244,789,409)
Less: Payment of loan Installment	(363,876,040)	(400,000,000)
Closing Loan amount	9,079,688,369	8,618,602,669

The loan was drawn under the borrowing facilities agreement dated 10 May 2015 and 08 January 2017 with the Agrani Bank PLC to finance construction and renovation work of the Hotel. This commercial housing loan bears annual interest rate at 12.30% from 01 July 2024 to 30 September 2024 and from 01 October 2024 to onwards the annual interest rate is 12.80%. Leasehold land and building of the Company along with renovation work/materials are mortgaged/hypothecated against this loan. As per the revised repayment schedule the Company was obligated to pay Tk. 10 crore in each quarter during the year 2024-2025.

However the actual loan repayment during the year was Tk. 36.38 crore. In this year, the first-quarter payment was Tk. 6.38 crore, while the second to fourth quarter payments were Tk. 10 crore each.

The Company had capitalized interest on moratorium period of loan from Agrani Bank PLC. under property, plant and equipment in prior years. The Company had subsequently applied to Agrani Bank to waive the interest amount and in response to the application, Agrani Bank has waived the interest amount of BDT 1,244,789,409 vide letter no HIC/loan/01/2023 date 07.12.2023.

16. Deferred customs tariff

Chittagong Customs	545,507,313	545,507,313
ICD Kamalapur Customs	173,410,209	173,410,209
Dhaka Airport Customs (note 16.1)	42,565,452	43,638,152
Beanpole Customs	3,443,097	3,443,097
	764,926,071	765,998,771

The Company had obtained an approval from Government for deferral of tariffs imposed on importation of equipment and materials for renovation work of the Hotel up to July 2022. The Company has gradually paying the deferred tariff from 2023.

16.1 Dhaka Airport Customs

Opening balance	43,638,152	43,638,152
Add: Bank Guarantee as Deferred Tariff	-	-
	43,638,152	43,638,152
Less: Payment made during the year	1,072,700	-
Closing Balance	42,565,452	43,638,152



17. Accounts payable

	30-Jun-25 BDT	30-Jun-24 BDT
For goods	96,165,124	103,533,142
Liquidated damage for renovation works	-	150,524,109
For expenses (note 17.1)	2,499,394,147	2,302,540,175
For other finance (note 17.2)	419,408,601	455,932,075
	3,014,967,873	3,012,529,501

17.1 Accounts payable for expenses

Provision for retirement benefits	73,385,899	73,385,899
Accrual for BICC rent payable to PWD*	1,265,000,002	1,265,000,002
Accrual for BICC profit share payable to PWD (50% from Jan-Jun 2020)**	145,611,625	145,611,625
Payable to PWD (17.1a)*	85,675,248	85,675,248
Municipality tax	19,277,511	19,277,511
Indebtness to operator and its affiliates	77,285,688	78,593,112
Utility bills for BSL Office Complex	40,125	40,125
Other professional services fee	-	(195,000)
Software maintenance fee	-	(128,336)
Consultancy fee	-	(408,300)
VAT payable	480	480
Taxes, deposits and other creditors-ICD	513,939,713	414,847,191
Final bill adjustment of contractor (P-2C)	81,457,763	-
Advance from clients ICD	6,295,049	1,886,233
Other current liabilities ICD	231,425,045	218,954,386
	2,499,394,147	2,302,540,175

(*) This amount represents lease rent payable to PWD for twenty nine (29) months up to 2018 as per lease contract between BSL and PWD. Thereafter no lease rent was charged as the lease was replaced by profit sharing between BSL and PWD.

(**) Share of profit to PWD (50%): As per minutes of the 503rd meeting of the Board of directors of Bangladesh Services Limited (BSL) held on 24 November 2019, the Board has decided that profit earned by BICC will be apportioned between BSL and PWD in the ratio of 50:50 effected from January 2019.

17.1a Payable to PWD

Opening balance	85,675,248	78,300,099
Add: Addition during the year	-	47,415,317
	85,675,248	125,715,416
Less: Complimentary	-	4,823,001
	85,675,248	120,892,415
Less: Payment of utility	-	15,217,167
Less: Payment during the period	-	20,000,000
	85,675,248	85,675,248

After expiry of the lease contract between BSL and Public Works Development (PWD) for management, maintenance and operation of Bangabandhu International Conference Centre (BICC) on 30th June 2022, as per request of PWD and decision of the meeting held on 22 June 2022 under the chairmanship of former Prime Minister's Principal Secretary, BSL had been continuing the same on the basis of payment of 80% of net rent earned from sale of venues to PWD till 20th January 2024, after which BSL has handed over BICC to PWD.

