

Summit Power Limited

Un-audited financial statements as at and
for the period ended 31 December 2017

Summit Power Limited
Separate statement of financial position

In Taka	Note	Consolidated		Separate	
		31 December 2017	30 June 2017	31 December 2017	30 June 2017
Assets					
Property, plant and equipment	4	20,754,413,383	20,856,702,751	12,551,121,632	12,742,506,784
Intangible assets	5	41,607,880	37,947,094	10,827,464	7,166,678
Capital work-in progress		2,967,570,828	946,236,882	-	-
Investment in subsidiaries	7	-	-	1,646,981,381	1,156,981,381
Investment in associates	8	5,453,534,308	4,945,646,874	4,071,772,452	3,801,772,452
Available-for-sale financial assets	9	3,743,095,880	3,786,733,685	3,743,095,880	3,786,733,685
Non-current assets		32,960,222,279	30,573,267,286	22,023,798,809	21,495,160,980
Inventories	10	52,697,415	51,956,482	26,834,745	36,826,038
Trade receivables	11	7,238,356,099	6,563,528,738	6,262,305,474	4,952,812,172
Other receivables	12	54,803,386	100,760,659	54,803,386	95,309,287
Intercompany receivables	13	12,799,309	-	17,180,713	182,083,933
Advances, deposits and prepayments	14	246,388,947	271,114,363	139,421,627	178,723,919
Cash and cash equivalents	15	3,205,153,079	4,913,073,317	1,558,181,348	3,530,471,298
Current assets		10,810,198,235	11,900,433,559	8,058,727,293	8,976,226,647
Total assets		43,770,420,514	42,473,700,845	30,082,526,102	30,471,387,627
Equity					
Share capital	16	10,678,772,390	10,678,772,390	10,678,772,390	10,678,772,390
Share premium	17	6,479,097,639	6,479,097,639	6,479,097,639	6,479,097,639
Revaluation reserve	18	993,959,725	1,002,086,449	993,959,729	1,002,086,453
Fair value reserve		109,499,577	153,137,382	109,499,577	153,137,382
Capital reserve		1,668,093,205	1,668,093,205	1,668,093,205	1,668,093,205
Retained earnings		10,298,997,269	11,011,327,651	8,305,935,883	9,367,535,318
Equity attributable to owners of the Company		30,228,419,805	30,992,514,716	28,235,358,423	29,348,722,387
Non-controlling interest		1,870,100,732	1,752,360,157	-	-
Total equity		32,098,520,537	32,744,874,873	28,235,358,423	29,348,722,387
Liabilities					
Project loan - non current portion	20	5,622,379,854	5,647,524,050	-	-
Redeemable preference shares - non-current	21	983,677,920	983,677,920	-	-
Deferred liabilities	22	159,435,057	151,665,937	149,171,955	142,017,335
Non-current liabilities		6,765,492,831	6,782,867,907	149,171,955	142,017,335
Unclaimed dividends	23	171,428,135	43,380,882	171,428,135	43,380,882
Liability for deferred LC	24	1,806,549,524	103,626,866	-	-
Employee benefits payables	25	68,187,915	61,158,850	60,975,367	55,651,044
Project loan - current	20	586,533,048	472,108,909	-	-
Trade payables	26	2,036,251,897	2,062,327,135	1,392,155,471	799,400,063
Other payables and accruals	27	221,147,815	203,355,423	73,436,751	82,215,916
Due to associate		16,308,812	-	-	-
Current liabilities		4,906,407,146	2,945,958,065	1,697,995,724	980,647,905
Total liabilities		11,671,899,977	9,728,825,972	1,847,167,679	1,122,665,240
Total equity and liabilities		43,770,420,514	42,473,700,845	30,082,526,102	30,471,387,627
Net asset value per share (NAVPS)		28.31	29.02	26.44	27.48

The annexed notes 1 to 35 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 25 January 2018

Summit Power Limited
Separate statement of profit or loss and other comprehensive income

In Taka	Note	Half year ended		Second quarter ended					
		July to December 2017		October to December 2016					
		Consolidated	Separate	Consolidated	Separate				
Revenue	25	8,570,937,774	4,348,138,301	7,960,096,698	4,320,687,324	3,755,859,799	2,042,796,270	3,573,842,500	2,036,870,664
Cost of sales	26	(6,045,532,504)	(2,451,509,046)	(5,900,375,167)	(2,918,800,282)	(2,404,191,212)	(1,016,796,109)	(2,673,818,269)	(1,445,731,582)
Gross profit		2,525,305,270	1,896,629,255	2,059,721,531	1,401,887,043	1,351,668,587	1,026,000,161	900,024,231	591,139,082
Other income	27	351,011,339	351,623,250	227,987,079	526,780,759	350,413,606	351,287,636	224,762,043	524,762,043
General and administrative expenses	28	(222,014,200)	(205,677,378)	(194,825,656)	(180,079,231)	(113,241,125)	(106,538,081)	(68,582,803)	(81,146,600)
Operating profit		2,654,302,409	2,042,575,127	2,092,882,954	1,748,586,571	1,588,841,068	1,270,749,716	1,036,203,471	1,034,754,525
Net finance income/(cost)	29	(278,788,705)	91,330,431	(238,071,427)	16,900,189	(194,491,193)	41,810,939	(138,023,806)	15,047,541
Share of profit of equity-accounted investees		237,887,434	-	452,458,929	-	54,748,361	-	206,778,192	-
Profit before tax		2,613,401,138	2,133,905,558	2,307,270,456	1,765,488,760	1,449,098,236	1,312,560,655	1,104,957,857	1,049,802,066
Income tax expenses		(12,485,951)	-	-	-	(12,485,951)	-	-	-
Profit after income tax		2,600,915,187	2,133,905,558	2,307,270,456	1,765,488,760	1,436,612,285	1,312,560,655	1,104,957,857	1,049,802,066
Other comprehensive income		-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss		-	-	-	-	-	-	-	-
Available-for-sale financial assets-net change in fair value		-	-	-	-	-	-	-	-
Related tax on available-for-sale financial assets	9	(43,637,805)	(43,637,805)	(151,170,993)	(151,170,993)	(306,712,871)	(306,712,871)	(68,278,242)	(68,278,242)
Other comprehensive income		(43,637,805)	(43,637,805)	(151,170,993)	(151,170,993)	(306,712,871)	(306,712,871)	(68,278,242)	(68,278,242)
Total comprehensive income		2,557,277,382	2,090,267,753	2,156,099,463	1,614,317,767	1,129,899,414	1,005,847,784	1,036,679,615	981,523,824
Profit attributable to:									
Owners of the company		2,483,174,611	-	2,108,339,344	-	1,433,874,407	-	1,030,721,083	-
Non-controlling interests		117,740,576	-	198,931,112	-	2,737,878	-	74,236,774	-
Total comprehensive income attributable to:		2,600,915,187	-	2,307,270,456	1,765,488,760	1,436,612,285	1,005,847,784	1,104,957,857	981,523,824
Owners of the company		2,439,536,806	-	1,957,166,351	-	1,127,161,536	-	962,442,841	-
Non-controlling interests		117,740,576	-	198,931,112	-	2,737,878	-	74,236,774	-
Total comprehensive income		2,557,277,382	-	2,156,099,463	1,614,317,767	1,129,899,414	1,005,847,784	1,036,679,615	981,523,824
Earnings per share									
Basic earnings per share (face value Taka 10)	34	2.33	2.00	1.97	1.65	1.35	1.23	0.97	0.98

The annexed notes 1 to 35 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Dhaka, 25 January 2018

Summit Power Limited
Consolidated statement of changes in equity

	For the six months period ended 31 December 2017									
	Attributable to owners of the Company									
<i>In Taka</i>	Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 July 2017	10,678,772,390	6,479,097,639	1,002,086,450	153,137,382	-	1,668,093,205	11,011,327,661	30,992,514,717	1,752,360,159	32,744,874,876
Total comprehensive income	-	-	-	-	-	-	2,483,174,611	2,483,174,611	117,740,576	2,600,915,187
Profit	-	-	-	-	-	-	-	(43,637,805)	-	(43,637,805)
Other comprehensive income	-	-	-	(43,637,805)	-	-	-	(43,637,805)	-	(43,637,805)
Total comprehensive income	-	-	-	(43,637,805)	-	-	2,483,174,611	2,439,536,806	117,740,576	2,557,277,382
Transaction with owners of the Company	-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)	-	(3,203,631,717)
Cash dividend	-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)	-	(3,203,631,717)
Total transactions with owners of the Company	-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)	-	(3,203,631,717)
Transactions recognised directly in equity	-	-	(8,126,724)	-	-	-	8,126,724	-	-	-
Transfer from revaluation reserve to retained earnings	-	-	(8,126,724)	-	-	-	8,126,724	-	-	-
Total transactions recognised directly in equity	-	-	(8,126,724)	-	-	-	8,126,724	-	-	-
Balance at 31 December 2017	10,678,772,390	6,479,097,639	993,959,726	109,499,577	-	1,668,093,205	10,298,997,269	30,228,419,806	1,870,100,735	32,098,520,541
For the six months period ended 31 December 2016										
Attributable to owners of the Company										
<i>In Taka</i>	Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 July 2016	8,760,007,210	6,479,097,639	1,018,339,902	489,862,392	1,918,765,180	1,674,397,994	7,936,384,439	28,276,854,756	(1,584,234)	28,275,270,522
Total comprehensive income	-	-	-	-	-	-	2,179,161,773	2,179,161,773	-	2,179,161,773
Profit	-	-	-	-	-	-	-	(151,170,993)	-	(151,170,993)
Other comprehensive income	-	-	-	(151,170,993)	-	-	-	(151,170,993)	-	(151,170,993)
Total comprehensive income	-	-	-	(151,170,993)	-	-	2,179,161,773	2,027,990,780	-	2,027,990,780
Transaction with owners of the Company	-	-	-	-	(1,918,765,180)	-	-	-	-	-
Issue of ordinary shares on amalgamation	1,918,765,180	-	-	-	(1,918,765,180)	-	-	-	-	-
Total transactions with owners of the Company	1,918,765,180	-	-	-	(1,918,765,180)	-	-	-	-	-
Transactions recognised directly in equity	-	-	-	-	-	(6,304,789)	-	(6,304,789)	-	(6,304,789)
Expense on account of amalgamation	-	-	(16,253,452)	-	-	-	16,253,452	-	-	-
Transfer from revaluation reserve to retained earnings	-	-	(16,253,452)	-	-	-	16,253,452	-	-	-
Total transactions recognised directly in equity	-	-	(16,253,452)	-	-	(6,304,789)	16,253,452	(6,304,789)	-	(6,304,789)
Balance at 30 June 2017	10,678,772,390	6,479,097,639	1,002,086,450	338,691,399	-	1,668,093,205	10,131,799,664	30,298,540,747	(1,584,234)	30,296,956,513

The annexed notes 1 to 35 form an integral part of these financial statements.

Summit Power Limited
Separate statement of changes in equity

In Taka	Note	For the six months ended 31 December 2017						Total Equity	
		Share capital	Share premium	Revaluation reserve	Fair value reserve	Shares to be issued on amalgamation	Capital reserve		Retained earnings
Balance at 1 July 2017		10,678,772,390	6,479,097,639	1,002,086,446	153,137,382	-	1,668,093,205	9,367,535,318	29,348,722,380
Total comprehensive income									
Profit		-	-	-	-	-	-	2,133,905,558	2,133,905,558
Other comprehensive income		-	-	-	(43,637,805)	-	-	-	(43,637,805)
Total comprehensive income		-	-	-	(43,637,805)	-	-	2,133,905,558	2,090,267,753
Transaction with owners of the company									
Cash dividend		-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
Total transactions with owners of the company		-	-	-	-	-	-	(3,203,631,717)	(3,203,631,717)
Transactions recognised directly in equity									
Transfer from revaluation reserve to retained earnings		-	-	(8,126,724)	-	-	-	8,126,724	-
Expense on account of amalgamation		-	-	-	-	-	-	-	-
Total transactions recognised directly in equity		-	-	(8,126,724)	-	-	-	8,126,724	-
Balance at 31 December 2017		10,678,772,390	6,479,097,639	993,959,722	109,499,577	-	1,668,093,205	8,305,935,883	28,235,358,416
In Taka	Note	For the six months ended 31 December 2016						Total Equity	
Balance at 1 July 2016		8,760,007,210	6,479,097,639	1,018,339,897	511,497,124	1,918,765,180	1,674,397,994	6,019,812,837	26,381,917,881
Total comprehensive income									
Profit		-	-	-	-	-	-	1,767,266,260	1,767,266,260
Other comprehensive income		-	-	-	(151,170,993)	-	-	-	(151,170,993)
Total comprehensive income		-	-	-	(151,170,993)	-	-	1,767,266,260	1,616,095,267
Transaction with owners of the company									
Issue of ordinary shares on amalgamation		1,918,765,180	-	-	-	(1,918,765,180)	-	-	-
Total transactions with owners of the company		1,918,765,180	-	-	-	(1,918,765,180)	-	-	-
Transactions recognised directly in equity									
Transfer from revaluation reserve to retained earnings		-	-	(8,126,724)	-	-	-	8,126,724	-
Expense on account of amalgamation		-	-	-	-	-	(6,304,789)	-	(6,304,789)
Total transactions recognised directly in equity		-	-	(8,126,724)	-	-	(6,304,789)	8,126,724	(6,304,789)
Balance at 31 December 2016		10,678,772,390	6,479,097,639	1,010,213,173	360,326,131	-	1,668,093,205	7,795,205,821	27,991,708,359

The annexed notes 1 to 35 form an integral part of these financial statements.

