



12th AGM

Annual Reports 2016-17

UNITED AIRWAYS (BD) LIMITED



Ref: UAB/Admin/01/Gen/Vol-16/agm/012

Date: 11-12-2022

NOTICE OF THE 12th ANNUAL GENERAL MEETING

Notice is hereby given that pursuant to the Order dated 01 September 2022 passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh in Company Matter No. 89/2022, the Board of Directors of United Airways (BD) Limited in its 15th Meeting held on 10th December 2022 at 3:00 p.m. decided that the 12th Annual General Meeting (AGM) (pending AGM for the year 2017) of the Company will now be held on Tuesday, 03 January 2023 at 11.15 AM by using Online Digital Platform to transact the following business:

Agenda:

1. To receive, consider and adopt the directors' report and auditors' report to the shareholders, accompanied by audited financial statements for the year ended 30th June 2017;
2. To declare dividend for the year ended 30th June, 2017;
3. To elect/re-elect Director (s), if any;
4. To appoint Statutory Auditor for the year 2018 and to fix their remuneration;
5. To transact any other business with permission of the Chair.

By order of the Board of Directors

Ashraf Mahmud
Acting Company Secretary

11 December 2022

Notes:

- i. The "Record Date" fixed at 22nd December, 2022. The shareholders whose names would appear in the Register of Shareholders of the company and/or in the Depository on the 'Record Date' will be eligible to attend the 12th AGM.
- ii. A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- iii. Annual Report for the year 2017 will be sent to contact email address of the Shareholders and available in the Website of the Company at: www.uabdl.com
- iv. The Shareholders will join the Virtual AGM through the link <https://unitedair.bdvirtualagm.com> The Shareholders will be able to submit their questions/comments and vote electronically 48 (Forty-eight) hour before commencement of the AGM and also during the AGM. For logging into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link.
- v. We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email : info@uabdl.com



DIRECTORS' REPORT 2017

Bismillahir Rahmanir Rahim

Dear Shareholders,

On behalf of all members of the new Board of Directors of United Airways I welcome you in the Annual General Meetings of 2017, of United Airways (BD) Ltd. It is really unfortunate for any public listed company not to hold AGMs on time. The operations of the airline were declared closed on 05 March 2016. Since then the previous **Board of Directors did not conduct any AGM**. On 28 February 2021 BSEC reconstituted a new Board of Directors with 8 independent directors. Since then the new Board of Directors has taken few steps to meet the required compliances. Now that pursuant to the Order dated 01 September 2022 passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh in Company Matter No. 89/2022, the Board of Directors of United Airways (BD) Limited in its 15th meeting held on 10th December 2022 at 3:00 p.m. decided to hold the pending AGM of 2017. We are going to present before you the Directors Reports explaining the present situation and Audited Financial Statements along with the Auditors' Report thereon for the year ended on 30th June 2017.

The new Board as a part of continuation of the company take up few measures as a part of fulfilling the compliances of regulatory bodies in order to revive the airline.

1. SUSPENSION OF PREVIOUS BOARD OF DIRECTORS

Bangladesh Securities and Exchange Commission (BSEC) to protect the interest of the shareholders vide its letter ref SEC/SRMIC/94-231/51-34/69 dated 28 February, 2021 showing the following reasons, suspended the board of directors and barred them to involve in any business of UABDL:

- Company was placed to Z-category wef 05 Sep 2016 and Board of Directors failed to improve it.
- Company failed to declare cash dividend for a period of 10 years from 2010.
- Company failed to hold AGM within stipulated time (since 2015 no AGM was held).
- Joint holding of shares by sponsors and directors were less than 5 % of paid up capital.

Commission alleged the board of directors that these are detrimental to the interest of the 95% of the shareholders and undesirable to the commission, thereby, suspending previous board of directors a new board has been constituted.

2. APPOINTMENT OF NEW BOARD OF DIRECTORS

Bangladesh Securities and Exchange Commission (BSEC) vide its letter ref SEC/SRMIC/94-231/51-34/69 dated 28 February, 2021 constituted a new Board of Directors with 8 independent Directors. The newly Constituted Board has taken over the responsibility on **4 March 2021**. Board conducted few meetings and identified some problems to restart the operations. The Board in its 6th Board meeting held on 5th May 2021 removing previous Managing Director appointed Mr. ATM Nazrul Islam as its new Managing Director (Current in Charge).



3. SITUATION ANALYSIS

Corporate Status and Background: The Company was incorporated on 28th June 2005 as a private Limited Company and turned into Public Limited in 8th May 2006. The company was listed in the Dhaka and Chittagong stock market as only airline of the country in 12 July 2010. United Airways has been issued with Civil Aviation Operating License on 8th July 2007 to operate passenger and cargo services both in International and domestic routes.

The Airline launched its first flight on 10th July 2007 with only one 37-seat Dash 8-100 aircraft. From one aircraft it has eleven (11) aircrafts. Since 10th of July 2007 United Airways had flown over 65000 flights in domestic & International sectors. It operated to all domestic airports of Bangladesh and also operated 11 prestigious International destinations like London, Jeddah, Medina, Dubai, Doha, Muscat, Singapore, Malaysia, Thailand, Karachi, & Kolkata. The Company started with only Tk. 10 crore paid up capital back in 2005, and present paid up capital is Tk. 8280.98 crore.

The previous management closed down its operations on 05 March 2016. The previous Board of Directors also failed to ensure the compliances of Bangladesh Securities and Exchange Commission (BSEC) and CAAB. Following that BSEC has suspended its previous board of Directors and reconstituted a new board of Directors appointing 8 independent Directors in order to revive the operations of United Airways in order to protect the interest of its huge number of shareholders.

The new Board of Directors after having few meetings finds that:

- a. The Air Operating Certificate had expired on 30 May 2016.
- b. The Aircraft Maintenance Organization Certificate had expired on 30 September 2016.
- c. The corporate office of the company had been moved out from its registered address at 1 Jasimuddin Avenue, Sec 3, Uttara to a residential house at Road no. 12 of Sector 1 of Uttara owned by the previous Managing Director some time in 2019.
- d. The offices inside the HSIA, Dhaka had been locked down by the CAAB authority on 18 May 2019 due to huge CAAB dues.
- e. CAAB de-registered UABDL's all aircraft on 20 February 2020.
- f. There was no fund available at the bank or cash to run the day to day business.
- g. The accounts of 2017 had been prepared and audited by Mahfel Huq & Co Chartered Accountants. There after no accounts were prepared by previous management.
- h. No AGM was conducted for 2017. Last AGM was conducted in 2015.
- i. There were no technical, operation or skilled staffs available to run the airlines. Only few admin staffs were there to look after office and few documents.
- j. No UABDL personnel were allowed to enter CAAB premises to take care of stores, offices and aircrafts inside the HSIA.
- k. Two aircraft found stranded outside the country, one MD 83 at Raipur Airport, India and another at Karachi, Pakistan. UABDL owes huge amount with them. Both concerned parties' files legal cases against UABDL.
- l. Huge amount of claimed were seen on Air navigational charges from different countries.
- m. Many legal issues remained unattended



4. FINANCIAL POSITION OF THE COMPANY :

Previous management prepared the accounts for year ended June 2017 and got audited.

- a. **Non-Current Assets:** The total non- current assets was shown Tk.8,220,653,841
- b. **Current Assets** (advances, deposits and prepayments, including receivable) : Current Assets shown Tk.2,859,156,454. The receivables were shown 621,441,167.

This may be mentioned here that the previous Management feedback in respect to accounts receivables in 2016 and 2017 (Clause j of 1.03 “significant accounting policies and relevant information”) appears to be contradictory and doubtful. In 2016 previous management claimed that receivables are good and fully realizable whereas in 2017 it claimed that these are not fully realizable. There were no significant efforts seen by previous management to recover the receivables and no effect has been found in any accounting documents.

