

Independent Auditor's Report
And
Financial Statements
Of
THE CHITTAGONG PORT AUTHORITY

Bandar Bhaban, Chattogram – 4100
Bangladesh.

For the year ended June 30, 2019

Auditor's:

Ahmed Zaker & Co.
Chartered Accountants
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Chartered Accountants
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Independent Auditor's Report
To the Board of The Chittagong Port Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **The Chittagong Port Authority** ("the Organization"), which comprise the statement of financial position as at 30th June, 2019 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, except for the effects of the matter described in the Basis for Opinion section of our report, the accompanying financial statements of the Organization are prepared, in all material respects, in accordance with Generally Accepted Accounting Principle, The Chittagong Port Authority Ordinance, 1976.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

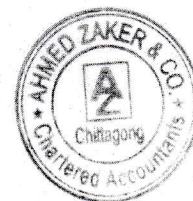
Emphasis of matter

Without our opinion, we draw attention on the matter disclosed:

- (i) The authority has not made any interest receivable on fixed deposits receipts of pension fund at the year end. They should disclose as per IAS-1, para-27 ("An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting").
- (ii) As disclosed in the financial statements, an amount of BDT. 248,776,393.00 recognized as income from rent on land from various parties without renewal of license agreement. They should follow IFRS-15, Para-9a "(The parties to the contract have approved the contract in writing, orally or in accordance with other customary business practices and are committed to perform their respective obligations)".
- (iii) In financial statements for Other Finance, note - 18.01 Advance received by Estate Branch, Earnest money Received, Security Deposits, and Sundry Credit Balance received from various Parties, Contractors and suppliers, amounts to BDT. 31,587,074,757, however, due to wrong posting it consists of negative balance of BDT. 281,097,209 as per ledger.
- (iv) The organization seems to have account heads titled with non-meaningful digits or symbols, i.e. XXX or 0000. A total of Tk. Tk-167,141,102 has been posted to such heads. These account names should be specifically clear and not ambiguous.

Other Matter

The financial statements of **The Chittagong Port Authority** for the year ended 30th June, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on 26th May, 2019.



Other Information

Management is responsible for the other information. The other information comprises of such other financial or non-financial information included in an entity's annual report (other than financial statement on the auditors reports thereon)

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, The Chittagong Port Authority Ordinance, 1976 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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.

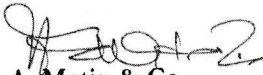
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

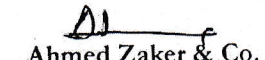
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Organization's internal control.

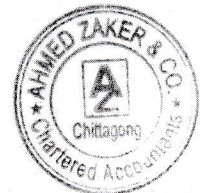


- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organization's audit. We remain solely responsible for our audit opinion.

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


A. Matin & Co.
Chartered Accountants
Dated: 20th July, 2020

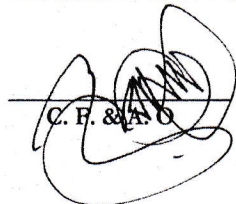

Ahmed Zaker & Co.
Chartered Accountants

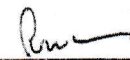


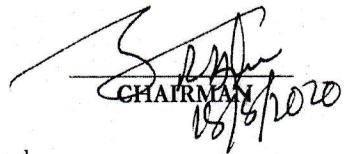
THE CHITTAGONG PORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

Particulars	Notes	Amount in BDT	
		30/Jun/19	30/Jun/18
SOURCES OF FUNDS:			
Capital	4.00	57,534,359,838	50,923,870,630
Reserve and Fund	5.00	72,850,112,803	65,031,992,086
Unappropriated Surplus Transferred from SOCI	-	10,398,593,234	10,642,137,157
Fair Value Reserve on Investment in Shares	-	(33,575,318)	(26,744,338)
Equity and Funds		140,749,490,557	126,571,255,535
Provision Account	6.00	51,725,084,537	48,960,649,560
Long Term Loan (ADB/BAN 2147)	7.00	532,415,932	581,123,752
		193,006,991,026	176,113,028,847
APPLICATION OF FUNDS:			
NON CURRENT ASSETS:			
Operating Fixed Assets	8.00	52,783,608,830	48,831,721,628
Capital Work-in-progress	9.00	45,417,735,352	32,337,696,572
Deferred Expenditure	10.00	323,644,075	259,975,700
Investment in Shares	11.00	18,916,560	25,747,540
Fixed Deposit Receipts	12.00	112,477,910,722	112,001,851,784
Loan to Payra Port	-	496,200,000	496,200,000
		211,518,015,539	193,953,193,224
CURRENT ASSETS			
Interest Receivable on Fixed Deposits Receipts	13.00	2,647,222,368	2,636,913,108
Stores	14.00	60,382,616	60,382,616
Debtors	15.00	2,901,964,411	2,625,885,031
Advances, Deposits and Prepayments	16.00	11,950,613,994	8,671,184,790
Cash and Bank Balances	17.00	1,035,940,559	1,135,418,257
		18,596,123,948	15,129,783,802
CURRENT LIABILITIES			
Creditors and Accruals	18.00	37,107,148,461	32,969,948,179
		37,107,148,461	32,969,948,179
NET CURRENT ASSETS		(18,511,024,513)	(17,840,164,377)
CAPITAL EMPLOYED		193,006,991,026	176,113,028,847


The annexed notes 1 to 26 form an integral part of these financial statements.

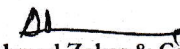

C. F. & A. O.


MEMBER (FINANCE)


CHAIRMAN

Signed in terms of our separate report of even date annexed.