17.2 Creditors for other finance

VAT and supplementary duty *	261,802,290	261,802,290
Lease and other security deposit	7,946,703	7,946,703
Service charge unadjusted with project cost (17.2a)	145,809,828	182,226,557
Withholding tax payable	883,566	990,310
Other finance creditors	150,117	150,117
Liabilities for LOC	704,592	704,592
Other creditors	2,111,506	2,111,506
	419,408,601	455,932,075

17.2a Service charge unadjusted with project cost

	(2025-26) 2nd Year	(2024-25) 1st Year
Opening Balance	182,226,557	218,643,287
Less: Non Operating Income as Adj of Service charge payable	(36,416,729)	(36,416,729)
Closing Balance	145,809,828	182,226,557

* The above VAT and supplementary duty also included VAT on Balaka Restaurant of the Company situated at the departure lounge after clearance of immigration of Hazrat Shahjalal International Airport. The Company has disputed imposition of VAT on this outlet and hence not paying the disputed claim of VAT and the matter is pending in the Court and the amount has been provisioned in the books.

** Since the company paid an amount in lieu of a service charge to its employees during the renovation, and as the renovation is now complete, the undistributed amount will be written back in the company's books equally over six years, as per the 541st Board of Directors meeting minutes dated 19.11.2024. Accordingly, one-sixth of the said amount has been written back for the year 2024-2025.

18. Advance rent, security deposit, earnest and retention money

Earnest money	200,000	200,000
Advance rent received	2,971,025	4,350,664
Retention money received	8,498,118	8,498,118
Rental security deposit	6,455,231	7,280,231
Security money received from contractors	83,044,373	84,411,016
	101,168,747	104,740,029



	30-Jun-25 BDT	30-Jun-24 BDT
19. Provision for taxation		
Opening balance	192,263,613	132,904,135
Add: Provision made during the year	45,247,233	59,359,478
Closing balance	<u>237,510,846</u>	<u>192,263,613</u>
*Calculation of tax liability		
A. 0.60% of gross receipt	10,363,279	
B. 22.5% on profit before tax	None, since loss	
C. AIT paid during the year	45,247,233	
Tax liability (higher of A, B and C)	45,247,233	59,359,478
Current tax	45,247,233	59,359,478
Deferred tax	(107,510,064)	(102,355,142)
20. Provision for supplementary duty		
Opening balance	160,696,477	170,696,477
Less: Payments made during the year	(7,000,000)	(10,000,000)
Closing balance	<u>153,696,477</u>	<u>160,696,477</u>
Refer to note 34 (D)		
21. Deferred Liability for retirement benefits		
Opening balance	56,295,506	56,303,706
Add: Provision made during the year	-	-
Less: Payment made during the year to outgoing members	-	8,200
Closing balance	<u>56,295,506</u>	<u>56,295,506</u>

The amount represents the provision for retirement benefits, excluding gratuity and provident fund, for the employees of BSL.

22. Revenue		
Rooms	377,826,044	527,615,110
Food and beverage	1,043,690,246	1,261,465,100
Rental and others	110,029,410	145,103,745
	<u>1,531,545,700</u>	<u>1,934,183,955</u>

	Rooms	Food and beverage	Minor operating departments	Total Taka 2025	Total Taka 2024
Salaries, wages, bonus, gratuity and other benefits	69,860,676	152,162,950	8,210,366	230,233,992	259,666,483
Cost of materials and other expenses	-	328,897,529	3,873,199	332,770,727	395,143,886
Operating supplies	23,399,610	31,286,916	1,374,831	56,061,357	53,625,214
Menus Print	-	20,000	-	20,000	147,320
Postage and courier	5,461	-	-	5,461	-
Balaka restaurant rent	-	46,103,277	-	46,103,277	52,655,039
Limousine expenses	3,361,124	-	-	3,361,124	3,458,947
Complimentary guest services	9,923,643	1,770,344	194,668	11,888,655	15,332,409
Equipment rent	634,501	-	-	634,501	5,011,977
House TV, video, music, etc	5,299,218	265,078	-	5,564,296	5,877,368
IHG SFC & Travel Agent cmm.	10,750,693	-	-	10,750,693	21,595,729
Local Transport, Toll & Fuel Cost	117,210	349,966	549,174	1,016,350	2,161,836
Fuel and Utility	-	12,941,358	-	12,941,358	11,193,243
Foreign Travel & IHG Training	-	-	-	-	110,000
Permits and license	3,305,978	1,726,169	-	5,032,148	8,327,472
	<u>126,658,114</u>	<u>575,523,587</u>	<u>14,202,237</u>	<u>716,383,938</u>	<u>834,306,925</u>