- c. Liabilities : Total liabilities shown as per year ending June 2017 were Tk.5,163,064,806.
- d. Operational Revenue: No Operational revenue : Airlines operation was suspended in 2016
- e. Operational Expenses: Shown as Tk. 908,774,461.
- f. Operating and Net Profit: Loss stands to (1,391,749,106)
- g. Net asset value shown 7.14
- h. The pattern of Shareholdings

The authorized capital of the company is Tk. 11,000.00 million. The paid up capital of the company is Tk. Tk. 8,280.98 million . The increase from previous year was due to issuance of new 525,088,000 share in 2017 by previous board of Directors. The share holding pattern as on 30 June 2021 is shown in Annex (iv)

- i. Dividend: No dividend was offered.

Risk Management has not been discussed as there were no operations.

Acknowledgement

On behalf of all members of the newly constituted Board of Directors, I express my heartiest thanks to all our valued shareholders, Bangladesh Securities and Exchange Commission, Ministry of Civil Aviation & Tourism, Ministry of Finance, Civil Aviation Authority (CAAB), DSE, CSE, CDBL, SATCOM, Audit Firm, Media and other concerned sectors. I also give thanks to the valued passengers, travel agents, employees and suppliers those who had worked with and supported United Airways in the past and I expect that the United Airways will receive same support and cooperation from them in the days to come.

Finally, again on behalf of all members of the Board I seek your continuous and constructive advice for making this Annual General Meeting a success.

Let Allah be with all of us.

Wg. Cdr. ATM Nazrul Islam, psc (Retd)
Managing Director (Acting)
On behalf of Board of Directors



**AUDITORS' REPORT & FINANCIAL STATEMENTS
OF
UNITED AIRWAYS (BD) LIMITED
FOR THE YEAR ENDED JUNE 30, 2017**



Mahfel Huq & Co.
Chartered Accountants
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS Of United Airways (BD) Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of United Airways (BD) Limited, which comprise the statement of financial position as at June 30, 2017 and 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 a summary of significant accounting policies and other explanatory notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchanges Rules, 1987 and other applicable laws and regulations, and for such control internal control relevant as management determines is necessary to enable the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



Mahfel Huq & Co.
Chartered Accountants
An independent member firm of AGN International



Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of United Airways (BD) Limited as at June 30, 2017 and its performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Emphasis of Matter

We draw attention to following notes to the financial statements without qualifying our report in these matters:

1. The financial statements have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. During the year the entity has incurred net loss of Tk. 1,391,749,106 and the accumulated loss as on June 30, 2017 stood at Tk. 2,774,159,311. This is partly due to the fact that the commercial flight operation of the company is stopped from 07th March, 2016 due to ongoing technical problems. However, the management plans and are in talks with the potential financiers and stakeholders to raise appropriate finance to run the company as going concern. The management of the entity do not have any intention to liquidate or curtail materially the scale of its operation at present (Note 1.03).
2. After obtaining approval from Bangladesh Securities and Exchange Commission (BSEC) (letter no. BSEC/CI/CPLC-115/06/724, dated 21st December, 2016) United Airways (BD) Limited increased the share capital of through issuance of 52,808,800 ordinary shares of Tk. 10 each (Note 8).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 1987, we also report the following:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by United Airways (BD) Limited so far as it appeared from our examination of those books;
- iii) The statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts and returns thereof; and
- iv) The expenditure incurred was for the purpose of the entity's business.

Dhaka, 8th January, 2018


Mahfel Huq & Co.
Chartered Accountants



Mahfel Huq & Co.
Chartered Accountants
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UNITED AIRWAYS (BD) LIMITED
Statement of Financial Position
As at June 30, 2017

Particulars	Notes	Amount in Taka	
		30-Jun-17	30-Jun-16
Assets			
Total Non-Current Assets		8,220,653,841	8,511,490,526
Property, Plant and Equipment	2.00	8,087,849,153	8,320,490,526
Investment in Fixed Deposit	3.00	132,804,688	191,000,000
Total Current Assets		2,859,156,454	3,870,540,017
Advance, Deposits & Prepayments	4.00	1,165,261,177	1,698,405,325
Stocks and Spares	5.00	1,068,318,760	1,239,798,265
Accounts Receivable	6.00	621,441,167	926,119,128
Cash and Cash Equivalents	7.00	4,135,350	6,217,299
Total Assets		11,079,810,295	12,382,030,544
Equity and Liabilities:			
Total Equity		5,916,745,489	6,780,406,595
Share Capital	8.00	8,280,984,800	7,752,896,800
Share Premium		409,920,000	409,920,000
Retained Earnings	9.00	(2,774,159,311)	(1,382,410,205)
Total Non-current Liabilities		2,090,684,252	2,776,162,225
Term Loan	10.00	329,835,194	1,053,064,237
Deferred Tax Liability	11.00	1,552,804,461	1,505,053,391
Share Holders Loan Account	12.00	208,044,597	218,044,597
Total Current Liabilities		3,072,380,554	2,825,461,725
Accounts Payable & Accruals	13.00	1,637,889,928	1,423,342,937
Unearned Revenue		8,465,911	24,965,911
Provision for Taxation	14.00	218,446,322	217,901,260
Un-collected Subscription	15.00	49,513	49,513
Short Term Loan	16.00	1,207,528,880	1,159,202,104
Total Liabilities		5,163,064,806	5,601,623,949
Total Equity and Liabilities		11,079,810,295	12,382,030,544
Net Asset Value Per Share		7.14	8.75

The annexed notes (1-28) form an integral part of these financial statements.

Chairman & Managing Director

Director

Act. Company Secretary

Signed as per our separate report of same date.

Dhaka
Dated: January 08, 2018

Mahfel Huq & Co.
Chartered Accountants



Mahfel Huq & Co.
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UNITED AIRWAYS (BD) LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2017

Particulars	Notes	Amount in Taka	
		30-Jun-17	30-Jun-16
Revenue (Sales) (A)		-	1,199,812,091
Flown revenue (Sale)		-	858,105,648
Add: Cargo sale	17	-	205,567,563
Add: EB sale		-	136,138,880
Less: Operating Expenses: (B)		908,774,461	1,620,730,552
Aircraft fuel		-	325,816,621
Air craft maintainance & others	18	172,631,025	292,035,597
Air naviagation,overflying,aeronautical bills & others A	19	170,666,023	195,543,257
Lease Rent & others		45,325,440	181,301,760
Catering expenses	20	-	16,522,220
Flying allowance		-	6,344,372
Aircraft insurance		-	67,903,068
Depreciation for air craft & spare parts		520,151,973	535,263,657
Gross Profit: C= (A-B)		(908,774,461)	(420,918,461)
Less: Administrative Exp. (D)		344,160,279	575,123,644
General and administrative expenses	21	344,160,279	503,049,397
Selling expenses	22	-	72,074,247
Operating profit: E=(C-D)		(1,252,934,740)	(996,042,105)
Non-operating Income (F)	23	2,180,252	8,805,853
Non-operating Loss	24	9,551,567	-
Financial Expenses (G)	25	83,146,919	204,719,057
Net Profit before tax H = (E+F)-G		(1,343,452,974)	(1,191,955,309)
Less.Provision for tax :		48,296,132	95,405,744
Current Tax	26	545,062	9,400,336
Deferred Tax		47,751,070	86,005,408
Net profit/(loss) after tax		(1,391,749,106)	(1,287,361,053)
Basic Earnings Per Share	27	(1.68)	(1.66)

The annexed notes (1-28) form an integral part of these financial statements.

T.A. Quamr

Chairman & Managing Director

Shahin W.

Director

Director

Foral

Acting Company Secretary

Signed as per our separate report of same date.