Summit Power Limited
Consolidated and Separate statement of cash flows

<i>In Taka</i>	Consolidated		Separate	
	For the six months period ended		For the six months period ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Cash flows from operating activities				
Cash receipts from customers	7,906,070,382	1,941,565,722	3,038,644,999	1,941,565,722
Cash paid to suppliers and employees	(5,635,721,714)	(1,176,248,382)	(1,551,135,832)	(1,176,248,382)
Receipts from other sources	521,439,482	(5,983,248)	495,725,303	(5,983,248)
Interest and other charges paid	(241,389,601)	(17,119,325)	(12,265,721)	(17,119,325)
Net cash from operating activities	2,550,398,549	742,214,767	1,970,968,749	742,214,767
Cash flows from investing activities				
Acquisition of property, plant and equipment	(515,282,537)	(56,717,905)	(272,577,455)	(56,717,905)
Payment for capital work in progress	(318,411,289)	(131,688,885)	-	-
Investment in subsidiaries	-	-	(490,000,000)	(10,000,000)
Investment in associates	(270,000,000)	-	(270,000,000)	-
Net cash used in investing activities	(1,103,693,826)	(188,406,790)	(1,032,577,455)	(66,717,905)
Cash flows from financing activities				
Transaction costs on amalgamation	-	(6,304,789)	-	(6,304,789)
Receipt/(payment) of project loan	(82,550,000)	-	-	-
Receipt/(payment) of redeemable preference shares	-	(312,254,100)	-	(312,254,100)
Financing (to)/from inter company	3,509,503	163,615,831	164,903,220	31,926,946
Payment of cash dividend	(3,075,584,464)	(103,438,924)	(3,075,584,464)	(103,438,924)
Net cash used in financing activities	(3,154,624,961)	(258,381,982)	(2,910,681,244)	(390,070,867)
Net changes in cash and cash equivalents	(1,707,920,238)	295,425,995	(1,972,289,960)	285,425,995
Opening cash and cash equivalents	4,913,073,317	1,461,014,106	3,530,471,298	1,454,935,674
Closing cash and cash equivalents	3,205,153,079	1,756,440,101	1,558,181,348	1,740,361,669
Net operating cash flow per share (NOCFPS)	2.39	0.70	1.85	0.70

The annexed notes 1 to 35 form an integral part of these financial statements.

Notes to the interim financial statements

1 Reporting entity

1.1 Company profile

Summit Power Limited (hereinafter referred to as "the Company") was incorporated in Bangladesh 30 March 1997 as a private limited company under the Companies Act 1994 under registration no. C 32630(1751)/97 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215. The Company was subsequently converted into a public limited company on 7 June 2004. During October-November 2005, the Company listed its shares with both Dhaka and Chittagong Stock Exchanges. The Company took majority interest of Summit Purbanchol Power Company Limited (SPPCL) in 2007, of Summit Uttaranchol Power Company Limited (SUPCL) in 2007 and of Summit Narayanganj Power Limited (SNPL) in 2010. The Company also took majority interest of Ace Alliance Power Limited (AAPL) in 2016. SPPCL, SUPCL and SNPL have been amalgamated with their parent company Summit Power Limited with effect from 31 December 2015. Profiles of all transferee companies and subsidiary are as under:

Summit Purbanchol Power Company Limited (SPPCL) was incorporated in Bangladesh on 15 August 2007 as a private limited company under Companies Act 1994 under registration no: C 68123(674)/07 and subsequently converted into a Public Limited Company on 3 May 2010 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh. The shares of the Company were approved for listing by Dhaka and Chittagong Stock Exchanges in January 2013. The shares started to trade from 4 February 2013 in both the stock exchange.

Summit Uttaranchol Power Company Limited (SUPCL) was incorporated in Bangladesh on 15 August 2007 as a Private Limited Company under Companies Act 1994 under registration no: C 68122(673)/07 and subsequently converted into a Public Limited Company on 14 November 2010 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh.

Summit Narayanganj Power Limited (SNPL) was incorporated in Bangladesh on 4 May 2010 as a Private Limited Company under Companies Act 1994 under registration no: C 84422/10 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh.

Summit Barisal Power Limited (SBPL) was incorporated in Bangladesh on 10 February 2011 as a Private Limited Company under the Companies Act 1994 with its registered office located at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Saidpur Power Limited. On 18 November 2013 the name of Summit Saidpur Power Limited was changed as Summit Barisal Power Limited.

Summit Narayanganj Power Unit II Limited (SNPL II) was incorporated in Bangladesh on 10 February 2011 as a Private Limited Company under Companies Act 1994 with its registered office at Summit Centre, 18 Kawran Bazar, Dhaka 1215, Bangladesh as Summit Shantahar Power Limited. On 18 November 2013 the name of Summit Shantahar Power Limited was changed as Summit Narayanganj Power Unit II Limited.

Summit Chittagong Power Limited (SCPL) was incorporated in Bangladesh on 27 October 2015 as a Private Limited Company under Companies Act 1994 with its registered office located at Summit Centre, 18 Kawran Bazar, Dhaka-1215, Bangladesh.

Ace Alliance Power Limited (AAPL) was incorporated on 5 September 2011 as a private limited company under the Companies Act 1994 with its registered office at The Alliance Building, 63/A Pragati Sarani, Baridhara, Dhaka-1212. Initially, 64% of its shares were owned by Aitken Spence Plc, Sri Lanka and 36% by Alliance Holdings Limited, Bangladesh. In June 2016, Summit Power Limited took 64% of shares from Aitken Spence Plc, Sri Lanka.

1.2 Nature of business

The principal activity of the Company/Group is to generate and supply of electricity. Operational details of the Company including its subsidiary are as under:

Name of Company	Name of plant	Location	Plant capacity (MW)	Operation starting date	Period of PPA (Year)
Summit Power Limited	Ashulia Power Plant (Unit-1)	Savar, Dhaka	11	1 Sep 2003	15
	Ashulia Power Plant (Unit-2)	Savar, Dhaka	33.75	4 Dec 2007	15
	Madhabdi Power Plant (Unit-1)	Narsingdi	11	1 Sep 2003	15
	Madhabdi Power Plant (Unit-2)	Narsingdi	24.3	16 Dec 2006	15
	Chandina Power Plant (Unit-1)	Comilla	11	1 Sep 2003	15
	Chandina Power Plant (Unit-2)	Comilla	13.5	15 Nov 2006	15
	Rupganj Power Plant	Narayanganj	33	9 Jun 2009	15
	Jangalia Power Plant	Comilla	33	25 Jun 2009	15
	Maona Power Plant	Gazipur	33	12 May 2009	15
	Ullapara Power Plant	Sirajganj	11	3 Mar 2009	15
	Madanganj Power Plant	Narayanganj	102	1 Apr 2011	10
	Ace Alliance Power Limited	Gazipur Power Plant	Gazipur	149	Under development
Summit Barisal Power Limited	Rupatoli Power Plant	Barisal	110	5 Apr 2016	15
Summit Narayanganj Unit II Power Limited	Madanganj Power Plant-II	Narayanganj	55	29 Feb 2016	15
Summit Chittagong Power Limited	Chittagong Power Plant	Chittagong	-	Under development	In progress

Notes to the interim financial statements

All the above power plants are natural gas based, except Madanganj power plant which is based on furnace oil (HFO).

Formerly, Rugganj Power Plant, Narayanganj and Jangalia Power Plant, Comilla were owned, operated and maintained by Summit Purbanchol Power Company Limited. Maona Power Plant, Gazipur and Ullapara Power Plant, Sirajganj were owned, operated and maintained by Summit Uttaranchol Power Company Limited and Madanganj Power Plant, Narayanganj was owned, operated and maintained by Summit Narayanganj Power Limited. After the amalgamation of all these companies with Summit Power Limited (SPL) effective from 1 January 2016, electricity is now being generated at these plants under the management of SPL.

2 Basis of accounting

2.1 Statement of compliance

The financial statements (consolidated and separate financial statements) have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. The titles and format of these financial statements follow the requirements of BFRS which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management BFRS titles and format give better presentation to the shareholders.

2.2 Authorisation for issue

The financial statements (both consolidated and separate financial statements) were authorised by the Board of Directors on for publication.

2.3 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.

2.4 Functional and presentational currency and level of precision

These financial statements are presented in Bangladeshi Taka (Taka/Tk./BDT) which is both functional currency and presentation currency of the Group/Company. All amounts have been rounded to the nearest integer, unless otherwise indicated.

2.5 Reporting period

The financial period of the Company/Group covers six months from 1 July 2017 to 31 December 2017 and is followed consistently.

Statement	Current	Comparative
Financial position	As at 31 December 2017	As at 30 June 2017
Profit or loss and other comprehensive income	1 July 2017 to 31 December 2017	1 July 2016 to 31 December 2016
Changes in equity	1 July 2017 to 31 December 2017	1 July 2016 to 31 December 2016
Cash flows	1 July 2017 to 31 December 2017	1 July 2016 to 31 December 2016

Details of the Group's accounting policies are included in note 35.

3 Use of estimates and judgements

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31 December 2017 is included in the following notes:

Note 4.1 and 34.2.v	Depreciation
Note 5 and 34.3.iii	Amortisation
Note 24	Deferred liabilities
Note 27	Other payables and accruals

Notes to the financial statements (Continued)

4 Property, plant and equipment

Consolidated
a) Own assets : i) Cost

In Taka	For the six months period ended 31 December 2017										
	Cost/Revaluation					Depreciation					Written down
	Balance at 1 July 2017	Additions	(Disposals)/ Transfers	Balance at 31 December 2017	Rate %	Balance at 1 July 2017	Additions	(Disposals)/ Transfers	Balance at 31 December 2017	Balance at value at 31 December 2017	
Land and land development	924,771,550	39,186,836	-	963,958,386	-	-	-	-	-	963,958,386	
Furniture and fixtures	26,071,146	2,059,504	-	28,130,650	10	10,769,370	1,227,761	-	11,997,131	16,133,519	
Office and electrical equipments	51,430,099	3,491,205	-	54,921,304	20	33,167,429	3,502,408	-	36,669,836	18,251,467	
Office decoration	28,050,339	479,741	-	28,530,080	20	26,601,001	304,739	-	26,905,740	1,624,340	
Motor vehicles	136,126,544	9,562,960	-	145,689,504	20	89,052,895	6,256,025	-	95,308,920	50,380,584	
Maintenance equipments	27,180,353	346,475	-	27,526,828	20	17,908,940	2,180,205	-	20,089,145	7,437,683	
Civil works and others	208,801,320	15,987,533	-	224,788,853	20	145,923,882	16,052,085	-	161,975,967	62,812,886	
Plant and machineries:											
Ashulia Power Plant (Unit-1)	454,204,669	750,872	-	454,955,541	3.33 - 10	228,254,087	12,233,196	-	240,487,283	214,468,258	
Ashulia Power Plant (Unit-2)	1,465,580,547	2,320,878	-	1,467,901,425	3.33 - 16.67	454,786,521	34,954,368	-	489,740,889	978,160,536	
Madhabadi Power Plant (Unit-1)	413,433,900	717,731	-	414,151,631	3.33 - 10	287,866,231	11,490,496	-	279,376,727	134,774,904	
Madhabadi Power Plant (Unit-2)	988,239,163	1,582,019	-	989,821,182	3.33 - 16.67	383,003,991	19,422,388	-	402,426,379	587,394,803	
Chandina Power Plant (Unit-1)	462,336,093	1,037,659	-	463,373,752	3.33 - 10	257,798,955	12,562,792	-	270,361,747	193,012,005	
Chandina Power Plant (Unit-2)	608,371,335	1,282,091	-	609,653,426	3.33 - 16.67	233,011,830	11,392,369	-	244,404,199	365,249,227	
Jangalia Power Plant	1,512,454,446	-	-	1,512,454,446	3.33 - 16.67	396,316,931	30,293,006	-	426,609,937	1,085,844,509	
Rupganj Power Plant	1,457,317,703	-	-	1,457,317,703	3.33 - 16.67	400,112,792	31,197,816	-	431,310,608	1,026,007,095	
Maona Power Plant	1,390,126,488	6,340,000	-	1,396,466,488	3.33 - 16.67	426,860,119	31,467,608	-	458,327,727	938,138,761	
Ullapara Power Plant	509,367,795	2,552,000	-	511,919,795	3.33 - 16.67	176,639,691	8,546,388	-	185,186,079	326,733,716	
Madanganj Power Plant	5,134,835,936	-	-	5,134,835,936	3.33 - 16.67	1,131,215,579	107,948,022	-	1,239,163,601	3,895,672,335	
Rupaoli Power Plant	5,162,880,122	22,521,812	-	5,185,401,934	3.33 - 16.67	217,156,412	88,664,603	-	305,821,015	4,879,580,919	
Madanganj Power Plant (Unit-2)	2,674,057,876	49,727,631	-	2,723,785,507	-	119,023,643	45,727,392	-	164,751,035	2,559,034,472	
Total (i)	23,635,637,424	159,946,947	-	23,795,584,371	-	5,015,490,299	475,423,666	-	5,490,913,966	18,304,670,405	

a) Own assets : ii) Revaluation

Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-
Plant and machineries:										
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	40,863,958	2,770,440	-	43,634,398	122,593,505
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	813,813	55,176	-	868,989	2,441,433
Madhabadi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	39,741,844	2,694,360	-	42,436,204	119,227,137
Madhabadi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	19,605,738	1,329,210	-	20,934,948	58,818,043
Chandina Power Plant (Unit-1)	146,364,742	-	-	146,364,742	3.33 - 10	35,985,900	2,439,720	-	38,425,620	107,939,122
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	4,011,340	271,956	-	4,283,296	12,034,170
Total (ii)	1,156,322,955	159,946,947	-	1,156,322,955	-	154,024,730	9,560,862	-	163,585,592	982,737,363
Total assets (i+ii)	24,791,960,379	159,946,947	-	24,951,907,326	-	5,169,515,030	484,984,528	-	5,654,499,558	19,297,407,768

b) Spare parts

Stock in hand	1,224,406,184	309,163,180	-	1,533,569,364	3.33 - 50	103,369,651	128,627,941	-	231,997,592	1,301,571,772
Stock in transit	113,220,869	345,693,250	(303,480,276)	155,433,843	-	-	-	-	-	155,433,843
	1,337,627,053	654,856,430	(303,480,276)	1,689,003,207	-	103,369,651	128,627,941	-	231,997,592	1,457,005,615
Total (a+b+c)	26,129,587,432	814,803,377	(303,480,276)	26,640,910,533	-	5,272,884,680	613,612,469	-	5,886,497,150	20,754,413,383

