



Rahman Mostafa Alam & Co.
Chartered Accountants



CHITTAGONG PORT AUTHORITY
AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2021

Rahman Mostafa Alam & Co.
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Independent Auditors' Report To the Board of the Chittagong Port Authority

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, 2021 and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, 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 present fairly, in all material respects, the financial position of the organization as at 30th June, 2021 and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the matter disclosed under following: -

- 1) As disclosed an amount of Tk. 5,614,735,735 (Note-25.00 to the Financial Statements) of FDR interest income was transferred to Provision, Reserve Fund, Capital Fund & Pension Fund before disclosing it as interest income which is a non-compliance with IFRS-15: Revenue & IAS 1: Presentation and Preparation of Financial Statements.
- 2) No impairment test of its assets had been conducted by the CPA for the year 2020-21 according to IAS-36: Impairment of Assets. Therefore, we can't ascertain whether any asset of CPA has incurred impairment loss or not.
- 3) As per IAS-12: Income Tax, CPA is yet to create provision for Deferred Tax Liability and disclose it as a separate line item in the Statement of Financial Position.



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Other Matter

The financial statements of The Chittagong Port Authority for the year ended 30th June, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 18 August, 2021.

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

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRSs, The Chittagong Port Authority Ordinance, 1976 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material statement, 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 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.



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- 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 public interest benefits of such communication

Report on other Legal and Regulatory Requirements

In accordance with the International Financial Reporting Standards, **The Chittagong Port Authority Ordinance, 1976** and other applicable laws and regulations, 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;



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- b) in our opinion, proper books of account as required by law have been kept by the organization so far as it appeared from our examination of those books; and
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.


Chattogram
Dated:
31 July 2022

Rahman Mostafa Alam & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Signed By
Arafat Kamal FCA (1184)
Partner
DVC: **2207311184AS516929**



Signed By
Mohammad Shaheed FCA (1016)
Senior Partner
DVC: **2207301016AS311440**



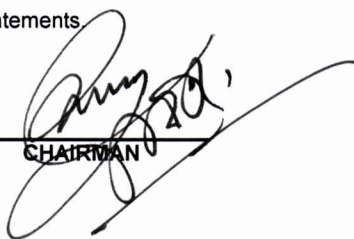
CHITTAGONG PORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note(s)	Amount in Taka	
		30 June 2021	30 June 2020
<u>SOURCES OF FUND</u>			
Capital Fund	4.00	68,664,238,487	63,939,635,028
Reserve and Fund	5.00	53,569,008,894	80,923,262,514
Unappropriated Surplus	6.00	8,868,157,362	9,610,255,818
Fair Value Reserve on Investment Share	7.00	(30,948,018)	(37,778,998)
Equity and Fund		131,070,456,725	154,435,374,362
Provision Account	8.00	59,847,415,278	55,023,479,299
Long Term Loan	9.00	435,000,292	483,708,112
		191,352,872,295	209,942,561,773
<u>APPLICATION OF FUND</u>			
Operating Assets (At cost)	10.00	62,369,455,707	56,857,340,780
Capital Work-in-progress	11.00	65,306,964,691	53,885,213,385
Investment in Shares	12.00	21,543,860	14,712,880
Fixed Deposit Receipt	13.00	87,207,253,339	114,826,048,844
Loan to Payra Port		496,200,000	496,200,000
Intangible Assets		32,182,251	-
		215,433,599,848	226,079,515,889
<u>CURRENT ASSETS</u>			
Interest Receivable on Fixed Deposits	14.00	1,437,635,152	2,422,479,114
Stores	15.00	7,307,243	60,382,616
Debtors	16.00	2,829,944,890	3,228,058,964
Advance, Deposits and Pre-payments	17.00	12,483,044,906	12,199,644,357
Cash and Cash Equivalents	18.00	369,076,651	1,441,074,233
		17,127,008,842	19,351,639,284
<u>CURRENT LIABILITIES</u>			
Creditors and Accruals	19.00	41,207,736,395	35,488,593,400
		41,207,736,395	35,488,593,400
NET CURRENT ASSETS		(24,080,727,553)	(16,136,954,116)
CAPITAL EMPLOYED		191,352,872,295	209,942,561,773

The annexed notes from 01 to 26 form an integral part of these financial statements


C.F. & A. O.


MEMBER (FINANCE)

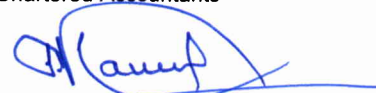

CHAIRMAN

Signed in terms of our separate report of even date

Chattogram,
July 2022

Rahman Mostafa Alam & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Signed By
Arafat Kamal FCA (1184)
Partner