Mahfel Huq & Co.
Mahfel Huq & Co.
Chartered Accountants

Dhaka



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UNITED AIRWAYS (BD) LIMITED
Statement of Changes in Equity
For the year ended June 30, 2017

Particulars	Share Capital	Share Premium	Retained Earnings	Amount in Taka
				Total
Balane as on 01.07.2016	7,752,896,800	409,920,000	(1,382,410,205)	6,780,406,595
Allotment of Share to Swift Air Cargo PTE Ltd.	528,088,000	-	-	528,088,000
Net Profit for the period	-	-	(1,391,749,106)	(1,391,749,106)
Balance as on 30.06.2017	8,280,984,800	409,920,000	(2,774,159,311)	5,916,745,489

For the year ended June 30, 2016

Particulars	Share Capital	Share Premium	Retained Earnings	Amount in Taka
				Total
Balane as on 01.07.2015	6,248,088,000	409,920,000	729,759,648	7,387,767,648
Conversion of bonus share to equity	624,808,800	-	-	624,808,800
Allotment of Share to TAC Aviation Ltd.	400,000,000	-	-	400,000,000
Allotment of Share to Phoenix Leasing PTE Ltd.	480,000,000	-	-	480,000,000
Adjustment for Bonus Share	-	-	(624,808,800)	(624,808,800)
Adjustment of Deffered Tax	-	-	(200,000,000)	(200,000,000)
Net Profit for the period	-	-	(1,287,361,053)	(1,287,361,053)
Balance as on 30.06.2016	7,752,896,800	409,920,000	(1,382,410,205)	6,780,406,595

The annexed notes (1-28) form an integral part of these financial statements.


Chairman & Managing Director


Director


Director


Acting Company Secretary

Dhaka
Dated: January 08, 2018



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UNITED AIRWAYS (BD) LIMITED
Statement of Cash Flows
For the year ended June 30, 2017

<u>Particulars</u>	<u>Amount in Taka</u>	
	<u>June 30, 2017</u>	<u>June 30, 2016</u>
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Ticket Sales, Cargo, Service & Others	290,358,214	1,470,890,747
Payment to Suppliers, employees, tax & Others	450,413,711	(1,038,950,600)
Financial Expenses	(83,146,919)	(204,719,057)
Net Cash Flow/(Used in) Operating Activities	657,625,006	227,221,089
Accounts Receivable		
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(33,000,000)	(210,511,601)
Investment in FDR	58,195,312	160,000,000
Net Cash/ (Used in) Investing Activities	25,195,312	(50,511,601)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Un-collected Subscription	-	(21,142,672)
Shareholder Loan Account	(10,000,000)	-
Short term loan	48,326,776	(24,302,029)
Term loan	(723,229,043)	(230,714,737)
Net Cash Provided by Financing Activities	(684,902,267)	(276,159,438)
D. Net Cash Flow/(Outflow) (A+B+C)	(2,081,949)	(99,449,950)
E. Cash & cash equivalents at the beginning of the year	6,217,299	105,667,249
F. Cash & cash equivalents at the end of the period	4,135,350	6,217,299
Operating Cash Flow Per Share	0.79	0.29

The annexed notes (1-28) form an integral part of these financial statements.

Chairman & Managing Director

Director

Director

Act. Company Secretary

Dhaka

Dated: January 08, 2018



UNITED AIRWAYS (BD) LIMITED
Calculation of Earning Per Share
For the period ended June 30, 2017

Particulars	June 30, 2017	June 30, 2016
Profit/Loss for the period	(1,391,749,106)	(1,287,361,053)
Number of Shares	8,280,984,800	7,752,896,800
Earnings per share (par value Tk. 10)	(1.68)	(1.66)


Managing Director


Director


Director


Act. Company Secretary



UNITED AIRWAYS (BD) LIMITED

NOTES TO THE ACCOUNTS For the year ended June 30, 2017

1.00 LEGAL STATUS OF THE COMPANY AND ITS OPERATION

1.01 LEGAL FORM OF THE COMPANY:

United Airways (BD) Limited was registered as a private Limited company with the Registrar of Joint Stock Companies and Firms vide registration no. C-57883 (4566)/05 dated June 28, 2005. Subsequently the Company was transformed into a public limited company effective May 08, 2006. The company was listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as public listed company dated July 12, 2010.

Registered Address of the Company

The registered office of the company is located at Uttara Tower (5th floor), Sector 03, 1 Jasimuddin Road, Uttara Model Town, Dhaka -1230, Bangladesh.

Nature of Business and Consolidation:

The Principal activities of the company is to carrying passengers, lease of aircraft, providing air transport including cargos, mail, charter and training (basic and commercial) both locally & internationally.

1.02 BASIS OF ACCOUNTING:

The financial statements have been prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS) and accordingly included such test checks of accounting records as were considered necessary under the circumstances.

1.03 SIGNIFICANT ACCOUNTING POLICIES AND RELEVANT INFORMATION

a. Measurement base used in the preparation of Financial Statements

All the elements of the financial statements have been measured on "Historical Cost" basis which is one of the most commonly adopted base as provided in "The frame work for the preparation and presentation of financial statements" issued by the International Financial Reporting Standards (IFRS) now Bangladesh Financial Reporting Standard (BFRS).

b. Responsibility for preparation and presentation of financial statement

The Board of Directors of the Company is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards Committee (IASC).





c. Fixed Assets & Depreciation:

Property, Plant and Equipment:

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties, Insurance and non-refundable taxes.

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied with the item will flow to and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

Depreciation has been charged on Fixed Assets at the following rates on reducing balance method & Depreciation has been charged on addition of assets during the year.

Category of Fixed Assets	Rate of Depreciation
Air Craft	5%
Spare Parts	10%
Office Equipment	15%
Furniture & Fixture	10%
Interior Decoration	10%
Machinery	15%
Car & Vehicles	20%

d. Leasing

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases as per BAS 17.

e. Leased assets:

Operating Lease:

The company has made an agreement with TAC Aviation Ltd. dated 15th December, 2012 for 2 (Two) MD-83 as operating lease which is effective from 1st July, 2013 to 06 January, 2017.





f. Stocks and Stores

Inventories comprise of catering materials, spare parts and others. They are stated at the lower of cost and net realizable value in accordance with BAS-2 "Inventories" after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost. The Company management has carried out the physical Inventory of the Stock and Stores as on 30.06.2017. The stock and stores were valued and certified by the management with a significant remark that there is no obsolete and slow moving stock and stores items.

g. Issuance of Right Shares

During the financial year of 2011-2012 the company issued 1:1 Right Share @ Tk. 15 (Including a premium of Tk. 5/-) for capital raising after receiving of consent letter dated July 26, 2011 from Bangladesh Securities and Exchange Commission (BSEC).

h. Share Premium:

With the consent of the Bangladesh Securities and Exchange Commission (BSEC), the company issued Rights Shares @Tk. 15.00 including a premium of Tk.5.00 per share on the basis of 1: 1R in 2011. Total number of Rights shares issued 210,000,000 at an issue price of Tk. 15.00 per shares, totaling Tk. 3,150,000,000.00.

The company deposited of Tk. 31,500,000 as 3% Tax at source on the total premium amount of Tk. 1,050,000,000 in the year 2011 and disburses of Tk. 608,580,000 as stock dividend for the financial year 2012-2013 from the share premium reserve.

i. Financial Instruments:

Derivative:

According to BFRS 7: "Financial Instruments: Disclosures", derivative contracts (financial instruments) are forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessee in future.

Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

j. Accounts Receivable

These are not fully realizable be believed by the management. Hence a provision has created on this.



k. Cash Flow Statement

Cash flow statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" and in the cash flow the operating activities have been presented under direct method.

l. Liabilities

Liabilities are recorded at the amount payable on settlement.

m. Provision for taxation

Current taxation

Provision for current income tax has been made @ .60% as prescribed in the Finance Act, 2017 on the accounting profit made as per income tax ordinance in compliance with BAS-12 "Income Taxes".