Notes to the financial statements (Continued)

Consolidated
a) Own assets : i) Cost

In Taka	Cost/Revaluation				Depreciation			For the year ended 30 June 2017	
	Balance at 1 July 2016	Additions	(Disposals)/ Transfers	Balance at 30 June 2017	Balance at 1 July 2016	Additions	(Disposals)/ Transfers	Balance at 30 June 2017	Written down value at 30 June 2017
Land and land development	835,064,623	89,706,927	-	924,771,550	-	-	-	10,769,370	924,771,550
Furniture and fixtures	20,996,729	5,074,417	-	26,071,146	8,476,359	2,293,011	-	33,167,429	15,301,776
Office and electrical equipments	42,933,247	8,496,852	-	51,430,099	27,308,179	5,859,250	-	26,601,001	18,262,670
Office decoration	26,791,843	1,258,496	-	28,050,339	25,810,893	790,108	-	89,052,895	1,449,338
Motor vehicles	101,641,294	39,477,500	(4,992,250)	136,126,544	90,574,274	3,470,871	(4,992,250)	17,908,940	47,073,649
Maintenance equipments	22,242,020	4,938,333	-	27,180,353	13,781,860	4,127,080	-	145,923,882	9,271,413
Civil works and others	199,375,959	9,425,361	-	208,801,320	113,661,457	32,262,425	-	228,254,087	62,877,438
Plant and machineries:									
Ashulia Power Plant (Unit-1)	431,267,519	22,937,150	-	454,204,669	207,257,061	20,997,027	-	454,786,521	225,950,582
Ashulia Power Plant (Unit-2)	1,441,671,569	72,555,324	(48,646,346)	1,465,580,547	424,733,948	78,698,919	(48,646,346)	267,886,231	1,010,794,028
Madhabadi Power Plant (Unit-1)	411,746,264	1,667,636	-	413,413,900	250,371,047	17,515,185	-	383,003,991	145,547,669
Madhabadi Power Plant (Unit-2)	963,650,435	4,588,728	-	968,239,163	349,713,663	33,290,328	-	204,537,138	605,235,172
Chandina Power Plant (Unit-1)	454,834,809	7,501,284	-	462,336,093	239,226,267	18,572,689	-	233,011,830	375,359,505
Chandina Power Plant (Unit-2)	605,843,852	2,527,483	-	608,371,335	214,674,079	18,337,751	-	396,316,931	1,116,137,515
Jangalia Power Plant	1,488,096,009	87,512,577	(63,154,140)	1,512,454,446	389,725,222	69,745,848	(63,154,140)	400,112,792	1,057,204,911
Rupganj Power Plant	1,452,657,756	14,915,059	(10,255,112)	1,457,317,703	349,428,593	60,939,310	(10,255,112)	426,860,119	963,266,369
Maona Power Plant	1,390,126,488	-	-	1,390,126,488	360,404,783	66,455,337	-	176,639,691	332,728,104
Ullapara Power Plant	509,367,795	-	-	509,367,795	148,718,295	27,921,395	-	1,131,215,579	4,003,620,357
Madanganj Power Plant	5,134,835,936	-	-	5,134,835,936	42,785,551	218,453,589	-	217,156,412	4,945,723,710
Rupatoli Power Plant	5,023,479,717	139,400,405	-	5,162,880,122	92,761,991	174,370,861	-	119,023,643	2,555,034,233
Madanganj Power Plant (Unit-2)	2,592,454,713	81,603,163	-	2,674,057,876	29,425,937	89,597,706	-	5,015,490,299	18,620,147,124
Total (i)	23,169,078,577	593,606,695	(127,047,848)	23,637,837,424	4,198,839,458	943,698,669	(127,047,848)	5,169,515,030	19,622,445,349

a) Own assets : ii) Revaluation

Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	13,002,138	-	-	13,002,138	-
Plant and machineries:									
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	36,154,214	4,709,744	-	40,863,958	125,363,945
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	720,017	93,796	-	813,813	2,496,609
Madhabadi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	35,161,428	4,580,416	-	39,741,844	121,921,497
Madhabadi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	17,346,094	2,259,844	-	19,605,738	60,147,253
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	31,838,372	4,147,528	-	35,985,900	110,398,842
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3,549,016	462,324	-	4,011,340	12,306,126
Total (ii)	1,156,322,955	-	-	1,156,322,955	137,771,278	16,253,452	-	154,024,730	1,002,298,225
Total assets (i+ii)	24,325,401,532	593,606,695	(127,047,848)	24,791,960,379	4,336,610,736	959,952,141	(127,047,848)	5,169,515,030	19,622,445,349

b) Spare parts

Stock in hand	1,135,120,010	943,342,544	(654,056,370)	1,224,406,184	60,027,375	43,342,276	-	103,369,651	1,121,036,533
Stock in transit	157,981,366	948,947,443	(993,707,940)	113,220,869	60,027,375	43,342,276	-	103,369,651	113,220,869
Total (a+b+c)	25,618,502,908	2,485,896,682	(1,974,812,158)	26,129,587,432	4,396,638,111	1,003,294,417	(127,047,848)	5,272,884,680	20,856,702,751

Notes to the financial statements (Continued)

Separate

a) Own assets : i) Cost

In Taka	For the six months period ended 31 December 2017										Written down value at 31 December 2017
	Cost/Revaluation					Depreciation					
	Balance at 1 July 2017	Additions	(Disposals)/ Transfers	Balance at 31 December 2017	Rate %	Balance at 1 July 2017	Additions	(Disposals)/ Transfers	Balance at 31 December 2017		
Land and land development	511,930,111	39,186,836	-	551,116,947	-	-	-	-	10,977,412	-	551,116,947
Furniture and fixtures	19,811,280	183,239	-	19,994,519	10	10,073,678	903,734	-	10,977,412	-	9,017,107
Office and electrical equipments	40,835,380	1,529,122	-	42,364,502	20	30,646,008	2,329,263	-	32,975,271	-	9,389,232
Office decoration	27,771,019	479,741	-	28,250,760	20	26,549,792	276,808	-	26,826,600	-	1,424,160
Motor vehicles	129,950,544	4,842,960	-	134,793,504	20	87,536,362	5,481,088	-	93,017,450	-	41,776,054
Maintenance equipments	26,083,840	-	-	26,083,840	20	17,741,147	2,039,754	-	19,780,901	-	6,302,939
Civil works and others	208,801,320	15,987,533	-	224,788,853	20	145,923,882	16,052,085	-	161,975,967	-	62,812,886
Plant and machineries:											
Ashulia Power Plant (Unit-1)	454,204,669	750,873	-	454,955,542	3.33 - 10	228,254,087	12,233,196	-	240,487,283	-	214,468,259
Ashulia Power Plant (Unit-2)	1,465,580,547	2,320,879	-	1,467,901,426	3.33 - 16.67	454,786,521	34,954,368	-	489,740,889	-	978,160,537
Madhabadi Power Plant (Unit-1)	413,433,900	717,732	-	414,151,632	3.33 - 10	287,886,231	11,490,496	-	279,376,727	-	134,774,905
Madhabadi Power Plant (Unit-2)	988,239,163	1,582,019	-	989,821,182	3.33 - 16.67	383,003,988	19,422,388	-	402,426,376	-	587,394,806
Chandina Power Plant (Unit-1)	462,336,093	1,037,659	-	463,373,752	3.33 - 10	257,798,955	12,562,792	-	270,361,747	-	193,012,005
Chandina Power Plant (Unit-2)	608,371,335	1,282,093	-	609,653,428	3.33 - 16.67	333,011,830	11,392,369	-	244,404,199	-	365,249,229
Jangalia Power Plant	1,512,454,446	-	-	1,512,454,446	3.33 - 16.67	396,316,931	30,293,006	-	426,609,937	-	1,085,844,509
Rupganj Power Plant	1,457,317,703	-	-	1,457,317,703	3.33 - 16.67	400,112,792	31,197,816	-	431,310,608	-	1,026,007,095
Maona Power Plant	1,390,126,488	6,340,000	-	1,396,466,488	3.33 - 16.67	426,860,119	31,467,608	-	458,327,727	-	938,138,761
Ullapara Power Plant	509,367,795	2,552,000	-	511,919,795	3.33 - 16.67	176,639,691	8,546,388	-	185,186,079	-	326,733,716
Madanganj Power Plant	5,134,835,936	-	-	5,134,835,936	3.33 - 16.67	1,131,215,579	107,948,022	-	1,239,163,601	-	3,895,672,335
Total (i)	15,361,451,569	78,792,686	-	15,440,244,255		4,674,357,594	338,591,180	-	5,012,948,774	-	10,427,295,481

a) Own assets : ii) Revaluation

Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	-	-	569,663,952
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-	-
Plant and machineries:											
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	40,863,958	2,770,440	-	43,634,398	-	122,593,505
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	813,813	55,176	-	868,989	-	2,441,433
Madhabadi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	39,741,844	2,694,360	-	42,436,204	-	119,227,137
Madhabadi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	19,605,738	1,329,210	-	20,934,948	-	58,818,043
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	35,985,900	2,439,720	-	38,425,620	-	107,959,122
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	4,011,340	271,956	-	4,283,296	-	12,034,170
Total (ii)	1,156,322,955	-	-	1,156,322,955		154,024,730	9,560,862	-	163,585,592	-	992,737,363
Total assets (i+ii)	16,517,774,524	78,792,686	-	16,596,567,210		4,828,382,324	348,152,042	-	5,176,534,366	-	11,420,032,844

b) Spare parts

Stock in hand	1,046,713,855	152,635,050	-	1,199,348,905	3.33 - 50	97,732,377	111,851,134	-	209,583,511	-	989,765,394
Stock in transit	104,133,106	183,986,169	(146,805,881)	141,323,394	-	-	-	-	-	-	141,323,394
Total (a+b+c)	1,150,846,961	336,621,219	(146,805,881)	1,340,672,299		97,732,377	111,851,134	-	209,583,511	-	1,131,088,788
Total (a+b+c)	17,668,621,485	415,423,905	(146,805,881)	17,937,239,509		4,926,114,701	460,003,176	-	5,386,117,877	-	12,551,121,632

Notes to the financial statements (Continued)

In Taka	For the year ended 30 June 2017										
	Cost/Revaluation					Depreciation					Written down value at 30 June 2017
	Balance at 1 July 2016	Additions	(Disposals)/ Transfers	Balance at 30 June 2017	Rate %	Balance at 1 July 2016	Additions	(Disposals)/ Transfers	Balance at 30 June 2017		
Land and land development	426,716,004	85,214,107	-	511,930,111	-	-	-	-	-	511,930,111	
Furniture and fixtures	18,531,296	1,279,984	-	19,811,280	10	8,274,395	1,799,283	-	10,073,678	9,737,602	
Office and electrical equipments	37,076,947	3,758,433	-	40,835,380	20	26,670,437	3,975,541	-	30,646,008	10,189,372	
Office decoration	25,791,843	979,176	-	27,771,019	20	25,810,893	738,899	-	26,549,792	1,221,227	
Motor vehicles	95,498,294	35,444,500	(4,992,250)	129,950,544	20	89,785,208	2,773,404	(4,992,250)	87,536,362	42,414,162	
Maintenance equipments	21,488,907	4,594,933	-	26,083,840	20	13,781,860	3,959,287	-	17,741,147	8,342,693	
Civil works and others	195,375,959	9,425,361	-	208,801,320	20	113,661,457	32,262,425	-	145,923,882	62,877,438	
Plant and machineries:											
Ashulia Power Plant (Unit-1)	431,267,519	22,937,150	-	454,204,669	3.33 - 10	207,257,051	20,997,027	-	228,254,087	225,950,582	
Ashulia Power Plant (Unit-2)	1,441,671,569	72,555,324	(48,646,346)	1,465,580,547	3.33 - 16.67	424,733,948	78,698,919	(48,646,346)	454,786,521	1,010,794,026	
Madhabadi Power Plant (Unit-1)	411,746,264	1,687,636	-	413,433,900	3.33 - 10	250,371,047	17,515,185	-	267,886,231	145,547,669	
Madhabadi Power Plant (Unit-2)	983,650,435	4,588,728	-	988,239,163	3.33 - 16.67	349,713,650	33,290,328	-	383,003,988	605,235,175	
Chandina Power Plant (Unit-1)	454,834,809	7,501,284	-	462,336,093	3.33 - 10	239,226,267	18,572,689	-	257,798,955	204,537,138	
Chandina Power Plant (Unit-2)	605,843,852	2,527,483	-	608,371,335	3.33 - 16.67	214,674,079	18,337,751	-	233,011,830	375,359,505	
Jangalia Power Plant	1,488,096,009	87,512,577	(63,154,140)	1,512,454,446	3.33 - 16.67	389,725,222	69,745,848	(63,154,140)	396,316,931	1,116,137,515	
Rupganj Power Plant	1,452,657,756	14,915,059	(10,255,112)	1,457,317,703	3.33 - 16.67	349,428,593	60,939,310	(10,255,112)	400,112,792	1,057,204,911	
Maona Power Plant	1,390,126,488	-	-	1,390,126,488	3.33 - 16.67	360,404,783	66,455,337	-	426,860,119	963,266,369	
Ullapara Power Plant	509,367,795	-	-	509,367,795	3.33 - 16.67	148,718,295	27,921,395	-	176,639,691	332,728,104	
Madanganj Power Plant	5,134,835,936	-	-	5,134,835,936	3.33 - 16.67	912,761,991	218,453,589	-	1,131,215,579	4,003,620,357	
Total (i)	15,133,577,682	354,921,735	(127,047,848)	15,361,451,569		4,124,969,225	676,436,216	(127,047,848)	4,674,357,594	10,687,093,975	
a) Own assets : ii) Revaluation											
Land and land development	569,663,952	-	-	569,663,952	-	-	-	-	-	569,663,952	
Civil works and others	13,002,138	-	-	13,002,138	20	13,002,138	-	-	13,002,138	-	
Plant and machineries:											
Ashulia Power Plant (Unit-1)	166,227,903	-	-	166,227,903	3.33 - 10	36,154,214	4,709,744	-	40,863,958	125,363,945	
Ashulia Power Plant (Unit-2)	3,310,422	-	-	3,310,422	3.33 - 16.67	720,017	93,796	-	813,813	2,496,609	
Madhabadi Power Plant (Unit-1)	161,663,341	-	-	161,663,341	3.33 - 10	35,161,428	4,580,416	-	39,741,844	121,921,497	
Madhabadi Power Plant (Unit-2)	79,752,991	-	-	79,752,991	3.33 - 16.67	17,346,094	2,259,644	-	19,605,738	60,147,253	
Chandina Power Plant (Unit-1)	146,384,742	-	-	146,384,742	3.33 - 10	31,838,372	4,147,528	-	35,985,900	110,398,842	
Chandina Power Plant (Unit-2)	16,317,466	-	-	16,317,466	3.33 - 16.67	3,549,016	462,324	-	4,011,340	12,306,126	
Total (ii)	1,156,322,955	354,921,735	(127,047,848)	1,156,322,955		137,771,278	16,253,432	(127,047,848)	154,024,730	1,002,298,225	
Total assets (i+ii)	16,289,900,637	354,921,735	(127,047,848)	16,517,774,524		4,262,740,504	692,689,668	(127,047,848)	4,828,382,324	11,689,392,200	
b) Spare parts											
Stock in hand	1,134,926,010	682,493,931	(770,706,086)	1,046,713,855	3.33 - 50	60,027,375	37,705,002	-	97,732,377	948,981,478	
Stock in transit	155,702,296	682,893,819	(734,463,009)	104,133,106	-	-	-	-	-	104,133,106	
	1,290,628,306	1,365,387,750	(1,505,169,095)	1,150,846,961	-	60,027,375	37,705,002	-	97,732,377	1,053,114,584	
Total (a+b+c)	17,580,528,943	1,720,309,485	(1,632,216,943)	17,668,621,485		4,322,767,879	730,394,670	(127,047,848)	4,926,114,701	12,742,506,784	