A. Martin & Co.
Chartered Accountants
Dated:


Ahmed Zaker & Co.
Chartered Accountants

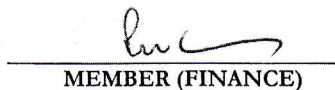


THE CHITTAGONG PORT AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Notes	Amount in BDT	
		30/Jun/19	30/Jun/18
INCOME:			
Dues and Charges			
On Vessels	19.00	4,361,350,849	3,684,325,905
On Cargo		23,795,505,851	22,161,322,607
		28,156,856,700	25,845,648,512
Miscellaneous Income	20.00	299,369,116	320,047,412
Rent on Land	-	248,776,393	249,381,323
		548,145,509	569,428,735
		28,705,002,209	26,415,077,247
EXPENDITURE:			
Operating Expenses	21.00	12,208,698,029	11,178,704,264
Administrative and General Expenses	22.00	3,846,358,049	2,723,866,428
		16,055,056,078	13,902,570,692
Net Surplus from Operation		12,649,946,131	12,512,506,555
Interest Income	23.00	183,298,204	173,141,738
Profit/(Loss) on Sale of Operating Assets	24.00	41,594,206	29,339,185
		224,892,410	202,480,923
Net Surplus Before Tax		12,874,838,541	12,714,987,478
Corporate Tax Expenses		4,800,000,000	4,250,000,000
Net Surplus After Tax		8,074,838,541	8,464,987,478
OTHER COMPREHENSIVE INCOME:			
Unrealized Gain/(Loss) on Investment in Shares		(6,830,980)	(2,627,300)
Total Comprehensive Income for the Year		8,068,007,561	8,462,360,178
Unappropriated Surplus Brought Forward	-	10,615,392,819	7,967,672,227
Prior Year Adjustment	25.00	(318,382,464)	185,360,414
		10,297,010,355	8,153,032,641
NET SURPLUS AVAILABLE FOR APPROPRIATION		18,365,017,916	16,615,392,819
APPROPRIATIONS:			
Transfer to Capital Fund		4,000,000,000	3,000,000,000
Transfer to Revenue Reserve Fund		4,000,000,000	3,000,000,000
Unappropriated surplus Transferred to SOFP		10,365,017,916	10,615,392,819
		18,365,017,916	16,615,392,819


The annexed notes 1 to 26 form an integral part of these financial statements.

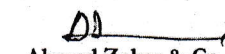

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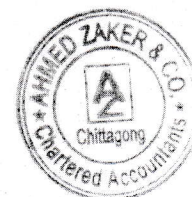

MEMBER (FINANCE)


CHAIRMAN
18/8/2020

Signed in terms of our separate report of even date annexed.


A. Martin & Co.
Chartered Accountants
Dated: 20th July, 2020


Ahmed Zaker & Co.
Chartered Accountants



THE CHITTAGONG PORT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED ON JUNE 30, 2019

Particulars	Capital Fund	Sinking Fund	Revenue Reserve Fund	Pension Fund	Unappropriated Surplus	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Balance as on 01st July, 2018	50,923,870,630	136,798,060	51,483,741,077	13,411,452,949	10,642,137,157	126,597,999,873
Interest earned during the year 2018-19	178,773,562	6,927,839	2,607,281,760	1,252,618,938	-	4,045,602,099
Prior years' adjustments made during the year	-	-	-	-	(318,382,464)	(318,382,464)
Net surplus during the year after tax and before appropriation	-	-	-	-	8,074,838,541	8,074,838,541
Appropriation of net surplus during the year	4,000,000,000	-	4,000,000,000	-	(8,000,000,000)	-
Transferred from Depreciation provision	2,383,007,826	-	-	-	-	2,383,007,826
Payment of principal of Govt.Loan (ADB/CPTFP)	-	(48,707,820)	-	-	-	(48,707,820)
Capitalization of Loan	48,707,820	-	-	-	-	48,707,820
Contribution to the Pension Fund	-	-	(10,000,000,000)	10,000,000,000	-	-
Equity and fund as on 30.06.19	57,534,359,838	95,018,079	48,091,022,837	24,664,071,887	10,398,593,234	140,783,065,875



THE CHITTAGONG PORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Amount in BDT	
	30/Jun/19	30/Jun/18
A. Cash flow from Operating Activities		
Cash received against dues & charges	27,880,777,320	25,530,976,611
Miscellaneous Income	299,369,116	320,047,412
Rent on Land	248,776,393	249,381,323
Interest Income	4,821,894,316	4,027,870,838
Corporate Tax paid	(4,638,561,877)	(3,957,621,939)
Payment against Expenses	(19,171,352,877)	(15,350,620,207)
Net Cash Flow from Operating Activities	9,440,902,391	10,820,034,038
B. Cash flow from Investing Activities		
Acquisition of Fixed Assets	(4,758,247,945)	(703,022,778)
Capital Work-in-Progress	(5,485,393,406)	(2,174,432,293)
Sale of Fixed Assets	41,763,206	30,819,766
Investment (net)	725,765,489	(7,283,043,630)
Deferred Expenditure	(15,559,613)	(47,314,220)
Net Cash used in Investing Activities	(9,491,672,269)	(10,176,993,155)
C. Cash Flow from Financing Activities		
Payment to Dock workers from acquired capital	-	-
Payment of Principal of foreign Loan	(48,707,820)	(48,707,820)
Net Cash used from Financing Activities	(48,707,820)	(48,707,820)
D. Net Cash Inflow/(Outflow) for the year (A+B+C)	(99,477,698)	594,333,063
E. Opening Cash & Bank Balance	1,135,418,257	541,085,194
F. Closing Cash & Bank Balances (D+E)	1,035,940,559	1,135,418,257