Deferred taxation:

The company calculates deferred tax assets and liabilities as per BAS-12 "Income Taxes".

n. Components of the Financial Statements

According to BAS-1 "Presentation of Financial Statements" the complete set of financial statement includes the following components

- i) Statement of financial position as at June 30, 2017.
- ii) Statement of comprehensive income for the year ended June 30, 2017.
- iii) Statement of Changes in Equity for the year ended June 30, 2017.
- iv) Statement of Cash Flow for the year ended June 30, 2017.
- v) Notes to the Accounts for the year ended June 30, 2017.
- vi) Accounting Policies and Explanatory Notes.

o. Accounting Records

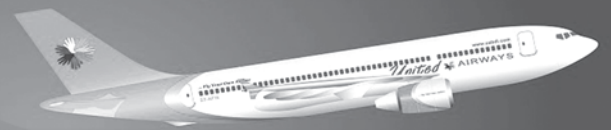
The air lines have been maintaining all the required books of accounts as are necessary for the purpose of the business.

p. Compliance with International Accounting Standards:

The financial statements have been prepared in compliance with requirements of the International Accounting Standards (IAS) approved by the International Accounting Standard Committee (IASC) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation. In addition, the Company is also required to comply with the following BASs:





a.	BAS 1	Presentation of Financial Statements
b.	BAS 2	Inventories
c.	BAS 7	Statement of Cash Flows
d.	BAS 8	Accounting Policies Changes in Accounting Estimate and Errors
e.	BAS 10	Events After the Reporting Period
f.	BAS 12	Income Taxes
g.	BAS 16	Property Plant & Equipment
h.	BAS 17	Leases
i.	BAS 18	Revenues
j.	BAS 19	Employees Benefits
l.	BAS 21	Foreign Currency Transactions
m.	BAS 23	Borrowing Cost
o.	BAS 24	Related Party Disclosure
p.	BAS 33	Earnings Per Share
q.	BAS 36	Impairment of Assets
r.	BAS-37	Provisions, Contingent Liabilities and Contingent Assets,

q. Compliance with Local Laws:

The financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other applicable laws and regulations.

r. Going Concern

The financial statements have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. During the year the entity has incurred net loss of Tk. (1,391,749,106) and the accumulated loss as on June 30, 2017 stood at Tk. (2,774,159,311). This is partly due to the fact that the commercial flight operation of the company is stopped from 07th March, 2016 due to ongoing technical problems. However, the management plans and is in talks with the potential financiers and stakeholders to raise appropriate finance to run the company as going concern. The management of the entity does not have any intention to liquidate or curtail materially the scale of its operation at present.

s. Impairment

In accordance with the provision of "BAS-36" Impairment of assets, the carrying amount of non financial assets other than Inventories are reviewed to determine whether there is any indication of impairment. No such indication of impairment has been raised.





t. Revenue Recognition

The revenue during the year was recognized at the time of ticket issue from the sales counter and the passengers availed the tickets as flown, which satisfied the conditions for the revenue recognition as provided in BAS-18 "Revenue Recognition"

u. Cash and Cash Equivalent

In accordance to BAS-7 "Cash Flow Statement" cash comprises cash in hand and bank deposit and cash equivalent are the short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to a insignificant risk of changes in value.

But it is mentionable that the amount of IPO subscription collection money has been included in the balance of cash and cash equivalent which is refundable to depositors. Considering the provision of BAS-7 and BAS-1, cash in hand and cash at bank balances have been considered as cash and cash equivalents.

v. Employees Benefit Plan

The company has not introduced any employees benefit plan.

Number of Employees

The average number of employees stood at 426 during the year.

w. Borrowing Cost

The borrowing cost relating to the entities loan sanctioned against CC Loan and Term Loan are charged as expenses as per BAS-23 during the year.

x. Earnings per share:

The calculated Earning per Share (EPS) in accordance with BAS-33 "Earning per Share" which has been shown on the face of the Profit and Loss account and the computation of EPS is elaborated in Note-25.

y. Reporting Currencies

Financial statements have been prepared in Bangladesh Local Currency (Taka). Transactions in foreign currencies are converted into Bangladesh taka at the exchange rate prevailing on the date of transaction and rounded off to the nearest Taka as per BAS-21 "Foreign Currency Transactions".

z. Reporting Period:

Financial statements of the company cover one financial year from July 01, 2016 to June 30, 2017.





aa. Related Party Disclosure:

Related party is considered if the party is related to the company and exerts significant influence over the day to day transactions of company as per BAS-24.

1. Loan and Advances from Directors: The Company has taken loans from the directors and shareholders under a written agreement executed between both the parties.

2. Lease Rent and others: The company has made an agreement with TAC Aviation Ltd. dated 15th December, 2012 for 2 (Two) MD-83 as operating lease which is effective from 1st July, 2013 to 06 January, 2017. During the year lease rent outstanding amount is Tk. 266,407,109.00.

ab. Foreign Currency Transaction:

There is no foreign currency transaction made save only the foreign sponsors who have dealt with their custodian bank in course of payment for acquisition of the air craft providing fund to the company as interest free unsecured loan.

ac. Events after the reporting period:

As per BAS-10 "Event after the Reporting Period" are those event favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

ad. Comparative Information:

Financial statements are presented as per BAS-1 "Presentation of Financial Statements" and comparative figures are presented for the statement of financial position as of June 30, 2016 and for the statement of comprehensive income, statement of changes in equity and Statement of cash flows for the year ended June 30, 2017.

Comparative information have been disclosed in respect of the previous years for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Re-arrangement

Previous year's figure has been re-arranged whenever considered necessary to ensure better comparability with the current year's presentation without causing any impact on the profit and value of assets and liability as reported in the Financial Statement.

Re-Statement

In finalizing the financial statements for the year ended June 30, 2017 some figures of previous year were restated to conform the provisions in accordance with BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors".





ae. Authorization Date:

The Board of Directors of the company has authorized and approved in issuing financial statement in the Board Meeting held on January 08,2018.

General

1. Previous year's figures have been rearranged wherever considered necessary to confirm the current year's presentation.
2. Figures appearing in the Financial Statements have been rounded off to the nearest Taka.





Notes to the Financial Statement:

2.0 Property, Plant and Equipment: Tk. 8,087,849,153

This is made up as follows :

Particulars	Balance As on 01.07.2016	Addition during the year	Disposal during the year	Amount in Taka
				Balance As on 30.06.2017
Land	96,551,567	-	(96,551,567)	-
Air craft: Note- 2.1	7,793,121,631	648,088,000	(240,000,000)	8,201,209,631
Spare parts for air craft: Note- 2.2	3,034,111,418	-	-	3,034,111,418
Office equipment	91,013,022	-	-	91,013,022
Furniture and fixture	44,296,753	-	-	44,296,753
Interior decoration	63,691,685	-	-	63,691,685
Machinery	77,021,705	-	-	77,021,705
Car & vehicle: Note- 2.3	86,700,995	-	-	86,700,995
Total Cost Value	11,286,508,776	648,088,000	(336,551,567)	11,598,045,209
Less: Accumulated depreciation				3,510,196,056
Total written down value				8,087,849,153

Details schedule of fixed assets has been shown in attached schedule Annexure -(i).

2.1 Air craft: Tk. 8,201,209,631

This is made up as follows :

	Amount in Taka	
	June 30, 2017	June 30, 2016
Balance as on 01.07.2016	7,793,121,631	7,793,121,631
Addition during the year	648,088,000	-
Less: Damages By the Accident	240,000,000	-
Total	8,201,209,631	7,793,121,631

The above amount represents the purchase price of air craft as per air craft sale and- purchase agreement executed with the Phoenix Aircraft Leasing PTE Ltd., 20-04 Wisma Atria no. 435 Orchard Road, Singapore-23877. The Aircraft value includes the C&F charge & duty, insurance, painting, training, design, tools and other cost.