Addition to the plant and machinery had resulted from major overhauling completed in Ashulia Power Plant (Unit 2) at 64,000 running hours (all units of gen sets), in Rupganj Power Plant at 48,000 running hours (1 unit out of 4 gen sets) and from additional provision made for Assets Retirement Obligation (ARO) for Ashulia Power Plant Unit 1 and Unit 2, Chandina Power Plant Unit 1 & Unit 2, Madhabadi Power Plant Unit 1 & Unit 2, Maona Power Plant and Ullapara Power Plant.

Notes to the financial statements (Continued)

6	Capital work-in progress	Consolidated		Separate
		31 December 2017	30 June 2017	31 December 2017
	Opening balance	946,236,882	32,868,078	-
	Addition during the period	2,021,333,946	913,368,804	-
	Transfer to property, plant and equipment	-	-	-
		2,967,570,828	946,236,882	-
7	Investment in subsidiaries			
		31 December 2017		30 June 2017
	<i>In Taka</i>	No. of shares	% of holding	Value
	Summit Barisal Power Limited	50,699,516	49.00%	506,995,160
	Summit Narayanganj Unit II Power Limited	27,712,222	49.00%	277,122,221
	Summit Chittagong Power Limited	490,000	49.00%	4,900,000
	Ace Alliance Power Limited	6,400,000	64.00%	857,964,000
		85,301,738		1,646,981,381
				78,908,138
				1,156,981,381

7.1 Summit Power Limited (SPL) hold 49% shares in Summit Barisal Power Limited (SBPL), Summit Narayanganj Power Unit II Limited (SNPL-II) and Summit Chittagong Power Limited (SCPL). Bangladesh Financial Reporting Standard 10: *Consolidated Financial Statements* requires presentation and preparation of consolidated financial statements when an entity controls one or more other entities unless falls within the scope of exceptions. According to control procedures as detailed in paragraph 7 of the said BFRS under reference, SBPL, SNPL-II and SCPL are under the control of SPL because SPL directly manages the activities/ operations of those entities since their commercial operation date (COD) through common corporate management and thus it has the power over these three entities and has established both exposure and rights to significantly affect returns of the investee companies. Therefore SPL is in compliance with BFRS 10 to prepare and present its financial statements in consolidation with that of SBPL, SNPL II and SCPL.

7.2 This amount represents the consideration paid to Aitken Spence Plc., Sri Lanka and Alliance Holdings Limited, Bangladesh under a memorandum of understanding to acquire 64% shares of Ace Alliance Power Limited. Transfer of shares of Ace Alliance Power Limited to Summit Power Limited has been effective from 24 June 2016.

7.3 In accordance with paragraph 10 of Bangladesh Accounting Standard 27: *Separate Financial Statements*, investments in subsidiaries have been accounted for at cost. Details of holding structure in subsidiaries are described in Note 35.1.i.

Notes to the financial statements (Continued)

8	Investment in associates	31 December 2017		30 June 2017	
		Consolidated	Separate	Consolidated	Separate
	<i>In Taka</i>				
	Summit Meghnaghat Power Company Limited	4,945,646,874	3,801,772,452	4,597,180,904	3,801,772,452
	Summit Gazipur II Power Limited	270,000,000	270,000,000	-	-
	Share of profit of equity-accounted investees:				
	Summit Meghnaghat Power Company Limited	237,897,468	-	348,465,970	-
	Summit Gazipur II Power Limited	(10,034)	-	-	-
		5,453,534,308	4,071,772,452	4,945,646,874	3,801,772,452

8.1 Summit Power Limited has acquired 203,971,500 shares at Taka 18.64 (fair value), including share premium Taka 8.64, of Summit Meghnaghat Power Company Limited from Summit Corporation Limited by issuing 106,791,361 shares each @ Taka 35.60 (at fair value), including share premium Taka 25.60, of its own in 2014.

Notes to the financial statements (Continued)

9 Available-for-sale financial assets	No. of shares	Rate per share	Market value at				Change in fair value at				
			31 Dec 2017	30 June 2017	31 Dec 2016	30 June 2016	31 Dec 2017	31 Dec 2016	31 Dec 2016	Cost price	
<i>In Taka</i>											
Khulna Power Company Limited	63,734,728	58.50	3,728,481,588	3,773,095,898	3,983,420,500	4,136,383,847	(44,614,310)	(152,963,347)	3,625,296,384		
People's Leasing and Financial Services Limited	408,160	13.70	5,591,792	4,244,864	3,877,520	3,550,992	1,346,928	326,528	20,500,000		
Popular Life First Mutual Fund	1,455,242	6.20	9,022,500	9,392,924	7,189,762	5,723,936	(370,423)	1,465,826	10,000,000		
	65,598,130		3,743,095,880	3,786,733,685	3,994,487,782	4,145,658,776	(43,637,805)	(151,170,994)	3,655,796,384		

On 28 December 2011, Summit Power Limited (SPL) had acquired 53,955,326 shares of Khulna Power Company Limited (KPCL) at Taka 67 each from Summit Corporation Limited (SCL) amounting to Taka 3,625,296,384 including other transaction costs. Now the SPL's ownership in KPCL is 17.64%. Since the percentage of ownership in KPCL is below the threshold limit of 20% to recognise KPCL as an associate, management classified such investment as Available-for-Sale (AFS) financial asset.

10 Inventories

Note	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Stock in hand	52,697,415	51,956,482	26,834,745	36,826,038
Stock in transit	-	-	-	-
	52,697,415	51,956,482	26,834,745	36,826,038

10 Stock in hand

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening Balance	51,956,482	71,569,451	36,826,038	39,423,153
Purchase/transfer during the period	163,212,660	342,359,371	67,618,035	205,621,761
Consumption/transfer during the period	(162,471,727)	(361,972,340)	(77,609,328)	(208,218,876)
Closing Balance	52,697,415	51,956,482	26,834,745	36,826,038

Notes to the financial statements (Continued)

11 Trade receivables

In Taka	Notes	Consolidated		Separate	
		31 December 2017	30 June 2017	31 December 2017	30 June 2017
Bangladesh Rural Electrification Board (BREB):	11.1				
Dhaka Palli Bidyut Samity - 1		18,947,733	17,832,285	18,947,733	17,832,285
Dhaka Palli Bidyut Samity - 1 (Expansion)		1,744,082,370	1,564,381,565	1,744,082,370	1,564,381,565
Narsingdi Palli Bidyut Samity - 1		16,599,260	15,761,995	16,599,260	15,761,995
Narsingdi Palli Bidyut Samity - 1 (Expansion)		1,326,296,228	1,188,149,616	1,326,296,228	1,188,149,616
Comilla Palli Bidyut Samity - 1		15,189,181	15,851,531	15,189,181	15,851,531
Comilla Palli Bidyut Samity - 1 (Expansion)		721,721,562	648,683,911	721,721,562	648,683,911
Narayanganj Palli Bidyut Samity (PBS)		66,922,671	160,104,310	66,922,671	160,104,310
Mymensingh Palli Bidyut Samity (PBS) - 2		156,042,943	155,135,274	156,042,943	155,135,274
Sirajganj Palli Bidyut Samity		42,888,348	48,591,688	42,888,348	48,591,688
Bangladesh Power Development Board (BPDB):					
Jangalia Power Plant		131,283,558	177,595,909	131,283,558	177,595,909
Madanganj Power Plant	11.2	2,191,090,023	1,129,482,491	2,191,090,023	1,129,482,491
Barisal Power Plant		614,483,862	1,124,770,867	-	-
Narayanganj Unit II Power Plant		361,566,763	485,945,699	-	-
		7,407,114,502	6,732,287,141	6,431,063,877	5,121,570,575
Less: Provision for doubtful debt		(168,758,403)	(168,758,403)	(168,758,403)	(168,758,403)
		7,238,356,099	6,563,528,738	6,262,305,474	4,952,812,172

11.1 Out of total receivables from BREB, invoices amounting to BDT 3,608,664,150 raised by the Company, pertaining to the three Expansion Power Plants, have yet not been accepted by BREB due to using different unit rate in calculating revenue. As per contracts for supply of electricity and Government's gazette notification, the Company has been raising invoices at the rate of Taka 3.1141 per kWh from December 2011 to January 2012, for February 2012 at the rate of Taka 3.3741, from March to August 2012 at the rate of Taka 3.6216 per kWh, from September 2012 to August 2015 at the rate of Taka 4.2316 per kWh and onward September 2015 at the rate of Taka 4.4791 per kWh due to rise in BST (Bulk Supply Tariff). BREB has been paying at the rate 2.8333 per kWh. In order to resolve the above matter, the Company went for arbitration carried by Bangladesh Energy Regulatory Commission (BERC) and a favourable verdict was given upon the Company. Later on, upon request from BREB, the verdict is reviewed again by BERC and the reviewed verdict was also in favour of the Company. After this, BERC solely submitted a writ petitions in the High Court Division of Supreme Court of Bangladesh on 8 September 2016. On 17 August 2017 the Honourable High Court Division of Bangladesh Supreme Court was pleased to pass a judgement discharging the rule issued in the writ petitions. The management believes the amount is recoverable.

11.2 In accordance with the clause 26.1 of the previous Power Purchase Agreement (PPA), "Bangladesh Petroleum Corporation (BPC) will be the liquid fuel supplier (furnace oil/HFO) and BPDB will make payment for the fuel". But since the start of the operation of the plant, the quality and quantity of the supplied fuel were not as per given specifications in the PPA. For this reason, the actual fuel consumption was higher per unit of electricity generation. On account of the actual fuel consumption, BPDB started deduction from some of the Company's monthly invoices which amounted to Taka 164.30 million up to March 2013. The Company made a writ petition to the High Court Division for further non deduction on account of excess fuel outage amounting to USD 1.96 million (approximately). The High Court granted an order of injunction from deducting any money from monthly invoices. On 6 July 2014, the High Court Division of Supreme Court of Bangladesh has extended the order of injunction granted earlier till disposal of the Rule. Subsequently, an application is made on 23 February 2016 to Bangladesh Energy Regulatory Commission (BERC) to take up the matter and commence an arbitration proceedings for full and final settlement of the dispute between the parties as per law after vacating the order of injunction. However, the Company has made a provision for doubtful debt on said amount of Taka 164.30 million.

12 Other receivables

In Taka	Notes	Consolidated		Separate	
		31 December 2017	30 June 2017	31 December 2017	30 June 2017
Insurance claims		33,167,675	48,167,675	33,167,675	48,167,675
Interest on FDRs		3,893,588	29,399,489	3,893,588	29,399,489
VAT deducted at sources	12.1	22,195,381	22,195,381	22,195,381	22,195,381
Bhairob Power Limited			5,451,372		
		59,256,644	105,213,917	59,256,644	99,762,545
Less: Provision for doubtful debt		(4,453,258)	(4,453,258)	(4,453,258)	(4,453,258)
		54,803,386	100,760,659	54,803,386	95,309,287

12.1 VAT at source up to June 2009 amounting to Taka 22,195,381 was deducted by Bangladesh Rural Electrification Board (BREB) under the purview of regulations declared by the National Board of Revenue (NBR). But in the Power Purchase Agreement (PPA) it was declared that "Nothing herein, however, shall in any way limit or override any provisions of the Implementation Agreement, that provide certain Tax exemptions under this Agreement, that allow certain Taxes and charges to be reimbursed to the Company in accordance with Article X of this Agreement". Hence, as per PPA the Group has been claiming refund of the VAT at source so far deducted by BREB. The Group has kept close contact with BREB and negotiation for collection of the amount is under process.