24. Hotel administrative and other expenses		
Operators and its affiliated company fees (note 24.1)	73,689,427	101,242,797
Heat, light and power (note 24.2)	112,960,611	122,476,307
Administrative and general expenses (note 24.3)	144,035,311	156,091,204
Advertising, promotion and public relations (note 24.4)	63,588,972	81,647,516
Repairs and maintenance (note 24.5)	64,188,841	65,056,956
Information and telecomm (note 24.6)	37,653,474	33,680,347
	<u>496,116,637</u>	<u>560,195,128</u>

24.1 Operators and its affiliated company fees		
License fee	45,946,373	54,313,936
Incentive management fee	27,743,054	46,928,861
	<u>73,689,427</u>	<u>101,242,797</u>

24.2 Heat, light and power		
Utilities	112,960,611	122,476,307
	<u>112,960,611</u>	<u>122,476,307</u>

24.3 Administrative and general expenses		
Salaries, wages, bonus, gratuity and other benefits	97,058,958	100,021,306
Credit card commission	12,974,215	16,524,242
Operating supplies	3,828,257	3,332,478
Bad debts	7,621,935	-
Local Transportation	712,977	1,819,732
Legal and professional charges	1,437,500	1,545,000
Foreign Travel, IHG Training, Staff Social & Sporting Exp	2,048,826	8,618,443
Complimentary guest services	862,752	1,339,371
Consultancy fee	615,000	569,450
Complementary Meal & other Cost- BSL	4,853,767	5,947,070
Dues and subscriptions	30,191	118,080
Licenses and taxes	11,990,934	16,256,030
	<u>144,035,311</u>	<u>156,091,204</u>



	30-Jun-25 BDT	30-Jun-24 BDT
24.4 Advertising, promotion and public relations		
Salaries, wages, bonus, gratuity and other benefits	21,413,684	22,615,270
Signage, events and functions	14,597,197	16,442,910
Complimentary quest services	4,865,028	4,765,329
Operating supplies	5,036,421	6,287,963
Local & foreign travel	1,157,913	1,693,810
Marketing assessment fees	7,556,519	11,171,647
IHG rewards club assessment	8,962,209	18,670,587
	63,588,972	81,647,516
24.5 Repair and maintenance		
Salaries, wages, bonus, gratuity and other benefits	27,221,991	25,839,937
Spear-parts Supplies & Property operation and maintenance	35,251,443	37,741,329
Water treatment	1,056,699	871,088
Local transportation	144,658	86,182
Licenses and taxes	514,050	518,420
	64,188,841	65,056,956
24.6 Information and telecomm		
Telephone and internet cost	4,685,646	4,032,154
IT System Expenses (AMC)	24,124,854	20,641,544
Salaries, wages, bonus, gratuity and other benefits	8,627,240	8,746,753
Complimentary quest services	3,380	14,594
Local transportation	11,060	9,730
Operating supplies	201,293	235,571
	37,653,474	33,680,347
25. BSL administrative and other expenses		
Depreciation	508,891,879	546,970,650
Insurance	11,508,300	12,436,782
Other expenses BSL (note 25.1)	59,838,930	128,872,275
	580,239,109	688,279,707
25.1 Other expenses BSL		
Salaries, wages, bonus, gratuity and other benefits	40,854,715	50,069,098
Entertainment	53,920	1,610
Directors' remuneration (note 30)	1,345,000	1,354,000
Bank charge and levy	1,115,182	1,557,038
Legal and consultancy fee	4,265,305	1,335,250
Audit Fee	404,500	389,550
CDBL expenses	50,600	161,200
Municipality expense	3,209,097	3,209,097
Advertisement	1,052,529	1,426,838
Auto maintenance	643,405	888,085
Cable and postage	1,315,073	403,845
Stock exchange listing fee	977,890	-
Subscription to BAPLC	50,000	50,000
Donation	170,372	100,000
Office maintenance	960,855	3,204,841
Printing and stationery	128,109	103,253
Corporate Social Responsibility (CSR)	1,263,930	384,000
Medical expenses	202,541	631,825
AGM expenses	1,200,825	4,222,165
Tourism related expenses	-	64,334
Training expense	470,664	388,546
Conveyance	104,418	90,439
Provision on overdue receivables	-	58,837,261
	59,838,930	128,872,275
26. Other income		
Interest on bank deposits	39,909,565	37,566,022
Rental income from staff quarter	18,110,476	15,441,826
Income from sale of scraped items	823,777	4,459,000
Non Operating Income (Adj) of Service charge payable)*	36,416,729	36,416,729
Non-operating income	5,000	75,000
	95,265,547	93,958,576
27. Rental income from BSL office complex		
Rental income	100,401,837	101,338,956
Less: Expenses on complex		
Electricity and fuel	18,020,572	17,695,818
Salaries, wages, bonus, gratuity and other benefits	14,281,898	16,185,545
Cleaning and maintenance	13,082,741	20,059,312
Conveyance and medical expenses	334,067	475,085
	45,719,278	54,415,760
	54,682,559	46,923,196