Particulars

Balance as on 01.07.2016

Aircraft - 1: DASH-08	459,924,082	459,924,082
Aircraft - 2: MD-83 -1st	790,625,887	790,625,887
Aircraft - 3: MD-83 - 2nd	814,057,110	814,057,110
Aircraft - 4: Airbus A-310 -1st	944,365,110	944,365,110
Aircraft - 5: ATR-72 - 1st	693,675,942	693,675,942
Aircraft - 6: ATR-72 - 2nd	455,637,276	695,637,276
Aircraft - 7: Air Bus A-310 - 2nd	1,400,000,000	1,400,000,000
Aircraft - 8: MD-83 - 3rd	643,085,465	643,085,465
Aircraft - 9: ATR-72 - 3rd	929,753,669	929,753,669
Aircraft - 10: MD-83 - 4th	324,044,000	-
Aircraft - 11: MD-83 - 5th	324,044,000	-
Engines (MD-83, DASH-08, ATR-72, A-310)	421,997,090	421,997,090
Total Cost of Aircraft	8,201,209,631	7,793,121,631

As per rules and regulations of Civil Aviation Authority of Bangladesh all the documents of the Aircraft were physically inspected by Civil Aviation Authority of Bangladesh. After satisfactory inspection and functionality checked by the Civil Aviation Authority they have issued technical clearance certificate, Air worthness certificate, Certificate of registration, Permission to operate domestic and international flight as per designation.

The aircrafts were also duly inspected by the Engineering department of the company and concurred the approval for purchase of the Aircraft.





Details Disclosure of Aircraft- ATR-72-212, Reg: S2-AFN

The above mentioned Aircraft was involved in an accident on 20 July, 2014 at about 6 PM on runway of Cox's Bazar Airport due to heavy landing by the pilot. The Aircraft sustained severe damage due to shearing of the nose landing gear and other damages. The matter was under investigation and the aircraft was 1.5 years under the custody of Civil Aviation Authority of Bangladesh.

Amount in Taka	
June 30, 2017	June 30, 2016

2.2 Spare Parts for aircraft: Tk. 3,034,111,418

The amount represents the value of spare parts for all the air craft . Details are given below;

Particulars

Balance as on 01.07.2016	3,034,111,418	2,845,746,863
Add. Addition	-	188,364,555
	<u>3,034,111,418</u>	<u>3,034,111,418</u>

2.3 Car & Vehicles: Tk. 86,700,995

The amount represents the value for all the car & vehicles . Details are given below;

Particulars

Balance as on 01.07.2016	86,700,995	86,700,995
	<u>86,700,995</u>	<u>86,700,995</u>

3.0 Investment in Fixed Deposit: Tk. 132,804,688

This is made up as follows :

Bank & Branch Name

State Bank of India (Gulshan Branch, Gulshan, Dhaka)	-	60,000,000
Islami Bank Bangladesh Limited (Uttara Branch, Dhaka)	131,239,654	130,000,000
IFIC Bank Ltd. (Uttara Branch, Dhaka)	1,565,035	1,000,000
Total:	<u>132,804,688</u>	<u>191,000,000</u>





4.0 Advance, Deposits and Pre-payments: Tk. 1,165,261,177

4.01 Advances Tk. 1,165,261,177

	Amount in Taka	
	June 30, 2017	June 30, 2016
Advance office rent	22,996,465	31,041,514
Advance tax	3,581,880	3,440,904
Advance for aircraft engine & Technical Assistance	197,962,808	311,716,239
Advance against salary	2,075,517	2,525,517
Advance for aircraft Spare parts and Technical support	369,769,037	499,251,688
Deposits (4.01.01)	50,625,065	80,249,630
Other advances (4.01.02)	518,250,405	770,179,833
Sub Total:	1,165,261,177	1,698,405,325

4.01.01 Deposits Tk. 50,625,065

Security deposits	43,563,605	73,563,605
Bank Guarantee	1,204,035	828,600
Other deposit	5,857,425	5,857,425
Sub Total:	50,625,065	80,249,630

4.01.02 Other Advances Tk. 518,250,405

Particulars		
Advance to Staff	4,950,150	5,450,150
Advance to Supplier	67,715,870	114,215,870
Advance for aircraft fuel	87,278,189	177,772,896
Advance for Expenses	89,692,541	154,690,784
Advance to overseas offices	268,613,655	318,050,133
Total:	518,250,405	770,179,833

5.0 Stocks And Spares: Tk. 1,068,318,760

Particulars		
Catering Materials	13,192,120	13,192,120
Aircraft Tools & Parts(Movable)	1,055,126,640	1,226,606,145
Total:	1,068,318,760	1,239,798,265

6.0 Accounts Receivable: Tk. 621,441,167

The break-up of the above amount is as follows:

Particulars		
Receivable from Travel Agents	618,712,612	923,390,574
Corporate Customers	2,728,555	2,728,555
Total:	621,441,167	926,119,128

(A) The details of the accounts receivable from the Travel Agents and corporate Customer are shown in

(B) There was no amount due by Directors including Managing Director, Managers and other officers of the company and any of them severally or jointly with other person.

7.0 Cash and Cash Equivalents: Tk. 4,135,350

Particulars		
Cash in Hand (7.01)	991,150	2,764,371
Cash at Bank (7.02)	3,144,200	3,452,928
Total:	4,135,350	6,217,299





Amount in Taka	
June 30, 2017	June 30, 2016

7.01 Cash in Hand: Tk. 991,150

Details are given below:

Head Office	550,350	420,563
All Domestic Office	245,000	815,499
All Outstation Office	195,800	1,528,309
Total:	991,150	2,764,371

7.02 Cash at Bank: Tk. 3,144,200

Bank details are given below:

<u>Name of Bank</u>	<u>Account No.</u>		
IFIC Bank Ltd. Uttara Branch	CD-1042136316001	119,793	-
State Bank of India, Gulshan Br.	5420022020001	791,542	559
State Bank of India, Gulshan Br.	5420022020002	28,313	29,537
State Bank of India, Gulshan Br.	5420022020003	1,835	3,035
Sonali Bank Limited, Air Port Br.	CD-33002712	6,473	9,237
Branch Current Account		672,995	1,914,795
Dutch Bangla Bank Ltd. Uttara Br.	71106561	400,103	402,443
Standard Bank Ltd. Principle Branch	CD- 1484	210,585	212,235
Standard Bank Ltd. Principle Branch	STD-1819	310,000	303,653
Standard Bank Ltd. Uttara Branch	1536000261	361,582	353,909
Islami bank-A/c-AWCA	205020701-430609	1,860	11,699
Islami Bank Ltd. Uttara Br.	MSND-900005615	23,234	23,950
Islami Bank Ltd. Uttara Br.	FCA-1100006811	27,468	343
BRAC Bank	STD-377001	188,419	187,533
Total		3,144,200	3,452,928

8.0 Share Capital : Tk 8,280,984,800

Details are shown in Annexure -(iv)

9.0 Retained Earnings: Tk. -2,774,159,311

This is made up as follows:

<u>Particulars</u>		
Opening Balance	(1,382,410,205)	729,759,648
Add: Net profit during the period	(1,391,749,106)	(1,287,361,053)
	(2,774,159,311)	(557,601,405)
Less: Adjustment for Bonus Share	-	(624,808,800)
Less : Prior Year Deferred Tax	-	(200,000,000)
Total	(2,774,159,311)	(1,382,410,205)

10.0 Term Loan: Tk. 329,835,194

<u>Particulars</u>		
Islami bank Bangladesh Ltd. A/C No. 5990	15,495,944	30,642,911
Islami bank Bangladesh Ltd. A/C No. 5980	211,529,581	319,611,657
Phoenix Air Craft Leasing Pte Ltd (Note-10.01)	102,809,669	702,809,669
Swift Air Cargo Pte Ltd. (Note - 10.02)	-	-





Amount in Taka	
June 30, 2017	June 30, 2016

10.01 Phoenix Air Craft Leasing Pte Ltd.: Tk. 102,809,669

Particulars

This is made up as follows :

Opening Balance	702,809,669	1,332,809,669
Addition during the period	-	-
	<u>702,809,669</u>	<u>1,332,809,669</u>
Less: Adjustment during the period by share	-	(480,000,000)
Less: Adjustment during the period	(360,000,000)	(150,000,000)
Less: Adjustment against insurance claim (ATR-72, S2-AFN, MSN:379)	(240,000,000)	-
Total outstanding for Air craft	<u>102,809,669</u>	<u>702,809,669</u>

The above outstanding amount represents the payable against Purchase of Aircraft.