13 Inter company receivables

In Taka	Note	Consolidated		Separate	
		31 December 2017	30 June 2017	31 December 2017	30 June 2017
Summit Barisal Power Limited		-	-	-	3,004,848
Summit Narayanganj Power Unit II Limited		-	-	2,005,998	388,183
Summit Chittagong Power Limited		-	-	-	1,089,507
Ace Alliance Power Limited		-	-	2,375,406	177,601,395
Summit Gazipur II Power Limited		12,799,309	-	12,799,309	-
		12,799,309	-	17,180,713	182,083,933

Notes to the financial statements (Continued)

14 Advances, deposits and prepayments

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Advances				
Initial Public Offer (IPO)	2,084,693	2,084,693	2,084,693	2,084,693
Desh Bangla Enterprise	680,000	-	680,000	-
Energypac Engineering Limited	1,817,540	1,000,000	1,817,540	1,000,000
Precision Tech	-	1,265,000	-	1,265,000
Alam Associate	-	11,350,000	-	11,350,000
Resources & Solutions Management Agencies Limited	-	1,550,000	-	1,550,000
Land for AAPL project	3,000,000	9,601,506	3,000,000	9,601,506
Center for Management Development	200,000	200,000	200,000	200,000
Jakir Construction Limited	2,315,138	2,315,138	-	-
Bangla Trac Ltd.	2,202,332	-	2,202,332	-
UDECO Limited	25,000,000	25,000,000	-	-
SBS Int Business Ltd.	7,595,000	7,595,000	-	-
Projukti Annasha	9,600,000	1,690,298	5,550,000	240,298
R. M. Trade International	6,975,000	-	6,975,000	-
Scienetech Engineering and Services	2,691,215	2,691,215	-	-
AEG Engineering Limited	1,965,000	-	-	-
Turbomech-Snipro JV	5,200,000	-	-	-
M/s. R. M. Trade International	350,000	-	-	-
Green Development Consulting	480,000	-	-	-
Grant Thornton	281,250	-	-	-
Land lord	376,400	241,000	145,000	145,000
Tax advisor	305,000	100,000	100,000	100,000
Advance income tax	58,265,953	55,182,485	52,164,447	52,164,447
Other suppliers	23,038,608	14,579,411	7,576,758	3,828,254
Car purchase	1,670,845	1,129,173	1,670,845	1,129,173
Employees	12,880,041	17,965,743	4,118,121	16,938,597
Environmental consultancy	1,229,330	1,229,330	-	-
	170,103,345	156,769,992	88,284,736	101,596,968
Less: Provision for doubtful advance	(445,000)	(445,000)	(445,000)	(445,000)
	169,658,345	156,324,992	87,839,736	101,151,968
Deposits				
Security deposit (non-interest bearing)	3,985,142	4,215,240	1,258,045	1,758,045
Bank guarantee margin:				
Controller of Import and Export (SJIBL)	1,545,053	1,545,053	1,545,053	1,545,053
Pashchimanchal Gas Co. Ltd.	823,441	823,441	823,441	823,441
Bakhrabad Gas System Ltd.	2,470,323	2,470,323	2,470,323	2,470,323
Bangladesh Power Development Board (BPDB)	9,208,199	11,176,610	9,208,199	11,176,610
Bangladesh Rural Electrification Board (BREB)	4,630,179	9,260,359	4,630,179	9,260,359
Titas Gas Transmission and Distribution Co. Ltd.	4,940,646	4,940,646	4,940,646	4,940,646
	27,602,983	34,431,672	24,875,886	31,974,477
Prepayments				
Annual license fees	400,419	716,056	400,419	716,056
Standby letter of credit commission	998,201	2,964,765	998,201	2,964,765
Bank guarantee/operation bond commission	2,352,665	6,355,925	2,193,965	5,051,825
Insurance premium	26,574,252	53,764,782	14,832,690	24,019,502
Land lease rental	981,348	988,954	981,348	988,954
Annual agency fee	10,611,352	3,700,845	-	-
Others	10,000	10,000	-	-
	41,828,237	68,501,327	19,406,623	33,741,102
Related party transactions				
Summit Corporation Limited	4,811,889	9,368,879	4,811,889	9,368,879
Summit Holdings Limited (previously, Cosmopolitan Traders (Pvt.) Limited)	2,487,493	2,487,493	2,487,493	2,487,493
	7,299,382	11,856,372	7,299,382	11,856,372
	246,388,947	271,114,363	139,421,627	178,723,919

Bank guarantee margin had been deposited with various scheduled banks in Bangladesh as security for compliance with the Company's/ Group's operational obligation.

Notes to the financial statements (Continued)

15 Cash and cash equivalents

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Cash in hand	3,398,151	1,755,306	2,693,399	834,959
Cash at bank				
Bank Asia Limited	204,123,316	137,380,328	181,151,957	48,370,651
BRAC Bank Limited	21,536,310	4,235,972	21,536,310	4,235,972
Commercial Bank of Ceylon	2,035,590	2,035,819	2,036,590	2,035,819
Dhaka Bank Limited	1,908,739	4,855,412	1,908,739	4,855,412
The City Bank Limited	384,490,126	1,278,451,628	15,730	15,730
Dutch-Bangla Bank Limited	283,571,625	317,604,973	275,537,880	308,226,358
Eastern Bank Limited	875,493	976,923	-	-
Southeast Bank Limited	247,266	247,266	247,266	247,266
One Bank Limited	1,371,065	1,569,267	864,892	1,202,493
Exim Bank Limited	872,564	422,473	872,564	422,473
Premier Bank Limited	21,552,688	19,989,161	21,552,688	19,989,161
Prime Bank Limited	4,305,564	460,785	-	-
Rupali Bank Limited	492,772	25,767	492,772	25,767
Standard Chartered Bank	23,120,343	27,389,625	23,120,343	27,389,625
Shahjalal Islami Bank Limited	1,169,881	1,169,881	1,169,881	1,169,881
Sonali Bank Limited	868,261	593,257	868,261	593,257
	952,541,603	1,797,408,537	531,374,873	418,779,865
Fixed deposit receipts (FDR)				
AB Bank Limited	-	180,000,000	-	180,000,000
Bank Asia Limited	29,200,025	7,071,000	4,099,776	4,018,000
BRAC Bank Limited	50,000,000	520,000,000	50,000,000	520,000,000
The Farmers Bank Limited	-	100,000,000	-	100,000,000
The City Bank Limited	1,200,000,000	-	-	-
NRB Global bank Limited	50,937,500	-	50,937,500	-
Southeast Bank Ltd.	50,000,000	-	50,000,000	-
Mutual Trust Bank Limited	61,962,627	50,625,000	61,962,627	50,625,000
Trust Bank Limited	-	204,795,447	-	204,795,447
One Bank Limited	103,276,406	501,447,832	103,276,406	501,447,832
Meghna Bank Limited	100,000,000	337,202,412	100,000,000	337,202,412
SBAC Bank Limited	50,000,000	-	50,000,000	-
Mercantile Bank Limited	100,000,000	50,000,000	100,000,000	50,000,000
Modhumoti Bank Limited	262,899,267	205,553,994	262,899,267	205,553,994
Premier Bank Limited	100,937,500	643,054,272	100,937,500	643,054,272
Exim Bank Limited	100,000,000	314,159,517	100,000,000	314,159,517
	2,249,213,325	3,113,909,474	1,024,113,076	3,110,856,474
	3,205,153,079	4,913,073,317	1,558,181,348	3,530,471,298

Notes to the financial statements (Continued)

16 Share capital

In Taka	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Authorised				
300,000,000 Ordinary shares of Tk 10 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
400,000,000 Ordinary shares of Tk 10 each	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
500,000,000 Ordinary shares of Tk 10 each	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
30,000,000 Preference shares of Tk 100 each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
	15,000,000,000	15,000,000,000	15,000,000,000	15,000,000,000
Issued, subscribed and paid-up				
65,000,000 Ordinary shares of Tk 10 each	650,000,000	650,000,000	650,000,000	650,000,000
6,500,000 Bonus shares of Tk 10 each in 2006	65,000,000	65,000,000	65,000,000	65,000,000
14,300,000 Bonus shares of Tk 10 each in 2007	143,000,000	143,000,000	143,000,000	143,000,000
68,640,000 Right shares of Tk 10 each in 2008	686,400,000	686,400,000	686,400,000	686,400,000
30,888,000 Bonus shares of Tk 10 each in 2008	308,880,000	308,880,000	308,880,000	308,880,000
37,065,600 Bonus shares of Tk. 10 each in 2009	370,656,000	370,656,000	370,656,000	370,656,000
55,598,400 Bonus shares of Tk. 10 each in 2010	555,984,000	555,984,000	555,984,000	555,984,000
25,361,973 Ordinary shares of Tk 10 each in 2010	253,619,730	253,619,730	253,619,730	253,619,730
91,006,191 Bonus shares of Tk. 10 each in 2011	910,061,910	910,061,910	910,061,910	910,061,910
98,590,041 Bonus shares of Tk. 10 each in 2012	985,900,410	985,900,410	985,900,410	985,900,410
98,590,041 Bonus shares of Tk. 10 each in 2013	985,900,410	985,900,410	985,900,410	985,900,410
88,731,037 Bonus shares of Tk. 10 each in 2014	887,310,360	887,310,360	887,310,360	887,310,360
106,791,361 Ordinary shares of Tk. 10 each in 2014*	1,067,913,610	1,067,913,610	1,067,913,610	1,067,913,610
39,353,132 Bonus shares of Tk. 10 each in 2015	393,531,320	393,531,320	393,531,320	393,531,320
49,584,946 Bonus shares of Tk 10 each in 2016	495,849,460	495,849,460	495,849,460	495,849,460
191,876,518 ordinary shares of Tk. 10 each in 2016**	1,918,765,180	1,918,765,180	1,918,765,180	1,918,765,180
	10,678,772,390	10,678,772,390	10,678,772,390	10,678,772,390

* Details are given in the Note 8.1.

** This represents the amount of ordinary share capital issued to non-controlling shareholders of Summit Purbanchol Power Company Limited, Summit Uttaranchol Power Company Limited and Summit Narayananj Power Limited as compensation for amalgamation with Summit Power Limited. On the basis of the approval of Bangladesh Securities and Exchange Commission for issue of 191,876,518 ordinary shares at BDT 10 each, these shares were issued on 4 October 2016.

16.1 Shareholding position

Name of shareholders	Percentage of shareholdings		Number of shares	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Summit Corporation Limited	56.61%	56.61%	604,555,430	604,555,430
Euro Hub Investments Ltd.	3.65%	3.65%	38,940,126	38,940,126
Institutional investors	24.34%	24.34%	259,972,272	259,900,891
General public	15.40%	15.40%	164,409,411	164,480,792
	100%	100%	1,067,877,239	1,067,877,239

16.2 Classification of shareholders by holding:

	Number of holders		% of holdings	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Less than 500 shares	26,017	28,564	58.98%	59.87%
500 to 5,000 shares	13,731	14,575	31.13%	30.55%
5,001 to 10,000 shares	2,271	2,403	5.15%	5.04%
10,001 to 20,000 shares	950	990	2.15%	2.08%
20,001 to 30,000 shares	358	368	0.81%	0.77%
30,001 to 40,000 shares	147	158	0.33%	0.33%
40,001 to 50,000 shares	110	130	0.25%	0.27%
50,001 to 100,000 shares	220	219	0.50%	0.46%
100,001 to 1,000,000 shares	245	242	0.56%	0.51%
Over 1,000,000 shares	60	60	0.14%	0.13%
	44,109	47,709	100%	100%

Notes to the financial statements (Continued)

17 Share premium

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Share premium from issue of 2,000,000 shares in 2005	80,000,000	80,000,000	80,000,000	80,000,000
Share premium from issue of 6,864,000 shares in 2008	308,880,000	308,880,000	308,880,000	308,880,000
Share premium from issue of 25,361,973 shares in 2010	2,745,940,817	2,745,940,817	2,745,940,817	2,745,940,817
	3,134,820,817	3,134,820,817	3,134,820,817	3,134,820,817
Issue costs	(234,123,160)	(234,123,160)	(234,123,160)	(234,123,160)
	2,900,697,657	2,900,697,657	2,900,697,657	2,900,697,657
Share premium on dilution of ownership in SPPCL	600,385,917	600,385,917	600,385,917	600,385,917
Share premium on issue of shares to SCL*	2,733,858,842	2,733,858,842	2,733,858,842	2,733,858,842
Transaction costs	(315,777)	(315,777)	(315,777)	(315,777)
	6,234,626,639	6,234,626,639	6,234,626,639	6,234,626,639
Share premium on amalgamation	244,471,000	244,471,000	244,471,000	244,471,000
	6,479,097,639	6,479,097,639	6,479,097,639	6,479,097,639

* Details are given in the Note 8.1.