*Since the company paid an amount in lieu of a service charge to its employees during the renovation, and as the renovation is now complete, the undistributed amount will be written back in the company's books equally over six years, as per the 541st Board of Directors meeting minutes dated 19.11.2024. Accordingly, one-sixth of the said amount has been written back for the year 2024-2025.



	30-Jun-25 BDT	30-Jun-24 BDT
28. Income/(loss) from BICC		
Revenue	-	169,179,242
Less: Operating cost	-	(207,246,847)
	-	(38,067,605)
Less: share of profit/(loss) to PWD (80%)	-	(42,592,316)
Income/(loss) from BICC	-	(80,659,921)

The Company has been managing, maintaining and operating Bangabandhu International Conference Centre (BICC) since 01 July 2012 under a lease contract with Public Works Department signed on 17 June 2012. After expiry of the lease contract between BSL and Public Works Development (PWD) for management, maintenance and operation of Bangabandhu International Conference Centre (BICC) on 30th June 2022, as per request of PWD, BSL had been continuing the same on the basis of payment of 80% of net rent earned from sale of venues to PWD till 20th January 2024, after which BSL has handed over BICC to PWD.

	824,861,740	739,779,933
29. Finance cost		
Interest expenses		
*The Company has calculated the finance expenses on Agrani Bank loan on accrual basis which is charged to profit and loss.		
30. Remuneration to directors		
Board meeting	708,000	804,000
FAC meeting	48,000	96,000
Audit committee	156,000	168,000
Other meetings	277,000	118,000
Nomination & Remuneration Committee (NRC)	156,000	168,000
Fee to directors	1,345,000	1,354,000

31. Salaries, wages, bonus, gratuity and other benefits
Salaries, wages, bonus, gratuity and other benefits of 2025 is BDT 435,718,557 (2024: BDT 466,958,947) appearing in these financial statements of various departments.

32. Capacity		
32.1 Capacity of the hotel		
Total rooms available to the customers during the month of June 2025		6,720
Total % of actual occupancy of rooms during the month of June 2025		39.76%
Total actual % of occupancy of rooms during the year to 30 June 2025		36.07%
32.2 Capacity of BSL office complex		
Total area of space available to let out at 30 June 2025	78,044	72,394
Total area in use as of 30 June 2025	78,044	72,394

	2025 USD	2024 USD	2025 BDT	2024 BDT
33. Remittance of foreign currency				
Expatriates salaries and benefits	74,037	317,044	9,069,534	35,464,455
IHG fees	990,858	825,541	121,380,106	93,529,484
Training fee	2,239	-	274,312	-
Travel agent fee	30,777	63,832	3,770,201	10,444,152
Software maintenance fee	37,729	19,858	4,621,742	3,266,790
			139,115,896	142,704,882

34. Contingent liabilities and claims

A. Letter of guarantees

In the course of executing the contract work, certain disputes have arisen between the Company and its contractor Mir Akhter Hossain Limited. As per the terms of contract, the contractor was authorized to refer the matter to arbitrator for resolution of the dispute in accordance with the provision of the Arbitration Act 1940. Both the parties nominated their Arbitrators; Late Justice Badrul Haider Chowdhury was nominated by the contractor and Mr. M.S.I Chowdhury was nominated by the Company and the arbitrators appointed Justice Kemaluddin Hossain, the former Chief Justice of Bangladesh as umpire and thereafter arbitral proceedings started. The arbitrators differed on certain matters and sent their reports to the umpire. The umpire has given the following awards on 02 April 1998:

- The Company shall pay to government treasury the entire amount of VAT amounting to Taka 6,676,914 to the contractor as deducted from the invoices.
- The contractor is also entitled to claim damages to the extent of Taka 2,196,677 for payment of its invoices by the Company.