Note: ATR-72 Aircraft, Reg: S2-AFN, MSN:379 was involved in an accident at Cox's Bazar Airport on 20th July 2014 due to heavy landing by pilot. The Aircraft sustained severe damage due to shearing of the nose landing gear and other damages. The Aircraft was insured by the insurance company. The insurance company directly paid USD 3,000,000 (Three million) to Phonex Aircraft Leasing PTE Ltd., which has been adjusted against liabilities to Phoenix Aircraft Leasing Pte Ltd, Singapore in the financial year 2016-2017.

10.02 Swift Air Cargo Pte Ltd.:

Particulars

This is made up as follows :

Opening Balance	-	-
Addition during the year	120,000,000	-
	<u>120,000,000</u>	<u>-</u>
Less: Adjustment during the year	(120,000,000)	-
Total outstanding for Air craft	<u>-</u>	<u>-</u>

The above outstanding amount represents the payable against Purchase of Aircraft which has been adjusted with the advances.

11.0 Deferred Tax Liability: Tk. 1,552,804,461

Particulars

This is made up as follows :

Opening Balance	1,505,053,391	1,219,047,983
Deferred Tax	-	200,000,000
Addition during the period	47,751,070	86,005,408
Total	<u>1,552,804,461</u>	<u>1,505,053,391</u>

12.0 Share Holders Loan Account : Tk. 208,044,597

This is made up as follows :

Particulars

Opening Balance	218,044,597	218,044,597
Adjustment (Increase/Decrease)	(10,000,000)	-
Total:	<u>208,044,597</u>	<u>218,044,597</u>

13.0 Accounts Payable & Accruals: Tk.1,637,889,928

The details of the accounts payable to various party are shown in Annexure- (iii).





14.0 Provision for Taxation: Tk. 218,446,322

This is made up as follows :

	Amount in Taka	
	June 30, 2017	June 30, 2016
Opening Balance	217,901,260	216,983,225
Addition during the year	545,062	9,400,336
	218,446,322	226,383,561
Less: Adjustment (Provision for tax)	-	-
Less: Paid During the year	-	(8,482,301)
Closing Balance	218,446,322	217,901,260

15.0 Un-collected Subscription: Tk. 49,513

This is made up as follows:

Particulars		
Standard Bank Limited, STD A/C No. 1819	303,653	303,653
Standard Bank Limited, FC A/C No. 436	-	-
Standard Bank Limited, FC A/C No. 437	-	-
Standard Bank Limited, FC A/C No. 438	-	-
Islami Bank Ltd. A/C- 2070900005615	23,949	23,950
	327,602	327,603
Less: Interest Earned	(278,089)	(278,089)
Total	49,513	49,513

16.0 Short Term Loan: Tk. 1,207,528,880

The above represents cash credit loan received from the State Bank of India, Gulshan Branch, Dhaka and Islami Bank Bangladesh Ltd, Uttara Branch, Dhaka for various purpose which are given below:-

Particulars		
State Bank of India A/c. No.054-20022040001	103,040,766	167,909,738
Islami Bank Ltd. Murabaha TR	549,346,114	562,982,079
Islami Bank Ltd. Musharaka A/C No. 001408, 001509	38,815,578	35,152,908
Islami Bank Ltd. QTDR A/c No- 4401,5705 & 8203	110,000,000	110,000,000
State Bank Of India A/c.No.05420022060202	42,727,000	42,757,000
State Bank Of India A/c.No.05420022060203	62,117,999	62,147,999
Islami bank Bangladesh Ltd. A/C No. 5980	261,244,832	153,162,756
Islami bank Bangladesh Ltd. A/C No. 5990	40,236,591	25,089,624
Total	1,207,528,880	1,159,202,104

17.0 Net Revenue: Tk. 0

Particulars		
Total revenue	-	1,266,854,624
Less: Tax, fees and others	-	(67,042,533)
Total:	-	1,199,812,091

18.0 Air-Craft maintenance: Tk. 172,631,025

Particulars		
Tools and parts (Opening balance)	1,226,606,145	1,284,130,579
Addition during the period	1,151,520	234,511,163
Tools and parts available for use	1,227,757,665	1,518,641,742
Less.Closing stock	1,055,126,640	1,226,606,145
Total	172,631,025	292,035,597



Note: Expenses incurred due to replacement to costly Timex Aircraft components and spares including aircraft rotatable and consumable items for preservation maintenance of aircraft.



Amount in Taka	
June 30, 2017	June 30, 2016

19.0 Air navigation,overflying,aeronautical bills & others: Tk.170,666,023

Particulars

Air navigation, overflying, aeronautical & other bills	170,666,023	195,543,257
Total	170,666,023	195,543,257

Note : Nowadays, Company are receiving some previous flight operation expenses bills directly from different civil aviation authorities and others for aeronautical/non-aeronautical charges. It may be mentioned that previously, aeronautical/non-aeronautical charges is to be settled by company's authorized GSA. Since operation stopped, we are receiving invoices/bills from different regulatory authorities.

20.0 Catering expenses: Tk. 0

Particulars

Catering inventory (Opening balance)	13,192,120	13,238,467
Add: Purchased during the period	-	16,475,873
Catering inventory available for use	13,192,120	29,714,340
Less.Closing stock	13,192,120	13,192,120
Total	-	16,522,220

21.0 General and Administration Expenses: Tk. 344,160,279

Particulars

Salary & allowance with MD's remuneration	63,747,705	110,634,726
Office rent	26,838,490	23,515,597
Electric bill	962,663	1,524,801
Tours & travelling expenses (Overseas training)	74,900	386,136
Postage and courier	5,895	150,395
Telephone & fax	152,920	244,157
IP Telephone	47,838	88,169
Office expenses	7,878,619	14,969,882
Repair & maintenance	447,306	990,467
Vehicles maintenance	1,242,182	1,116,906
Legal fees	733,410	640,700
Miscellaneous expenses	1,294,859	6,715,208
Internet charge	146,992	683,631
Mobile bill	260,134	1,072,782
Mobile set	-	1,050
Printing and stationery	129,531	1,095,124
Printing and press	210,350	406,170
Bonus allowance	120,000	1,818,010
Bank charge & Commission	91,175	82,767
Books and Periodicals	85,000	125,375
Conveyance bill	226,617	294,635
Entertainment	92,916	132,958
Fuel consumption	710,383	3,793,636
Rental expenses	3,425,973	6,673,000
AGM Expenses	-	226,280
EGM Expenses	-	56,140
Utility bill	214,310	412,090
Water supply	29,412	59,801
Uniform	15,400	-





