

**United Power Generation &
Distribution Company Ltd.**

Un-audited Consolidated financial statements
as at and for the period ended 31 December 2020

United Power Generation & Distribution Company Ltd.
Un-audited Consolidated statement of financial position

		31 December 2020		30 June 2020	
<i>In Taka</i>	<i>Note</i>	Consolidated	Separate	Consolidated	Separate
Assets					
Property, plant and equipment	5	41,691,125,558	7,850,012,627	19,097,479,899	8,021,031,738
Capital Work In Progress (CWIP)	6	1,680,618,184		1,615,721,811	-
Right of use assets	7	213,288,878	24,015,768	224,133,730	24,747,212
Investment in subsidiary	8	-	5,317,935,192	-	3,297,000
Non-current assets		43,585,032,619	13,191,963,587	20,937,335,440	8,049,075,950
Inventories	9	2,319,252,922	677,409,764	1,331,234,455	734,840,489
Trade and other receivables	10	8,685,810,920	1,230,728,675	2,726,449,063	1,407,646,707
Receivable from related party	11	7,507,873,467	10,665,411	10,417,707,665	5,176,876,020
Advances, deposits and prepayments	12	166,091,417	70,113,155	139,556,570	71,814,584
Investment in marketable securities	13	144,304,301	144,304,301	92,817,221	92,817,221
Advance income tax	14	18,383,416	-	15,459,522	-
Cash and cash equivalents	15	1,780,662,360	589,791,849	417,010,048	323,879,180
Current assets		20,622,378,803	2,723,013,155	15,140,234,544	7,807,874,201
Total assets		64,207,411,422	15,914,976,742	36,077,569,984	15,856,950,151
Equity					
Share capital	16	5,796,952,700	5,796,952,700	5,269,957,000	5,269,957,000
Share premium	17	2,046,000,000	2,046,000,000	2,046,000,000	2,046,000,000
Revaluation reserve	18	57,123,286	-	57,459,283	-
Retained earnings	19	19,269,238,530	2,589,739,281	21,933,085,610	8,305,986,678
Equity attributable to the owners of the Company		27,169,314,516	10,432,691,981	29,306,501,893	15,621,943,678
Non-controlling interests	20	585,940,983		544,709,204	-
Total equity		27,755,255,499	10,432,691,981	29,851,211,097	15,621,943,678
Liabilities					
Borrowings	21	11,412,517,336	-	4,081,869,702	-
Security money received	22	700,000	700,000	700,000	700,000
Land lease Liability	23	24,463,086	24,463,086	24,449,893	24,449,893
Non-current liabilities		11,437,680,422	25,163,086	4,107,019,595	25,149,893
Deferred revenue	24	263,191,682	-	263,191,682	-
Trade and other payables	25	5,539,722,918	371,019,115	266,775,089	156,313,540
Accrued expenses	26	141,774,606	21,336,934	25,688,770	18,988,856
Borrowings	21	5,229,366,610	-	782,948,179	-
Land lease Liability	23	446,273	446,273	905,739	905,739
Payable to related party	27	13,808,668,732	5,064,319,354	750,470,660	33,648,445
Current Tax liability	28	31,304,681	-	29,359,173	-
Current liabilities		25,014,475,501	5,457,121,675	2,119,339,292	209,856,580
Total liabilities		36,452,155,923	5,482,284,761	6,226,358,887	235,006,473
Total equity and liabilities		64,207,411,422	15,914,976,742	36,077,569,984	15,856,950,151

The annexed notes 1 to 56 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director

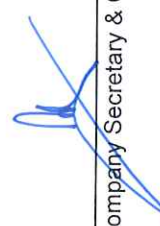

 Chairman


United Power Generation & Distribution Company Ltd.
Un-audited Consolidated statement of profit or loss and other comprehensive income