DVC: 2207311184AS516929



Signed By
Mohammad Shaheed FCA (1016)
Senior Partner

DVC: 2207301016AS311440



CHITTAGONG PORT AUTHORITY
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

		Amount in Taka	
	Note(s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
INCOME:			
Dues and Charges:			
On Vessels	20.01	4,996,773,637	4,648,014,971
On Cargo	20.02	24,805,941,546	23,762,893,440
		29,802,715,183	28,410,908,411
Miscellaneous Income	21.00	422,599,576	293,093,780
Rent on Land		301,210,482	342,750,704
		30,526,525,241	29,046,752,895
EXPENDITURE:			
Operating Expenses	22.00	14,649,446,552	12,775,635,202
Administrative and General Expenses	23.00	4,278,005,317	4,312,489,850
		18,927,451,869	17,088,125,052
Net Surplus Operation		11,599,073,372	11,958,627,843
Interest Income	24.00	173,841,717	204,057,401
Profit/(Loss) on Sale of Operating Assets	25.00	3,231,998	(81,575,739)
		177,073,715	122,481,662
Net Surplus Before Tax		11,776,147,087	12,081,109,505
Provision for Corporate Tax		(4,400,000,000)	(4,800,000,000)
Net Surplus after Provision for Tax		7,376,147,087	7,281,109,505
Other Comprehensive Income:			
Unrealized Gain/(Loss) On Investment In Shares		6,830,980	(4,203,680)
Total Comprehensive Income For The Year		7,382,978,067	7,276,905,825
Add: Unappropriated Surplus Brought Forward		9,572,476,820	10,365,017,916
Prior Years' Adjustment	26.00	(118,245,543)	(69,446,921)
		9,454,231,277	10,295,570,995
Net Surplus Available for Appropriation		16,837,209,344	17,572,476,820
Transfer to Capital Fund		4,000,000,000	4,000,000,000
Transfer to Revenue Reserve Fund		4,000,000,000	4,000,000,000
Unappropriated surplus		8,837,209,344	9,572,476,820
Net Profit After Tax		16,837,209,344	17,572,476,820

The annexed notes from 01 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

Chattogram,
July 2022

Rahman Mostafa Alam & Co.
Chartered Accountants

Khan Wahab Shafique Rahman & Co.
Chartered Accountants



Signed By
Arafat Kamal FCA (1184)
Partner

DVC: 22073111 84AS 516929



Signed By
Mohammad Shaheed FCA (1016)
Senior Partner

DVC: 2207301016AS 311440



CHITTAGONG PORT AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Capital Fund	Sinking Fund	Revenue Reserve Fund	Pension Fund	Unappropriated Surplus	Amount in Taka Total equity
Balance as at 01 July 2020	63,939,635,028	51,530,999	54,733,369,506	26,138,362,009	9,610,255,818	154,473,153,360
Interest earned during the year 2020-21	134,624,345	1,801,576	1,913,534,397	1,644,320,341	-	3,694,280,659
Prior years' adjustments made during the year 2019-20	-	-	-	-	(118,245,543)	(118,245,543)
Net surplus during the year after tax and before appropriation	-	-	-	-	7,376,147,087	7,376,147,087
Appropriation of net surplus during the year	4,000,000,000	-	4,000,000,000	-	(8,000,000,000)	-
Transferred from Depreciation provision account	541,846,165	-	-	-	-	541,846,165
Payment made to Unfit Labor of DWMB	(574,871)	-	-	-	-	(574,871)
Payment of principal of Govt. Loan (ADB/CPTFP)	-	(48,707,820)	-	-	-	(48,707,820)
Capitalization of Loan	48,707,820	-	-	-	-	48,707,820
Surplus money deposited to the Govt. Treasury under Finance act 04/2020	-	-	(30,000,000,000)	-	-	(30,000,000,000)
Payment to Payra Port Authority as per Govt. Decision.	-	-	(4,619,000,000)	-	-	(4,619,000,000)
Payment to PM Asrayan Project -2	-	-	(250,000,000)	-	-	(250,000,000)
New Investment in Pension Fund	-	-	-	3,797,886	-	3,797,886
Balance as at 30 June 2021	68,664,238,487	4,624,755	25,777,903,903	27,786,480,236	8,868,157,362	131,101,404,743

C. F. & A. O.

MEMBER (FINANCE)

CHAIRMAN



CHITTAGONG PORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Amount in Taka	
	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
A. Cash flows from operating activities		
Cash Received Against Dues & Charges	30,200,829,257	28,087,374,258
Miscellaneous Income	422,599,576	290,533,380
Rent on Land	301,210,482	342,750,704
Interest Income	4,691,217,436	5,332,396,857
Cash Payment Related to Cost and Other Expenses	(16,534,324,532)	(19,078,193,330)
Corporate Tax paid	(4,563,059,009)	(4,108,228,053)
Net Cash Inflow/(Outflow) from Operating Activities	14,518,473,210	10,866,633,816
B. Cash flows from investing activities		
Acquisition of Property, Plant & Equipment	(10,102,414,726)	(8,587,878,930)
Capital Work in Progress	(5,442,581,241)	(2,627,773,426)
Investment	-	770,000,000
Sale of Fixed Assets	3,232,995	32,860,034
Net Cash Inflow/(Outflow) from Investing Activities	(15,541,762,972)	(10,412,792,322)
C. Cash flows from financing activities		
Payment of Principal Amount of Foreign Loan	(48,707,820)	(48,707,820)
Net Cash Inflow/(Out flow) Inter Companies and Others	(48,707,820)	(48,707,820)
D. Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)	(1,071,997,582)	405,133,674
E. Opening Cash and Cash Equivalents	1,441,074,233	1,035,940,559
F. Closing Cash and Cash Equivalents (D+E)	369,076,651	1,441,074,233


C.F. & A. O


MEMBER (FINANCE)


CHAIRMAN