The contractor filed a petition to the 3rd Sub Judge Court of Dhaka to enforce the award given by the umpire, whereas the Company decided to contest it. The case was sent back on remand by the Hon'ble Supreme Court vide judgment dated 02 July 2001 passed in F.M.A no: 235/99 filed by BSL with a direction to dispose of the matter. Recently the 3rd Sub Judge court has upheld its previous verdict in favor of contractor and directed the Company to pay the entire amount of Taka 9,200,346 to the contractor. The Company has filed an appeal with the Hon'ble High court in 2004 against the verdict, the ultimate outcome of which is uncertain. To comply with the terms of the contest petition, the Company issued a bank guarantee in favour of the court amounting to Taka 9,200,346 which has been shown as contingent liability being letter of guarantee in the books of the Company. Against the guarantee, the Company has paid a sum of Taka 920,215 as margin against bank guarantee and the amount is shown under sundry debtors in these financial statements.

No provision has been made in these financial statements against the above.

B. Income tax pending matters

The income authority has made an additional claim for the assessment years 2007-2008, 2008-2009, 2009-2010, 2011-2012 and 2015-2016 amounting to BDT 5,954,210, BDT 9,340,009, BDT 21,707,794, BDT 51,636,481 and BDT 3,846,883 respectively against which the Company has made appeals to relevant appeal authority which are still pending. For subsequent years tax assessments are pending at various stages, however no final demand has been received from tax authority. No provision has been made in these accounts for the additional amount claimed by the tax authority as the Company has reasonable grounds to believe its appeal against such unjust additional demand will be ultimately successful and these would be set aside at the time disposal of final appeal.

30-Jun-25 BDT	30-Jun-24 BDT
------------------	------------------

C. Value added tax (VAT) and supplementary duty

Large Taxpayers Unit (LTU) - VAT has issued a demand notice to the Company for Tk 24,732,774 which allegedly resulted from claiming VAT rebates on certain items, not paying VAT on rent received and unpaid VAT as deducted at source from suppliers for the period July 2005 to June 2010. Pursuant to an audit conducted by the Local and Revenue Audit Department on the Hotel operation of the Company, the LTU - VAT has also issued demand notices of Tk. 282,159,786 for the years 2010-2011 and 2011-2012 and Tk 120,220,847 for the year 2012-2013 on the grounds of not collecting supplementary duty and VAT on supplementary duty from sale of alcoholic beverages at restaurants of the Hotel and taking rebate on restaurant services without price declaration.

The Company is defending these objections as it believes that these were neither factually correct nor consistent with the prevailing VAT legislation. The Company maintains its position that all VAT rebates claimed are legitimate, relevant requirements of the VAT Act 1991 have been appropriately followed and any withholding VAT are duly deposited to the Government exchequer. Since these matters are pending and the Company believes on reasonable ground that such alleged objection shall be quashed in favor of the Company in due course by the appropriate authority no provision has been made for such disputed claims.

35. Number of employees

Total number of employees engaged for the whole year or part thereof are 495 among which who received a total yearly remuneration of BDT 36,000 and above.

36. Earnings per share (EPS)

36.1. Basic earnings per share

Earnings attributable to the ordinary shareholders	(873,844,788)	(785,160,221)
Weighted average number of shares outstanding	97,788,913	97,788,913
Basic earnings per share	(8.94)	(8.03)

Earnings per share (EPS) has been computed by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the in terms of IAS-33 "Earnings Per Share."

36.2. Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no dilutive potential ordinary shares during the year.

37. Events after the reporting period

The Board of Directors of the Company has not recommended any dividend for the year ended 30 June 2025.

38. Financial Instruments-Financial risk management

The management has overall responsibility for the establishment of the Company's risk management framework with oversight by the Board of Directors. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Company has exposure to the following risks from its use of Financial Instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

38.1 Credit risk

Credit risk is risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables and investments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025 BDT	2024 BDT
Cash and cash equivalents	443,129,248	463,166,304
Accounts receivable	706,343,267	695,616,504
Other receivables	16,663,987	17,127,682
Advances, deposits and prepayments	422,190,876	369,672,738
	1,588,327,378	1,545,583,228

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. Based on the Company's operations there is no concentration of credit risk.