In Taka	Note	For the half year ended					
		July 2020 to December 2020		July 2019 to December 2019		October 20 to December 20	
		Consolidated	Separate	Consolidated	Separate	Consolidated	Separate
Revenue	29	16,179,446,162	3,420,115,096	5,430,898,381	3,313,017,911	6,954,674,659	1,716,384,297
Cost of sales	30	(10,211,871,037)	(1,253,009,440)	(2,239,274,304)	(1,248,621,361)	(4,116,817,977)	(662,117,444)
Gross profit		5,967,575,125	2,167,105,656	3,191,624,077	2,064,396,550	2,837,856,682	1,054,266,853
General and administrative expenses	31	(41,486,237)	(25,299,462)	(36,765,300)	(29,129,196)	(24,155,991)	(15,968,140)
Other income	32	110,630,125	110,618,155	26,083,783	26,054,803	69,064,684	69,064,684
Operating profit		6,036,719,013	2,252,424,349	3,180,942,560	2,061,322,157	2,882,765,375	1,107,363,397
Finance income	33	205,047,669	200,502,285	339,731,054	325,299,336	88,230,881	84,211,266
Foreign exchange gain/(loss)	34	(151,653)	198	(17,843,149)	-	(76,136)	98
Finance expense	35	(626,703,052)	(740,879)	(256,411,888)	-	(337,824,126)	(368,814)
Profit before tax		5,614,911,978	2,452,185,953	3,246,418,577	2,386,621,493	2,633,095,994	1,191,205,947
Income tax expense	36	(1,481,140)	-	(5,058,713)	-	(1,306,375)	-
Profit for the year		5,613,430,838	2,452,185,953	3,241,359,864	2,386,621,493	2,631,789,619	1,191,205,947
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income		5,613,430,838	2,452,185,953	3,241,359,864	2,386,621,493	2,631,789,619	1,191,205,947
Total comprehensive income attributable to:							
Owners of the Company		5,504,250,273	-	3,171,124,124	-	2,578,183,561	-
Non-controlling interests	20	109,180,565	-	70,235,740	-	53,606,057	-
Total comprehensive income		5,613,430,838	2,452,185,953	3,241,359,864	2,386,621,493	2,631,789,619	1,191,205,947

Earnings per share (Basic)	37	9.50	4.23	5.47	4.12	4.45	2.05	2.69	1.97
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The annexed notes 1 to 56 form an integral part of these financial statements.


Company Secretary & CFO


Director


Managing Director


Chairman


United Power Generation & Distribution Company Ltd.
Un-audited Consolidated statement of changes in equity

For the half year ended 31 December 2020						
Attributable to the owners of the Company						
In Taka	Share capital	Share premium	Retained earnings	Revaluation reserve	Minority Interest	Total
Balance at 1 July 2020	5,269,957,000	2,046,000,000	21,933,085,610	57,459,283	544,709,204	29,851,211,097
Profit for the period	-	-	5,504,250,273	-	109,180,565	5,613,430,838
Bonus dividend paid during the period	526,995,700	-	(526,995,700)	-	-	-
Cash dividend for the year 2018-19	-	-	(7,641,437,650)	-	-	(7,641,437,650)
Dividend from subsidiary company	-	-	335,996	(335,996)	(121,632,000)	(121,632,000)
Depreciation on revalued assets	-	-	-	-	-	-
Minority interest added during the period	-	-	-	-	53,683,214	53,683,214
Balance at 31 December 2020	5,796,952,700	2,046,000,000	19,269,238,530	57,123,286	585,940,983	27,755,255,499
Note	16	17	19	18	20	