18 Revaluation reserve

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening balance	1,002,086,449	1,018,339,897	1,002,086,453	1,018,339,901
Transfer to retained earnings for depreciation	(8,126,724)	(16,253,448)	(8,126,724)	(16,253,448)
Closing balance	993,959,725	1,002,086,449	993,959,729	1,002,086,453

Notes to the financial statements (Continued)

19

Non-controlling interests

<i>In Taka</i>	31 December 2017				Total
	SBPL	SNPL Unit II	SCPL	AAPL	
NCI percentage	51.00%	51.00%	51.00%	36%	
Non-current assets	5,301,157,870	2,897,806,381	345,648	2,971,552,691	11,170,862,590
Current assets	1,618,091,403	1,028,303,744	9,559,652	99,897,547	2,755,852,346
Non-current liabilities	(4,227,440,882)	(2,388,879,994)	-	-	(6,616,320,876)
Current liabilities	(847,196,659)	(515,962,937)	(22,300)	(1,849,610,930)	(3,212,792,826)
Net assets	1,844,611,732	1,021,267,194	9,883,000	1,221,839,308	4,097,601,234
Net assets attributable to NCI	940,751,983	520,846,268	5,040,330	439,862,151	1,906,500,732
Less: Intra-group elimination	-	-	-	(36,400,000)	(36,400,000)
	940,751,983	520,846,268	5,040,330	403,462,151	1,870,100,732
Revenue	2,823,060,301	1,399,739,172	-	-	4,222,799,473
Profit	161,177,610	73,866,282	-	(5,921,692)	229,122,200
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income	161,177,610	73,866,282	-	(5,921,692)	4,451,921,673
Profit allocated to NCI	82,200,581	37,671,804	-	(2,131,809)	117,740,576
Other comprehensive income allocated to NCI	-	-	-	-	-
Less: Intra-group elimination	-	-	-	-	-
	82,200,581	37,671,804	-	(2,131,809)	117,740,576

<i>In Taka</i>	30 June 2017				Total
	SBPL	SNPL Unit II	SCPL	AAPL	
NCI percentage	51.00%	51.00%	51.00%	36%	
Non-current assets	5,227,429,244	2,882,826,949	313,285	949,863,376	9,060,432,855
Current assets	1,973,805,655	996,023,530	10,699,522	125,762,138	3,106,290,846
Non-current liabilities	(4,215,670,842)	(2,430,687,536)	-	-	(6,646,358,378)
Current liabilities	(1,302,129,935)	(500,762,031)	(1,129,807)	(337,864,514)	(2,141,886,287)
Net assets	1,683,434,122	947,400,912	9,883,000	737,761,000	3,378,479,035
Net assets attributable to NCI	858,551,402	483,174,465	5,040,330	265,593,960	1,612,360,157
Less: Intra-group elimination	-	-	-	140,000,000	140,000,000
	858,551,402	483,174,465	5,040,330	405,593,960	1,752,360,157

20 Project loan

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening balance	6,119,632,959	-	-	-
Loan drawdown	-	6,125,796,000	-	-
Repayment during the period/year	(82,550,000)	-	-	-
Transaction cost, net of amortisation	8,547,743	(137,762,841)	-	-
Exchange rate fluctuation effect	163,282,200	131,599,800	-	-
	6,208,912,902	6,119,632,959	-	-
Non-current	5,622,379,854	5,647,524,050	-	-
Current	586,533,048	472,108,909	-	-
	6,208,912,902	6,119,632,959	-	-

Infrastructure Development Company Limited (IDCOL) provided USD 30,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018 and Islamic Corporation for the Development of the Private Sector (ICD) also provided USD 20,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 10.5 years including 6 months grace period, repayable quarterly starting on 15 September 2017 for Summit Barisal Power Limited. On receipt of the loan the Group/Company had incurred an amount of Taka 82,978,510 as transaction costs. Further, the Group/Company had decided to capitalise such costs and to amortise the same over the years of loan repayment. Fixed and floating charges have been created on all assets of the borrowing company. The sponsor company, Summit Power Limited, has also given sponsor and corporate guarantee on such borrowings to the lenders to pay all money time to time, if there is any due.

Infrastructure Development Company Limited (IDCOL) provided USD 15,000,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018 and OPEC Fund for International Development (OFID) also provided USD 12,640,000 as long term project loan @ 4.25% per annum plus 3 months' LIBOR for a period of 12 years including 1 year grace period, repayable quarterly starting on 15 March 2018 Summit Narayananj Power Unit II Limited. On receipt of the loan the Group/Company had incurred an amount of Taka 60,961,468 as transaction costs. Further, the Group/Company had decided to capitalise such costs and to amortise the same over the years of loan repayment. Fixed and floating charges have been created on all assets of the borrowing company. The sponsor company, Summit Power Limited, has also given sponsor and corporate guarantee on such borrowings to the lenders to pay all money time to time if there is any due.

21 Redeemable preference shares

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening balance	983,677,920	1,301,682,020	-	312,254,100
Addition during the period	-	1,000,000,000	-	-
Transaction costs	-	(5,750,000)	-	-
	983,677,920	2,295,932,020	-	312,254,100
Repayment/settlement of installment	-	(1,312,254,100)	-	(312,254,100)
	983,677,920	983,677,920	-	-
Non-current	983,677,920	983,677,920	-	-
Current	-	-	-	-
	983,677,920	983,677,920	-	-

The preference shares were fully subscribed and paid up on 18 April 2016 bearing dividend @ 8.75% per annum payable half yearly commencing from October 2016. Preference shares were to be redeemed over 7 years or by 7 instalments payable at the end of each year commencing from April 2017. Subsequently, after making the first instalment, rest of the amount was fully repaid in earlier by replacement of issuance of new redeemable preference shares for Summit Barisal Power Limited and Summit Narayananj Power Unit II Limited.

The new redeemable preference shares are fully subscribed and paid up on 29 June 2017 bearing dividend @ 8.25% per annum payable yearly commencing from June 2018. Preference shares will be redeemed over 7 years or by 6 instalments payable at the end of each year commencing from June 2019.

22 Deferred liabilities

<i>In Taka</i>	Notes	Consolidated		Separate	
		31 December 2017	30 June 2017	31 December 2017	30 June 2017
Gratuity fund	22.1	121,662,413	115,162,895	111,399,311	105,514,293
Liability for assets retirement obligation	22.2	37,772,644	36,503,042	37,772,644	36,503,042
		159,435,057	151,665,937	149,171,955	142,017,335

Notes to the financial statements (Continued)

22.1 Gratuity fund

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening balance	115,162,895	87,485,817	105,514,293	84,161,276
Addition during the year/period	7,836,750	27,677,078	7,110,000	21,353,017
Payment during the year/period	(1,337,232)	-	(1,224,982)	-
Closing balance	121,662,413	115,162,895	111,399,311	105,514,293

The Company, for its present eligible local employees, operates a gratuity scheme. This gratuity scheme is not recognised by the National Board of Revenue. Every eligible employee covered by this scheme is entitled to get benefit equal to one last basic salary for every year of service.

22.2 Liability for assets retirement obligation

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening balance	36,503,042	34,058,921	36,503,042	34,058,921
Provision made during the year/period	1,269,602	2,444,121	1,269,602	2,444,121
Adjustment/payment made during the year/period	-	-	-	-
Closing balance	37,772,644	36,503,042	37,772,644	36,503,042

23 Unclaimed dividends

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening balance	43,380,882	185,051,305	43,380,882	185,051,305
Cash dividend declared during the period	3,203,631,717	-	3,203,631,717	-
Proceeds from sale of fractional shares	-	199,495	-	199,495
Cash dividend paid during the period	(3,075,584,464)	(141,869,918)	(3,075,584,464)	(141,869,918)
Closing balance	171,428,135	43,380,882	171,428,135	43,380,882

These amounts represent dividends that remained unclaimed by the shareholders as at 31 December 2017. These amounts are deposited in a bank account and are payable on demand.

24 Liability for deferred LCs

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
Opening balance	103,626,866	374,372,119	-	-
Addition during the period, net of repayment	1,702,922,658	103,626,866	-	-
Transfer/adjustment during the period	-	(374,372,119)	-	-
Closing Balance	1,806,549,524	103,626,866	-	-

25 Employee benefits payables

<i>In Taka</i>	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
<i>Liability for earned leave</i>				
Opening balance	61,158,850	46,143,881	55,651,044	44,024,138
Provision made during the year/period	8,094,706	16,189,410	6,389,964	12,779,928
Payment during the year/period	(1,065,641)	(1,174,441)	(1,065,641)	(1,153,022)
Closing balance	68,187,915	61,158,850	60,975,367	55,651,044

Notes to the financial statements (Continued)

26 Trade payables	Consolidated		Separate	
	31 December 2017	30 June 2017	31 December 2017	30 June 2017
<i>In Taka</i>				
Gas bill:				
Ashulia Power Plant	5,544,149	5,199,540	5,544,149	5,199,540
Ashulia Power Plant (Expansion)	15,993,283	14,312,022	15,993,283	14,312,022
Narsingdi Power Plant	5,558,054	5,087,132	5,558,054	5,087,132
Narsingdi Power Plant (Expansion)	12,424,081	9,757,606	12,424,081	9,757,606
Chandina Power Plant	3,904,992	5,386,261	3,904,992	5,386,261
Chandina Power Plant (Expansion)	4,230,803	6,282,869	4,230,803	6,282,869
Bakhrabad Gas Transmission and Dist. Co. Ltd.	24,097,334	26,321,286	24,097,334	26,321,286
Titas Gas Transmission and Dist. Co. Ltd.	71,546,723	71,775,043	71,546,723	71,775,043
Pashchimanchal Gas Co. Ltd.	9,282,245	10,626,562	9,282,245	10,626,562
Heavy furnace oil bill				
Madanganj Power Plant	1,239,573,807	632,653,797	1,239,573,807	632,653,797
Barisal Power Plant	395,230,245	891,568,824	-	-
Madanganj-2 Power Plant	241,835,385	363,448,361	-	-
Navana Petroleum Limited		5,704,000	-	5,704,000
Mobile Jamuna Lubricants Bangladesh Limited		6,972,152	-	6,293,945
Rangs Petroleum Limited	5,047,296	7,231,680	-	-
Corona International	41,000	-	-	-
Wartsila Bangladesh Ltd.	1,942,500	-	-	-
	2,036,251,897	2,062,327,135	1,392,155,471	799,400,063
27 Other payables and accruals				
<i>In Taka</i>				
Provision for income tax	66,948,401	56,152,325	54,462,450	56,152,325
Liability for withholding tax and VAT	5,406,822	43,235,028	2,225,501	2,710,600
Utility bills (gas, rent, rate and others)	181,218	5,470,689	126,500	5,415,971
Refundable IPO subscription of SPPCL	156,566	156,566	156,566	156,566
Summit Oil and Shipping Limited	21,620,729	15,307,280	4,800,000	2,400,000
Provision for C & F agents	-	67,148	-	67,148
Navana Petroleum Ltd.	5,627,067	-	-	-
Wartsila Bangladesh Limited	9,033,057	10,298,632	7,195,557	10,298,632
Aitken Spence	-	16,979,306	-	-
Security deposit money from suppliers	23,457,163	23,528,775	-	-
Aitken Spence Plc., Sri Lanka	16,979,306	-	-	-
Preference issue management fees	-	4,250,000	-	-
Dividend payable on preference shares	41,937,500	1,760,000	-	-
Interest payable on loan	16,839,220	15,067,351	-	-
Green Dot Limited	923,900	1,108,900	-	-
Corona International/Baltic Control Ltd.	-	174,125	-	-
Resources and Solutions Ltd.	256,450	-	256,450	-
Snipro	74,021	-	74,021	-
Energypac Engineering	642,800	642,800	642,800	642,800
SBS International Business Limited	2,250,122	-	-	-
Technoworth Associates Limited	225,000	-	-	-
Audit and certification fees	627,900	2,346,575	627,900	1,409,900
Security service expenses	1,556,046	1,204,705	1,032,126	1,204,705
Bangla Trac Ltd.	332,869	332,869	332,869	332,869
Security deposit from employees	335,000	215,000	335,000	215,000
Others	5,736,658	5,057,349	1,169,011	1,209,400
	221,147,815	203,355,423	73,436,751	82,215,916

Notes to the financial statements (Continued)

28 Revenue	Half year ended				Second quarter ended			
	July to December 2017		July to December 2016		October to December 2017		October to December 2016	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>								
Ashulia Power Plant	92,973,249	92,973,249	88,173,374	88,173,374	47,484,299	47,484,299	42,829,008	42,829,006
Ashulia Power Plant (expansion)	461,685,922	461,685,922	431,588,325	431,588,325	224,478,664	224,478,664	196,841,381	196,841,381
Machabadi Power Plant	99,336,189	99,336,189	89,933,738	89,933,738	49,177,618	49,177,618	45,029,072	45,029,072
Machabadi Power Plant (expansion)	353,994,788	353,994,788	309,674,620	309,674,620	185,723,972	185,723,972	161,412,029	161,412,029
Chandina Power Plant:	95,908,523	95,908,523	92,504,143	92,504,143	47,138,133	47,138,133	45,948,038	45,948,038
Chandina Power Plant (expansion)	197,943,629	197,943,629	194,284,330	194,284,330	98,443,842	98,443,842	96,642,511	96,642,511
Jangalia Power Plant	358,844,866	358,844,866	298,156,612	298,156,612	175,099,269	175,099,269	112,510,163	112,510,163
Rupganj Power Plant	403,266,330	403,266,330	341,570,985	341,570,985	201,326,394	201,326,394	174,026,484	174,026,484
Miara Power Plant:	401,873,131	401,873,131	367,872,330	367,872,330	205,630,177	205,630,177	181,045,566	181,045,566
Uliapara Power Plant	124,264,357	124,264,357	111,668,456	111,668,456	58,185,843	58,185,843	50,360,719	50,360,719
Madangan Power Plant	1,758,047,317	1,758,047,317	1,995,260,411	1,995,260,411	750,098,059	750,098,059	930,425,573	930,425,573
Rupganj Power Plant:	2,823,060,301	2,823,060,301	2,535,573,075	2,535,573,075	1,099,243,404	1,099,243,404	1,098,422,430	1,098,422,430
Madangan Power Plant (Unit II)	1,399,739,172	1,399,739,172	1,103,836,299	1,103,836,299	613,820,125	613,820,125	448,549,406	448,549,406
	8,570,937,774	8,570,937,774	7,960,096,898	7,960,096,898	4,320,687,324	4,320,687,324	3,573,842,500	3,573,842,500
	4,348,138,301	4,348,138,301	4,320,687,324	4,320,687,324	2,042,796,270	2,042,796,270	1,616,553,676	1,616,553,676
29 Cost of sales								
Gas consumption:								
Ashulia Power Plant	29,771,324	29,771,324	28,616,892	28,616,892	15,201,154	15,201,154	14,270,937	14,270,937
Ashulia Power Plant (expansion)	86,135,883	86,135,883	67,874,051	67,874,051	41,931,995	41,931,995	30,423,078	30,423,078
Machabadi Power Plant	32,469,851	32,469,851	25,507,193	25,507,193	15,791,835	15,791,835	11,995,274	11,995,274
Machabadi Power Plant (expansion)	71,327,969	71,327,969	57,326,925	57,326,925	37,032,050	37,032,050	31,719,503	31,719,503
Chandina Power Plant	30,493,659	30,493,659	29,388,675	29,388,675	14,242,022	14,242,022	14,338,736	14,338,736
Chandina Power Plant (expansion)	37,140,184	37,140,184	32,964,452	32,964,452	18,308,046	18,308,046	16,582,532	16,582,532
Jangalia Power Plant	91,133,419	91,133,419	72,363,250	72,363,250	41,837,844	41,837,844	29,249,303	29,249,303
Rupganj Power Plant	111,341,697	111,341,697	94,179,361	94,179,361	53,178,118	53,178,118	51,382,218	51,382,218
Miara Power Plant	114,810,508	114,810,508	108,857,149	108,857,149	57,266,324	57,266,324	56,101,475	56,101,475
Uliapara Power Plant	34,305,846	34,305,846	29,627,107	29,627,107	15,178,783	15,178,783	13,160,165	13,160,165
HFC consumption:								
Madangan Power Plant	1,088,017,207	1,088,017,207	1,303,816,697	1,303,816,697	416,572,604	416,572,604	601,653,676	601,653,676
Rupganj Power Plant:	2,186,318,296	2,186,318,296	1,896,891,987	1,896,891,987	789,335,850	789,335,850	771,883,467	771,883,467
Madangan Power Plant (Unit II)	1,062,511,172	1,062,511,172	767,708,921	767,708,921	446,737,326	446,737,326	279,981,153	279,981,153
Tankage handling charge	37,011,408	37,011,408	35,012,562	35,012,562	14,428,849	14,428,849	7,229,786	7,229,786
General consumables	13,018,234	13,018,234	28,537,569	28,537,569	8,533,173	8,533,173	(680,766)	(680,766)
Lube and other oil expenses	163,020,617	163,020,617	205,095,437	205,095,437	2,412,729	2,412,729	38,817,976	38,817,976
Lube oil, meter and water testing expenses	2,688,354	2,688,354	3,275,943	3,275,943	2,630,968	2,630,968	2,401,029	2,401,029
Salaries and allowances	128,171,318	128,171,318	109,440,318	109,440,318	88,353,855	88,353,855	35,271,775	35,271,775
Employers contribution to provident fund	5,730,958	5,730,958	4,040,114	4,040,114	5,730,958	5,730,958	4,642,980	4,642,980
Insurance premium:	34,751,157	34,751,157	27,811,754	27,811,754	14,596,901	14,596,901	14,457,189	14,457,189
Daily labor charges	11,229,165	11,229,165	10,507,019	10,507,019	5,666,355	5,666,355	5,652,716	5,652,716
Lease land rental	2,536,106	2,536,106	2,721,690	2,721,690	1,618,188	1,618,188	1,471,755	1,471,755
Security service expenses	10,325,256	10,325,256	8,059,089	8,059,089	5,764,865	5,764,865	4,924,500	4,924,500
BERC licence fees	999,887	999,887	434,087	434,087	128,581	128,581	(599,850)	(599,850)
Plant maintenance expenses	76,283,783	76,283,783	51,535,345	51,535,345	20,281,615	20,281,615	26,782,753	26,782,753
Depreciation on plant and machineries	584,089,246	584,089,246	432,920,444	432,920,444	230,928,649	230,928,649	494,885,610	494,885,610
	6,045,632,504	6,045,632,504	5,500,375,167	5,500,375,167	2,918,800,282	2,918,800,282	2,673,818,269	2,673,818,269
	2,451,509,046	2,451,509,046	2,451,509,046	2,451,509,046	1,016,796,109	1,016,796,109	1,445,731,582	1,445,731,582