	Amount in Taka	
	June 30, 2017	June 30, 2016
License, Registration & Renewal	405,000	-
Visa fees	130,000	179,670
Audit Fees	312,500	250,000
Medical fees	3,050	8,683
Wages	15,000	41,140
Consultancy Fees	-	1,024,922
Insurance Expenses	-	1,254,877
Security expenses	188,200	126,300
Accommodation bill	8,000	-
Security Pass(CAAB)	20,300	110,439
ID card cost	8,110	16,420
Air freight	1,200,000	7,449,843
Indoor plant	7,550	10,500
Donation & Fund	110,000	-
News paper & Books	13,545	14,820
Simulator training expenses	230,852	7,472,995
Managing Director Remuneration	6,000,000	6,000,000
Workshop, Seminar etc. expenses	240,000	18,000
Fees and others	5,366,882	4,120,838
Branch Office expenses (Note-20.01 & 20.02)	10,438,990	33,868,277
Business promotional expenses	-	825,000
Depreciation as per Fixed Asset schedule (Annexure-i)	24,025,833	26,912,255
Additional exp/Extra duty	25,000	902,500
Advertisement exp.	678,448	1,108,317
Generator exp.	147,643	590,573
Hotel bill	-	1,156,892
House rent	-	207,753
Inflight newspaper	-	171,432
Laundry bill	-	47,375
TA/DA	487,751	401,340
Credit Rating Fees	150,000	-
Transportation Cost	84,530	-
Bad Debt	184,678,115	230,847,643
Total	344,160,279	503,049,397

21.01 Branch Office Expenses (Abroad): Tk. 10,221,892

This is made up as follows :

Particulars

Branch Office Expenses (Dubai)	1,271,020	6,104,068
Branch Office Expenses (Kolkata)	4,406,492	8,620,552
Branch Office Expenses (Malaysia)	1,515,380	6,747,172
Branch Office Expenses (Jeddah)	1,825,000	4,941,136
Branch Office Expenses (Oman-MCT)	1,204,000	3,602,149
Branch Office Expenses (Qatar-Doha)	-	3,077,000
Total	10,221,892	33,092,077





Amount in Taka	
June 30, 2017	June 30, 2016

21.02 Branch Office Expenses: Tk. 217,098

This is made up as follows :

Particulars

Printing & Stationery	67,220	215,200
Postage and courier	65,505	105,000
Entertainment & Free Purpose	84,373	456,000
Total	217,098	776,200

22.0 Selling Expenses: Tk. 0

This is made up as follows :

Particulars

Advertisement (Local)	-	528,155
Flight Cancellation expenses/refund	-	24,110,000
Incentive(Agent)	-	-
Travel Agent Commission	-	47,436,092
Total	-	72,074,247

23.0 Non-operating Income: Tk. 2,180,252

This is made up as follows

Particulars

Interest Received from FDR	2,180,252	8,655,603
Interest Received from others A/c.	-	150,250
Total	2,180,252	8,805,853

24.0 Non-operating Loss : Tk. 9,551,567

This is made up as follows

Particulars

Loss on Sale of Assets (Land)	9,551,567	-
Total	9,551,567	-

The land purchase value was Tk. 96,551,567 including registration fee and other govt. charges amounting to Tk. 9,551,567. On the other hand selling value was Tk. 87,000,000. Non-operating loss comes to Tk.9,551,567. The company Flight operation suspended from March, 2016. Since there is no revenue from any other sources, the company was facing serious fund crisis to meet the day to day expenses with liabilities payment. So the company was compelled to sale the land.

25.0 Financial Expenses: Tk. 83,146,919

This is made up as follows

Particulars

Bank Interest on Short Term Loan	58,202,843	143,303,340
Bank Interest on Term Loan	24,944,076	61,415,717
Total	83,146,919	204,719,057





26.0 Current Tax: Tk.545,062

Particulars

The Computation of current tax is given below:

	Amount in Taka	
	June 30, 2017	June 30, 2016
Net Loss Before Tax	(1,343,452,974)	
Non-Operating Revenue	2,180,252	
Turnover Tax @ 0.60%	-	7,198,873
Add: Tax on Non-Operating income @ 25%	545,062	2,201,463
Current tax	545,062	9,400,336

27.0 Basic Earning Per Share: Tk. (1.74)

Particulars

The Computation of EPS is given below:

a) Net Profit(Loss) during the period	(1,391,749,106)	(1,287,361,053)
b) Number of Shares	828,098,480	775,289,680
Basic Earnings per share	(1.68)	(1.66)

28.0 Contingent Liabilities

There is ongoing litigation against United Airways (BD) Limited lodged by State Bank of India (SBI) and Civil Aviation Authority of Bangladesh (CAAB) due to dispute over outstanding payables, United Airways (BD) Limited has also lodged a lawsuit against Civil Aviation Authority of Bangladesh(CAAB) on various ground outcome of all those lawsuit are uncertain.



UNITED AIRWAYS (BD) LIMITED
Schedule of Fixed Assets
As on June 30, 2017

Annexure - (i)

Sl. No.	Particular	Cost Value			Rate of Dep.	Depreciation		WDV 30.06.2017
		As on 01.07.2016	Addition	Disposal/ Impairment		As on 01.07.2016	Total	
1	Land	96,551,567	-	96,551,567	0%	-	-	-
2	Air Craft	7,793,121,631	648,088,000	(240,000,000)	5%	1,775,897,978	2,092,961,360	6,108,248,271
3	Spare Parts for Air Craft	3,034,111,418	-	-	10%	1,003,225,519	1,206,314,109	1,827,797,309
4	Office Equipment	91,013,022	-	-	15%	48,523,301	54,896,759	36,116,263
5	Furniture and Fixture	44,296,753	-	-	10%	14,659,380	2,963,737	26,673,636
6	Interior Decoration	63,691,685	-	-	10%	23,635,341	4,005,634	36,050,710
7	Machinery	77,021,705	-	-	15%	36,097,905	6,138,570	34,785,230
8	Car & Vehicle	86,700,995	-	-	20%	63,978,827	4,544,434	18,177,734
	As on 30.06.2017	11,286,508,776	648,088,000	(143,448,433)		2,966,018,250	3,510,196,056	8,087,849,153
	As on 30.06.2016	11,075,997,175	210,511,601	-		2,403,842,339	562,175,912	8,320,490,526

Allocation of Depreciation:

Direct Operating Expenses	520,151,973
General & Administrative Exp.	24,025,833
Total:	544,177,806





Annexure - (ii)

UNITED AIRWAYS (BD) LIMITED
 Recivable Status as on June 30, 2017.

Domestic	Currency	Amount	Rate	June-30,2017		June-30,2016
				Before Bad Debt	After Bad Debt	
Dhaka	BDT	149,391,315	1.00	149,391,315	119,513,052	149,391,315
Chittagong	BDT	130,937,638	1.00	130,937,638	104,750,110	130,937,638
Sylhet	BDT	12,369,430	1.00	12,369,430	9,895,544	12,369,430
Jessore/Khulna	BDT	25,291,698	1.00	25,291,698	20,233,358	25,291,698
Rajshahi/Syedpur	BDT	22,267,759	1.00	22,267,759	17,814,207	22,267,759
Coxesbazar	BDT	21,586,326	1.00	21,586,326	17,269,061	21,586,326
Cargo	BDT	109,707,704	1.00	109,707,704	87,766,163	109,707,704
Total				471,551,870	377,241,496	471,551,870
Out Station						
Kualalumpur	MYR	3,735,084	19.50	72,834,130	58,267,304	121,584,894
Dubai	AED	2,392,293	21.13	50,541,972	40,433,577	110,437,017
Kolkata	INR	8,019,896	1.22	9,773,045	7,818,436	9,773,045
Saudi	SAR	2,195,723	20.68	45,400,969	36,320,775	66,077,969
Oman	OMR	321,432	198.98	63,959,504	51,167,603	63,959,504
BSP	SAR	1,502,356	20.68	31,064,205	24,851,364	51,741,205
BKK	THB	2,003,359	2.36	4,717,911	3,774,329	4,717,911
United Kingdom	GBP	109,966	120.43	13,242,827	10,594,262	13,242,827
Singapore	SND	160,071	58.61	9,382,102	7,505,681	9,382,102
Qatar	Qar	43,269	21.31	922,232	737,785	922,232
Sub Total				301,838,895	241,471,116	451,838,704
		(A)		773,390,765	618,712,612	923,390,574