The Company's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes clients goodwill and in some cases bank references. Customers that fails to meet the Company's standard credit policy may transact with the company only on a pre-payment basis.

Cash at banks are maintained with both local branch of domestic schedule banks having acceptable credit rating and an international Bank.

38.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

Contractual cash flows

Non-derivative financial liabilities	Carrying amount as on 30 June 2025	Within 12 months	More than 12 months	Carrying amount as on 30 June 2024
	BDT	BDT	BDT	BDT
Long term loan	9,079,688,369	440,000,000	8,639,688,369	8,218,602,669
Accounts payable	3,014,967,873	3,014,967,873	-	3,012,529,501
Provision for income tax	237,510,846	237,510,846	-	192,263,613
Liability for retirement benefits	56,295,506	56,295,506	-	56,295,506
Deferred customs tariff	764,926,071	764,926,071	764,926,071	765,998,771
Advance rent, security deposits	101,168,747	101,168,747	-	104,740,029
Total	13,254,557,410	4,614,869,041	9,404,614,439	12,350,430,088

As at 30 June 2025, all current liabilities were expected to be paid within 12 months and all non current liabilities except deferred tax were expected to be paid after 12 months. The major liquidity risk the Company is facing due to current liabilities being higher than current assets.

30-Jun-25	30-Jun-24
BDT	BDT

38.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect that Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

38.4 Currency risk

The Company is exposed to currency risk on purchases of renovation materials and some food and beverage items which are denominated in a currency other than the functional currency. To manage this exposure normally the Company take assistance from relevant banks and if the exchange rate is expected to be volatile it attempts to upfront agree the exchange rate of retiring LCs at the time of settlement date. At balance sheet date there were no major financial instruments having material foreign exchange risk.

38.5 Interest risk

Interest rate risk arises from movement in interest rates both on deposits with banks as well as loans and borrowings. The Company is not significantly exposed to fluctuation in interest rates as most of the borrowings are on fixed interest rates and the Company has no derivative financial instruments.

39. Other information

39.1 Reconciliation of operating cash flows to net profit

Profit/(loss) before tax (936,107,618) (828,155,886)

Adjustment for non-cash items :

Depreciation	508,891,879	546,970,650
Depreciation reversed due to disposal	-	(64,263,227)
Rental & Other adjustment- prior years adj	(4,571,169)	-
Final bill adjustment of contractor (P-2C)	(81,457,763)	-
Asset reversed with Liquidated damage for renovation works	150,524,109	-
Interest accrued for loan	824,961,740	739,879,933
Non-operating Income (Adj of Service charge olavable)	(36,416,729)	(36,416,729)
	<u>1,361,932,066</u>	<u>1,186,170,626</u>

Changes in working capital components:

(Increase)/Decrease in inventories - spares and general stores	(10,829,673)	2,534,609
(Increase)/Decrease in inventories - food and beverage	(6,427,397)	11,202,851
(Increase)/Decrease in accounts receivable	(11,447,870)	(5,679,533)
(Increase)/Decrease in other receivable	(456,320)	(1,540,662)
(Increase)/Decrease in advances, deposits and prepayments	(12,244,404)	13,829,990
Increase/(Decrease) in accounts payable	38,855,101	248,081,834
Increase/(Decrease) in advance rent receipt	(3,571,283)	(23,249,591)
Increase/(Decrease) provision for supplementary duty	(7,000,000)	(10,000,000)
Increase/(Decrease) deferred custom tariff	(1,072,700)	(51,078,294)
	<u>(14,194,548)</u>	<u>184,101,204</u>

Operating cash flow before gratuity and tax payments

Income tax paid 411,629,901 542,115,944

Retirement benefits paid (45,247,233) (59,359,478)

Net cash inflow/(outflow) from operating activities - (8,200)

366,382,667 482,748,267

39.2 Net operating cash flows per share (NOCFPS)

Net operating cash flows	366,382,667	482,748,267
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net operating cash flows per share	<u>3.75</u>	<u>4.94</u>

39.3 Net assets value (NAV) per share

With revaluation

Net assets as at 30 June 2025 (represented by equity)	21,488,099,067	22,321,418,359
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net assets value per share	<u>219.74</u>	<u>228.26</u>

Without revaluation

Net assets as at 30 June 2025 (represented by equity)	(5,855,663,000)	(5,022,343,708)
Weighted average number of ordinary shares outstanding	97,788,913	97,788,913
Net assets value per share	<u>(59.88)</u>	<u>(51.36)</u>

39.4 Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.

39.5 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

39.6 Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.