Notes to the financial statements (Continued)

In Taxa	Half year ended				Second quarter ended			
	July to December 2017		July to December 2016		October to December 2017		October to December 2016	
	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
30 Other income, net	4,839,461	350,917,048	1,984,495	1,684,495	4,577,342	350,917,048	1,078,175	1,584,495
Dividend income	350,917,048	350,917,048	223,071,548	523,071,548	350,917,048	350,917,048	223,071,548	523,071,548
Miscellaneous, net of expenses	(4,745,170)	706,202	(2,931,036)	2,024,716	(5,080,784)	370,588	612,320	6,000
	351,011,339	351,623,250	227,987,079	526,780,759	350,413,606	351,287,636	224,762,043	524,762,043
31 General and administrative expenses	45,837,938	45,219,116	41,986,502	41,524,003	18,309,397	18,622,937	15,463,127	15,639,077
Salaries and allowances	1,990,957	1,819,957	1,594,548	1,423,548	1,990,957	1,819,957	1,594,548	1,423,548
Employer's contribution to provident fund	7,553,500	7,110,000	7,553,500	7,110,000	3,975,250	4,176,250	(455,182)	(665,361)
Gratuity	20,470,275	20,470,275	19,882,500	19,882,500	9,694,122	9,694,122	9,941,250	9,941,250
Directors and CEO's remuneration	10,296,960	10,296,960	7,008,375	7,008,375	3,016,442	3,016,442	2,982,375	2,982,375
Tax on directors remuneration	12,217,213	12,217,213	1,141,795	978,962	11,793,483	11,802,213	248,611	93,858
Security service and temporary contract worker	283,043	283,043	5,412,984	149,778	149,778	149,778	3,127,269	3,127,269
Education and training	273,341	233,035	284,147	168,341	173,880	140,063	102,078	59,055
Employee welfare	903,533	564,701	1,270,627	1,270,627	163,042	235,290	1,076,232	1,076,232
Board meeting attendance fees	44,000	80,000	90,000	90,000	-	-	-	60,000
Board meeting-other expense	5,022,268	3,669,878	4,762,582	4,338,716	2,689,198	1,632,703	2,537,626	2,414,265
Audit committee attendance fees	3,325,654	2,526,349	3,743,513	2,640,670	1,842,027	1,513,283	2,132,506	1,481,924
Communication	6,850,775	6,484,173	6,770,290	6,565,117	3,091,124	2,888,135	3,475,655	3,293,404
Travelling and conveyance	7,331,500	5,774,130	6,480,398	5,144,925	3,283,159	2,643,962	3,043,864	2,337,199
Vehicle fuel and maintenance	431,447	431,447	471,676	471,676	227,255	227,255	260,618	260,618
Entertainment	2,175,849	1,891,052	1,416,317	1,081,518	1,351,775	1,231,687	783,012	588,707
Food and lodging	778,078	560,136	539,406	425,863	404,878	275,312	261,223	261,223
Printing and stationery	4,620,379	3,591,104	3,899,357	2,639,213	2,321,800	1,498,052	2,186,891	1,380,885
Office expenses	-	-	242,653	242,653	-	-	242,653	242,653
General repair and maintenance	2,916,857	2,557,258	3,884,813	2,854,227	(1,475,602)	(1,973,667)	(1,889,714)	(2,332,634)
Land lease rental	1,181,726	948,584	5,176,773	4,189,944	(593,198)	(1,313,264)	2,803,220	2,407,410
Rent, rates and taxes	969,235	969,235	180,112	190,112	670,443	670,443	(111,911)	(111,911)
Utility expenses	1,853,832	1,853,832	1,615,250	1,515,250	671,320	671,320	588,250	588,250
Insurance premium	281,362	253,862	406,568	365,568	64,150	56,650	66,300	46,300
Advertisement and publicity	20,791,142	19,719,157	19,523,927	19,430,667	8,285,034	7,291,049	12,785,167	12,740,167
Gift and compliments	13,826,864	11,300,304	9,534,470	7,615,050	7,023,676	7,342,344	4,250,010	3,993,500
Donation and subscription	3,645,120	2,610,220	3,117,085	2,277,555	1,200,890	165,990	988,995	155,545
Legal and professional consultancy fees	194,750	194,750	802,000	270,000	194,750	194,750	(60,500)	(592,500)
Uniform and liveries	-	-	-	-	-	-	(71,326)	-
Audit fees	724,300	604,240	525,824	498,674	429,310	328,570	318,930	291,780
Credit rating fees	434,385	434,385	134,550	134,550	434,385	434,385	-	-
Environmental compliance	6,493,262	6,493,262	3,151,992	3,151,992	6,325,512	6,325,512	2,575,250	2,575,250
ISO certification	489,700	489,700	-	-	489,700	489,700	(701,470)	(701,470)
Annual General Meeting expenses	29,523,223	27,082,732	22,578,321	21,325,220	22,443,131	21,692,628	13,031,243	12,195,879
Extra ordinary General Meeting expenses	298,650	298,650	166,666	166,666	215,317	215,317	83,333	83,333
Depreciation	1,825,374	1,638,947	4,936,987	3,802,830	802,636	942,713	1,721,783	950,783
Amortisation	6,056,284	5,025,691	1,903,322	1,279,642	1,787,980	1,434,200	1,388,300	1,039,820
Tender document expenses	-	-	-	-	-	-	-	-
Business Development expenses	-	-	1,708,917	1,708,917	-	-	1,708,917	1,708,917
Bad debt expense	11,424	11,424	12,183	12,183	(205,876)	-	(3,000)	-
Building Maintenance	222,014,200	205,677,378	194,825,656	180,079,231	113,241,125	106,538,081	88,582,803	81,146,600
Miscellaneous	-	-	-	4,200	-	-	-	-
	222,014,200	205,677,378	194,825,656	180,079,231	113,241,125	106,538,081	88,582,803	81,146,600

Notes to the financial statements (Continued)

In Taka	July to December 2017		Half year ended		July to December 2016		Second quarter ended	
	Consolidated		Separate		Consolidated		Separate	
	July to December 2017	July to December 2016	July to December 2016	July to December 2016	October to December 2017	October to December 2016	October to December 2016	October to December 2016
31 Annual fees include SOI registration fee, trade license renewal fee and application fees of BSEC, DSE, CSE and CDBL.								
32 Net finance costs								
Finance income								
Interest on FDRs & STDs	89,781,020	89,781,020	36,766,268	34,509,113	33,101,679	33,101,679	19,081,176	18,997,588
Interest on STDs	34,689,850	3,855,163	8,088,125	-	34,689,850	3,855,163	-	-
Interest on inter-company financing	(153,322,231)	9,959,969	(581,858)	38,779	(134,112,296)	12,603,704	-	38,779
Foreign exchange gain/(loss)	(28,851,361)	103,596,152	44,274,935	34,547,892	(66,320,767)	49,560,546	19,081,176	19,036,367
Finance expenses								
Interest on loan								
Bank Asia Ltd/The City Bank Ltd.	100,000	100,000	2,251,111	2,251,111	-	-	-	-
Liquidated damage	-	-	30,545	30,545	-	-	11,675	11,675
Interest on term loan	180,722,551	-	218,499,578	-	91,754,751	-	129,558,936	-
Dividend on redeemable preference shares	41,937,500	-	52,563,595	-	8,327,476	20,654,167	22,118,053	-
	222,760,051	100,000	273,354,819	10,619,132	112,608,918	-	151,688,264	11,675
Others								
Bank charges and others	2,615,282	2,563,107	672,117	457,412	2,090,797	2,518,500	21,144,000	329,444
Bank guarantee commission	7,976,659	7,107,239	5,281,867	4,274,187	4,907,300	4,037,900	4,846,145,000	3,640,445
Amortisation on ARC	1,269,602	1,269,602	1,146,972	1,146,972	634,801	634,801	474,609,000	474,609
Operation and insurance bond commission	1,225,753	1,225,753	-	-	558,406	558,406	(657,347,000)	(657,347)
Amortisation of transaction costs	8,998,560	-	-	-	4,499,280	-	-	-
Annual fees	5,091,437	-	1,890,167	1,150,000	2,870,924	-	740,167,000	-
	27,177,293	12,165,721	8,991,143	7,028,571	15,561,508	7,749,607	5,416,718	3,977,151
Finance expenses	249,837,344	12,265,721	282,345,962	17,647,703	128,170,426	7,749,607	157,104,982	3,988,826
Net finance income/(costs)	(278,788,705)	91,330,431	(238,071,427)	16,900,189	(194,491,193)	41,810,939	(138,023,806)	15,047,541
33 Income tax expenses								
Current tax expenses	12,485,951	-	-	-	12,485,951	-	-	-
	12,485,951	-	-	-	12,485,951	-	-	-
34 Earnings per share (EPS)								
Basic earnings per share								
Basic earnings per share	2,483,174,611	2,133,905,558	2,108,339,344	1,765,488,760	1,436,612,285	1,312,550,655	1,030,721,083	1,049,802,066
Profit attributable to the ordinary shareholders (basic)								
Weighted average number of shares outstanding (basic)	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239
Ordinary shares fully outstanding	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239	1,067,877,239
Earnings per share (EPS)	2.33	2.00	1.97	1.65	1.35	1.23	0.97	0.99

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. The weighted average number of shares is calculated in case of bonus share by assuming that the shares have always been in issue. This means that they have been issued at the start of the year presented as the comparative figures.

35 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages:

35.1	Basis of consolidated and separate financial statements
35.2	Property, plant and equipment
35.3	Intangible assets
35.4	Leased assets
35.5	Inventories
35.6	Provisions
35.7	Contingencies
35.8	Employee benefits
35.9	Revenue
35.10	Taxation
35.11	Foreign currency translation
35.12	Finance income and expenses
35.13	Financial instruments
35.14	Impairment
35.15	Earnings per share (EPS)
35.16	Dividends
35.17	Statement of cash flows
35.18	Materiality and aggregation
35.19	Events after the reporting period
35.20	Standards issued but not yet effective

35.1 Basis of consolidated and separate financial statements

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Name of Subsidiaries	% of controlling interest	% of non-controlling interests
Summit Barisal Power Limited	49	51
Summit Narayananj Power Unit II Limited	49	51
Summit Chittagong Power Limited	49	51
Ace Alliance Power Limited	64	36

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

ii) Transactions eliminated on consolidation

The financial statements of the subsidiaries have been consolidated with those of Summit Power Limited in accordance with BFRS 10: *Consolidated Financial Statements*. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees (that means in any company wherein Summit Power Limited has made investments, if any) are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. However, on 30 September 2016, the Company has no such investments.

iii) Basis of preparation of separate financial statements

The Group has presented separate financial statements in addition to consolidated financial statements.

iv) Disclosure of interests in other entities

As a result of BFRS 12: *Disclosure of Interests in Other Entities*, the Group has extended its disclosures about its interests in subsidiaries and equity-accounted investees.