Receivable from Corporate Customer

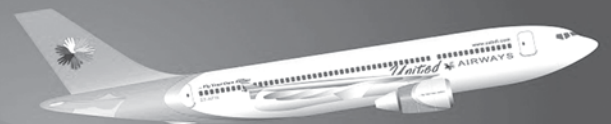
Name of Corporate Customer	Amount	
SGS Bangladesh Limited	38,204	38,204
ITS LABTEST BANGLADESH Ltd	196	196
Karnaphuli Fertilizer Company Limited	2,439	2,439
Heidelberg Cement	47,944	47,944
Kalimex Energy	54,088	54,088
Bank Aisa	79,552	79,551
Agility Limited	112,788	112,788
Promoda	54,991	54,991
IDLC Finance Limited	846	846
Save the Children UK	40,473	40,473
Summit Alliance Port Limited	15,183	15,183
APL Bangladesh Pvt Ltd	116,313	116,313
Youngone Hi Tech Sports Wear Ltd	19,560	19,560
Shah Cement Industries	112,561	112,561
B D S Currier Service	216,460	216,460
WaterAid Bangladesh	3,503	3,503
Medicien San	177,530	177,530
GEMCON GROUP	96,362	96,362
Banglalink Digital Communications Ltd	14,848	14,848
Hotel Royal Palace Pvt Ltd	55,810	55,810
Solidaridad Network Asia	2,079	2,079
First Security Islami Bank Ltd	78,943	78,943
Padma Group of Converters	32,969	32,969
Ezzy Group	65,821	65,821
Agro-Inputs Project (AIP)	113,188	113,188
Orion Group	45,258	45,258
Sea Pearl	78,992	78,992
ENA Properties	73,158	73,158
Total Dues of DAC	1,750,053	1,750,053





Karnaphuli Fertilizer Company Ltd	31,557	31,557
KDS Logistics Ltd	63,401	63,401
Youngone CEPZ	45,351	45,351
Abul Khair	393,073	393,073
Pacific Jeans Limited	142,892	142,892
Premier Towels (BD) Ltd	142,892	142,892
Well park	159,335	159,335
Total Dues of CGP	978,502	978,502
Grand Total (B)	2,728,555	2,728,555
Total Accounts Receivable (A+B)	776,119,320	926,119,128





Annexure - (iii)

UNITED AIRWAYS (BD) LIMITED
Accounts Payable As on June 30, 2017.

Name of Parties	June 30,2017	June-30,2016
Salary & allowance with MD's remuneration	68,183,877	26,400,069
Internet charges	208,720	208,720
Printing & stationery	250,552	54,824
Printing & press	286,350	72,870
Office rent	28,105,315	2,894,891
Advertisement bill	570,592	120,592
Electricity bill	763,520	265,554
Telephone bill	195,005	48,007
Rent-a-car (Rental exps.)	325,000	555,000
Mobile bill	84,512	317,050
Utility bill	143,520	136,176
Flying allowance	411,300	411,300
Due remuneration	733,333	733,333
Audit fee	250,000	250,000
Fees & Others	698,354	1,551,100
Other Liability	134,203,735	153,828,300
Emberkation fee	77,576,287	88,076,287
Air Navigation, Aeronoticals bill & others	476,965,575	462,227,633
Catering cost	922,000	965,000
Air-craft maintenance	759,174	559,174
Lease Rent (Two MD-83) & Others	266,407,109	216,580,129
Aircraft Insurance	86,831,806	86,831,806
Interest on Loan	288,832,152	205,412,233
DSE	2,109,576	952,012
CSE	4,746,342	1,052,012
CDBL	106,001	195,461
BAPLC	90,000	30,000
Crab	100,000	100,000
Additional Expe/Extra Duty	5,000	5,000
Gas & Fuel	125,116	320,116
Generator Bill	85,319	70,119
Inflight Newspaper	29,943	29,943
Lay Over	455,650	455,650
Office Stationary	8,457	5,407
Security Cost	17,000	14,000
Airflight Charge	2,650,577	1,632,033
Unclaimed Provision	287,522	287,522
EGM Expense	56,140	56,140
Aeronautical Charge-PCAA	51,812,329	43,505,234
PIA (C-Check Expense)	11,328,800	18,032,800
AIRBIZ	55,648,368	33,579,440
Air Navigation Chagr IAA	74,520,000	74,520,000
Total Accounts Payable	1,637,889,928	1,423,342,937





	30-Jun-17	Annexure - (iv) 30-Jun-16
Share capital		
Authorized capital.		
1,100,000,000 ordinary shares of Taka 10 each	11,000,000,000	11,000,000,000
Issued,subscribed and fully paid up capital.		
56, 80,08,000 Ordinary shares of Taka 10 each	6,248,088,000	6,248,088,000
5,68,00,800 Ordinary shares of Taka 10 each issued as bonus share in 2014	624,808,800	624,808,800
Allotment of Share in 2016	880,000,000	880,000,000
Allotment of Share in 2017	528,088,000	-
	8,280,984,800	7,752,896,800

Percentage of shareholdings at the closing date.

SL	Category	30 June,2017		30 June,2016	
		No. of shares	%	No. of shares	%
1	Directors	34,537,448	4.160	34,537,448	4.455
2	General public	469,531,838	56.700	532,957,641	68.743
3	Institutions	223,220,394	26.960	119,794,591	15.452
4	Foreign Investment	100,808,800	12.180	88,000,000	11.351
	Total:	828,098,480	100	775,289,680	100

1.6 Classification of shareholders by holding.

SL	Class interval	No of shareholder		Percentage of Total Shareholding	
		30 June, 2017	30 June,2016	30 June, 2017	30 June,2016
1	Less than 100	18941	25935	0.0897	0.148
2	101-500	15904	21016	0.4767	0.736
3	501-1,000	12054	14195	1.1355	1.524
4	1,001-5,000	30757	36856	8.5032	12.897
5	5,001-10,000	6979	7974	6.2041	8.346
6	10,001-20,000	4666	5181	8.6270	10.656
7	20,001-30,000	1755	1855	5.2578	6.622
8	30,001-40,000	934	925	3.9429	4.653
9	40,001-50,000	578	569	3.2099	3.754
10	50,001-1,00,000	1047	985	8.9945	9.900
11	1,00,001-70,00,000	743	625	28.9655	31.638
12	Over 70,00,000	6	4	24.5933	9.125
	Total	94,364	116,120	100	100

Note: Allotted total number of 52,808,800 shares issued on 29.01.2017 by RJSC by consent obtained from vide letter no.BSEC/C/I/CPLC-115/06/724 dated:21 December,2016. The allotted shares are not included in CDBL system at the closing date, so that those shares are not shown above mentioned Classification of Shareholders by holding statement.



UNITED AIRWAYS (BD) LIMITED
Calculation of Deferred Tax Expense/ Income.
As on June 30, 2017

Particulars	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Carrying Value	5,143,827,712	7,923,438,956	8,698,285,276	9,077,965,288	8,672,154,837	8,320,490,526	8,087,849,153
Tax Base	3,238,654,449	4,524,014,054	4,513,296,731	3,892,590,901	2,995,962,906	2,300,276,964	1,876,631,310
Temporary/(Deductible) Difference	1,905,173,263	3,399,424,902	4,184,988,545	5,185,374,387	5,676,191,931	6,020,213,562	6,211,217,843
Tax Rate	27.50%	27.50%	27.50%	27.50%	25%	25%	25%
DTL Required	523,922,647	934,841,848	1,150,871,850	1,425,977,956	1,419,047,983	1,505,053,390	1,552,804,461
Less: Opening Balance	250,710,660	523,922,647	934,841,848	1,150,871,850	1,425,977,956	1,419,047,983	1,505,053,391
Deferred Tax Expense/ (Income)	273,211,987	410,919,201	216,030,002	275,106,107	(6,929,974)	86,005,408	47,751,070
Accumulated Deferred Tax	523,922,647	934,841,848	1,150,871,850	1,425,977,956	1,419,047,983	1,505,053,391	1,552,804,461