35.2 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

Applying the requirement of Bangladesh Financial Reporting Interpretation (BFRI) 4: *Determining whether an Arrangement contains a Lease*, the Power Purchase Agreement (PPA) between the Company/Group units and BPDB/BREB can be said to contain a lease arrangement. This could be interpreted as resulting in the transfer of substantially all of the risks and rewards incidental to the ownership to the underlying assets (power plant) to the off taker (BPDB/BREB) who would effectively be the lessee. However, management concluded that the PPA does not transfer substantially all risks incidental to ownership as per the requirement of para 17 of BAS 17. As such, all these lease arrangements are considered as an operating lease.

ii) Capitalisation of borrowing cost

Finance costs that are directly attributable to the construction of plants are included in the cost of those plants in compliance with BAS 23: *Borrowing Costs*. Capitalisation of borrowing costs ceases upon receipt of independent engineers' report which, in accordance with Power Purchase Agreement, confirms the availability of plants for use.

iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company/Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred. Spare parts whose estimated useful life is more than two years are capitalised and depreciated using the straight-line method over the estimated useful life of between 2 to 10 years when used in major repair and maintenance processes. The spare parts which are replaced by a major overhaul will be removed from the cost of property, plant and equipment.

iv) Revaluation of land and plant and machinery

The Company and the Group units have revalued the plant and machinery, civil works and land of their own units on various dates. The Company/Group transfers the excess depreciation on revalued assets to retained earnings. Details are as follows:

Name of Company	Items revalued	Name of Valuer
Ashulia (Savar), Madhabdi (Narsingdi) and Chandina (Comilla) Power Summit Power Limited)	Plant, machineries and civil works Plants (under Land and land development	S. F. Ahmed & Co., Chartered Accountants S. F. Ahmed & Co., Chartered Accountants
Rupganj (Narayanganj) and (Comilla) Power Summit Purbanchol Power Company Limited)	Jangalia Land and land development Plants (formerly under	S. F. Ahmed & Co., Chartered Accountants
Madanganj (Narayanganj) Power (formerly under Summit Narayanganj Power Limited)	Plant Land and land development Land and land development	ACNABIN, Chartered Accountants S. F. Ahmed & Co., Chartered Accountants

v) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment including leased assets except land and land developments. Land and land developments are not depreciated.

Plant and machinery are depreciated from the month in which the asset comes into use or is capitalised other than revalued plant and machinery which are depreciated from the calendar year following the year of revaluation. According to the Power Purchase Agreement independent engineers' report confirms the availability of plants for use. Other items of property, plant and equipment continue to be depreciated from the month immediately following the month on which the asset comes into use or is capitalised. In case of disposals, depreciation is charged for full month in the month of disposal.

Depreciation of power plant has been charged considering 30 years useful life and residual value of 15% of original cost, on straight line basis on the ground that management intends to continue with operation after completion of 5 to 15 years as stated in the Power Purchase Agreement (PPA). According to PPA the management can apply for extension of the agreement two years before the expiry of the agreement and management has decided to exercise this option unless it would clearly be not in the interest of the Company/Group at that stage except Madanganj power plant.

The estimated useful lives of property, plant and equipment as determined have been shown below:

<i>In Years</i>	2017	2016
Furniture and fixtures	10	10
Office and electrical equipment	5	5
Office decoration	5	5
Motor vehicles	5	5
Maintenance equipment	5	5
Civil works and others	5	5
Plant and machinery:		
Main transformer	20	20
Genset	30	30
Electrical substation	20	20
Mechanical parts	30	30
Balance of plant (BOP)	30	30
Critical and capital spare parts	2 to 30	2 to 30

vi) Retirements and disposals

An asset is derecognised upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income in statement of profit or loss and other comprehensive income.

vii) Asset retirement obligations

Asset retirement obligations are recognised when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The periodic unwinding of the discount is recognised in statement of profit or loss and other comprehensive income as a finance cost as it occurs.

viii) Capital work in progress

Capital work in progress consists of acquisition costs of plant and machinery, capital components and related installation cost until the date placed in service. In case of import of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company/Group, i.e. at the time shipment is confirmed by the supplier.

35.3 Intangible assets

i) Recognition and measurement

Intangible assets that are acquired by the Company/Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per BAS 38: *Intangible assets* are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

ii) Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in statement of profit or loss and other comprehensive income as incurred.

iii) Amortisation

IT software and brand are amortised over 5 and 30 years respectively from the year of first utilisation. The brand represents a payment made by the Summit Power Limited in 2008 to Summit Corporation Limited to use name and other intellectual properties of Summit Corporation Limited.

Amortisation of intangible assets is charged from the year of acquisition and are amortised under straight line method.

35.4 Leased assets

34.4.1 Finance lease

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Each lease payment is allocated to the principal amount and to the finance charges in a such a way to achieve a constant rate on the finance balance outstanding.

i) Recognition and measurement

Finance leases have been recognised as assets and liabilities in the statement of financial position at amounts equal at the inception of lease to the lower of fair value of leased property and present value of minimum lease payments. The interest implicit in the lease has been spread equally over the lease term.

ii) Depreciation

Finance leases give rise to depreciation expense for a depreciable asset as well as a finance expense for each accounting year. The depreciation policy for depreciable assets is consistent with that for depreciable assets which are owned.

34.4.2 Operating lease

All leases other than those which meet the definition of finance lease are treated as operating lease and are not recognised in the statement of financial position. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income.

35.5 Inventories

Inventories consist of maintenance spare parts, lube oil, and fuel. These are for use in the operation and maintenance of power plants. Inventories are measured at lower of cost and net realisable value less allowance for obsolescence. Cost is calculated on First In First Out (FIFO) basis.

35.6 Provisions

A provision is recognised on the date of statement of financial position if, as a result of past events, the Company/Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation except the amount payable for letter of credit.

35.7 Contingencies

i) Contingent liability

Contingent liability is a possible obligation that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity/Group.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

ii) Contingent asset

Contingent asset is a possible asset that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company/Group.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

35.8 Employee benefits

The Company/Group maintains both defined benefit plan (gratuity), defined benefit plan (leave encashment) and defined contribution plan (Contributory Provident Fund) plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective employee benefit policies.

i) Defined benefit plan (gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company/Group operates an un-funded gratuity scheme which is a defined benefit scheme. A provision in respect of this is made periodically covering all permanent employees by applying year of employment to latest basic salary. Although no actuarial valuation was done to quantify actuarial liabilities as per BAS 19 *Employment Benefits*, such valuation is not likely to yield a result significantly different from the current provision as the number of permanent employee who fall under this plan is only three hundred and twenty two. Gratuity scheme is not recognised by the National Board of Revenue.

ii) Defined benefit plan (leave encashment)

The Company accrues annual leave for each permanent employee, if one does not avail the leave, at 1.5 times of basic salary. The upper limit is 15 days accrual per year per employee.

iii) Defined contribution plan (provident fund)

The Company/Group operates Contributory Provident Fund (CPF) for all its permanent employees, which is a defined contribution plan. The provident fund is administered by the Board of Trustee and is funded by contributions from employees and from the Company at 10% of the basic pay. These contributions are invested separately from the Company's/Group's business. This fund is recognised by National Board of Revenue.

iv) Workers' Profit Participation Fund (WPPF)

According to the Labour Act 2006 (amended in 2013) ("the Act"), any company that fulfils the prescribed criterion of this Act is required to set up a workers' profit participation and welfare fund. With effect from 1 January 2014 the management of the Company/Group underwent an internal Human Resource restructuring exercise. The Company/Group employs only managers and all of their employees are part of the management authority entrusted with managerial responsibilities and all other services are outsourced. As such, the Company/Group does not have any "beneficiary" for the purpose of the Act and therefore no such fund is required to be created. This is supported by opinion obtained by the Company from external legal counsel.

35.9 Revenue

Revenue is recognised in the profit or loss upon supply of electricity, quantum of which is determined by survey of meter reading. Revenue is measured at fair value of consideration received or receivable. Revenue under Power Purchase Agreement (PPA) comprises capacity payments and energy payments. Capacity payments are recognised according to the terms set out in the PPA. Energy payments are calculated based on electricity delivered.

35.10 Taxation

ij) Current tax

No provision is required for income tax on the Company's/Group's profits as the Company/Group has received exemption from all such taxes from the Government of Bangladesh under the Private Sector Power Generation Policy for a period of 15 years from start of its commercial operation. Such exemption is applicable for the power plants and the period as stated below:

<u>Name of plants</u>	<u>Tax exemption expires on</u>
Ashulia-1 (Savar), Madhabdi-1 (Narsingdi) and Chandina-1 (Comilla) Power Plants (under Summit Power Limited)	August 2018
Ashulia Power Plant (Unit-2) (under Summit Power Limited)	December 2022
Madhabdi Power Plant (Unit-2) (under Summit Power Limited)	December 2021
Chandina Power Plant (Unit-2) (under Summit Power Limited)	November 2021
Rupganj (Narayanganj) and Jangalia (Comilla) Power Plants (formerly under Summit Purbanchol Power Company Limited)	June 2024
Maona (Gazipur) and Ullapara (Sirajganj) Power Plants (formerly under Summit Uttaranchol Power Company Limited)	March 2024

In case of Madanganj (Narayanganj) Power Plant, no provision is required for income tax on the Company's profits as the Bangladesh Power Development Board (BPDB) is responsible for payment of income taxes, other taxes, VAT, duties, levies and all other charges imposed inside Bangladesh on any payments made by BPDB to the Company for a period of 10 years from start of its commercial operation.

ij) Deferred tax

As there is considerable uncertainty with regard to the taxation of such companies after the expiry of the tax exemption period, the management feels it is not possible to make a reasonable estimate of deferred tax assets/liabilities at this stage.

35.11 Foreign currency translation

Foreign currency transactions are translated into Bangladesh Taka at the rates ruling on the transaction date. All monetary assets and liabilities at the statement of financial position date are retranslated using rates prevailing on that day. Foreign currency differences arising on retranslation are recognised on the statement of profit or loss and other comprehensive income.

35.12 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised on accrual basis.

Finance expenses comprise interest expense on loan, overdraft, finance lease, forex gain/(loss) and bank charges. All borrowing costs are recognised in profit or loss using effective interest method except to the extent that they are capitalised during construction period of the plants in accordance with BAS 23: *Borrowing costs*.

35.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Accounting policies relating to different type of financial instruments are described below:

35.13.1 Financial assets

The Company/Group initially recognises receivables on the date that they are originated. All other financial assets are recognised initially on the date at which the Company/Group becomes a party to the contractual provisions of the transaction.

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

Financial assets include cash and cash equivalents except cash in hand, trade receivables, other receivables, available-for-sale financial assets and deposits.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks and fixed deposits receipt which are held and available for use by the Company/Group without any restriction. For the purposes of statement of cash flow, cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's/Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Trade receivables

Trade receivables consists of unpaid bills receivable from Bangladesh Rural Electrification Board (BREB) and Bangladesh Power Development Board (BPDB). Trade receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowances for doubtful receivables at the year end.

(iii) Other receivables

Other receivables are stated at amounts which are considered realisable.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale by management. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

iii) Deposits

Deposits are measured at payment value.

35.13.2 Financial liabilities

Financial liabilities are recognised initially on the transaction date at which the Company/Group becomes a party to the contractual provisions of the liability except the amount payable for letter of credit. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include project loan, redeemable preference shares, inter company payables, trade creditors and other current liabilities.

(i) Project loan

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

(ii) Trade payables

Trade creditors consist of unpaid bills payable to different parties for lubricant consumption. The Company/Group recognises a trade creditor when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

(ii) Redeemable preference shares

Formerly, Summit Purbanchol Power Company Limited and Summit Uttaranchol Power Company Limited (which have been merged with Summit Power Limited) had issued redeemable preference shares during 2010. As per BAS 32: *Financial Instruments: Presentation*, the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in these financial statements.

35.13.3 Offsetting financial asset and financial liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company/Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

35.14 Impairment

i) Financial assets

Receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, etc.

(ii) Non-financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The Company/Group assesses at each reporting date whether there is any indication that an asset or a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company/Group estimates the recoverable amount of the asset or CGU. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in profit or loss and other comprehensive income, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease. As at 30 June 2016, the assessment of indicators of impairment reveals that impairment testing is not required for the Company/Group.

(iii) Inventories

Inventories are measured at the lower of cost and net realisable value. These are for use in the operation and maintenance of power plants. As inventories are for internal use, the value is unlikely to diminish.

35.15 Earnings per share (EPS)

The Company/Group represents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company/Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by the adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the affects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares during the year ended 30 June 2016.

35.16 Dividends

Final dividend distributions to the Company's/Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's/Group's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the year in which the dividends are declared and paid.

35.17 Statement of cash flows

Cash flows from operating activities have been presented under direct method as per BAS 7: *Statement of Cash Flows*.

35.18 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

35.19 Events after the reporting period

Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

35.20 Standards issued but not yet effective

The Group has consistently applied the accounting policies to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2015 have been considered. However, these amendments have no material impact on the financial statements of the Group.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted. However, the Group has not early applied the following new standards in preparing these financial statements:

(i) BFRS 9 Financial Instruments

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39: *Financial Instruments: Recognition and Measurement*. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of BFRS 9.

(ii) BFRS 15 Revenue from Contracts with Customers

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRS 13 Customer Loyalty Programs. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is yet to assess the potential impact of BFRS 15 on its financial statements.

(iii) BFRS 14 Regulatory Deferral Accounts

BFRS 14 specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. BFRS 14 is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted. However, the Company does not perform any activity that is subject to rate regulation.

(iv) BFRS 16 Leases

BFRS 16 eliminates the current operating/finance lease dual accounting model for leases. Instead, there is a single, on-balance sheet accounting model, similar to current finance lease accounting. Issued in January 2016, the new BFRS will replace the existing guidance in BAS 17 Leases. BFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption is permitted if BFRS 15 Revenue from Contracts with Customers is also adopted. The Group is yet to assess the potential impact of BFRS 16 on its financial statements.