For the half year ended 31 December 2019						
Attributable to the owners of the Company						
In Taka	Share capital	Share premium	Retained earnings	Revaluation reserve	Minority Interest	Total
Balance at 1 July 2019	4,790,870,000	2,046,000,000	22,704,577,678	58,131,275	488,158,794	30,087,737,747
Profit for the period	-	-	3,171,124,124	-	70,235,740	3,241,359,863
Minority interest added during the period	-	-	-	-	1,000,000	1,000,000
Bonus dividend paid during the period	479,087,000	-	(479,087,000)	-	-	-
Cash dividend for the year 2018-19	-	-	(6,228,131,000)	-	-	(6,228,131,000)
Depreciation on revalued assets	-	-	335,996	(335,996)	-	-
Dividend paid to subsidiary	-	-	-	-	(88,183,200)	(88,183,200)
Balance at 31 December 2019	5,269,957,000	2,046,000,000	19,168,819,798	57,795,279	471,211,334	27,013,783,410
Note	16	17	19	18	20	

The annexed notes 1 to 56 form an integral part of these financial statements.


Company Secretary & CFO


Director


Managing Director


Chairman

United Power Generation and Distribution Company Limited
Un-audited Statement of changes in equity

<i>In Taka</i>	For the 2nd Quarter ended 31 December 2020			
	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 July 2020	5,269,957,000	2,046,000,000	8,305,986,678	15,621,943,678
Total comprehensive income				
Profit for the period	-	-	2,452,185,952	2,452,185,952
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,452,185,952	2,452,185,952
Transactions with owners of the Company				
Contributions and distributions				
Issue of bonus shares	526,995,700	-	(526,995,700)	-
Cash dividend	-	-	(7,641,437,650)	(7,641,437,650)
Total transactions with owners of the Company	526,995,700	-	(8,168,433,350)	(7,641,437,650)
Balance at 31 December 2020	5,796,952,700	2,046,000,000	2,589,739,281	10,432,691,981
Notes	16	17	19	

<i>In Taka</i>	For the 2nd Quarter ended 31 December 2019			
	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 July 2019	4,790,870,000	2,046,000,000	10,664,437,759	17,501,307,759
Total comprehensive income				
Profit for the period	-	-	2,386,621,493	2,386,621,493
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,386,621,493	2,386,621,493
Transactions with owners of the Company				
Contributions and distributions				
Issue of bonus shares	479,087,000	-	(479,087,000)	-
Cash dividend	-	-	(6,228,131,000)	(6,228,131,000)
Total transactions with owners of the Company	479,087,000	-	(6,707,218,000)	(6,228,131,000)
Balance at 31 December 2019	5,269,957,000	2,046,000,000	6,343,841,252	13,659,798,252
Notes	16	17	19	

The annexed notes 1 to 56 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director


 Chairman

United Power Generation & Distribution Company Ltd.
Un-audited Consolidated statement of cash flows

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<i>In Taka</i>	For the half year ended			
	30 September 2020		July 2019 to December 2019	
	Consolidated	Separate	Consolidated	Separate
Cash flows from operating activities				
Cash received from customers	14,238,844,642	3,598,226,196	5,512,387,568	3,280,011,419
Cash received from other sources	62,701,519	58,144,165	18,855,272	4,209,562
Cash paid to suppliers and others	(6,671,588,525)	(993,077,446)	(1,630,593,073)	(1,240,900,946)
Tax paid	(1,981,321)		(3,960,571)	-
Financial charges paid	(625,814,212)	(740,879)	(256,513,739)	-
Net cash generated from operating activities	7,002,162,103	2,662,552,037	3,640,175,457	2,043,320,035
Cash flows from investing activities				
Acquisition of property, plant and equipment	(159,736,725)	(10,874,958)	(235,240,214)	(14,566,559)
Investment in subsidiary company	(5,314,638,192)	(5,314,638,192)	(3,000,000)	(3,000,000)
Liabilities for capital machinery	(1,148,589,447)			
Cash received/(paid) for related party loan	15,092,791,825	10,396,722,370	4,192,639,063	3,429,986,823
Net cash generated from/(used in) investing activities	8,469,827,462	5,071,209,220	3,954,398,849	3,412,420,264
Cash flows from financing activities				
Dividend paid	(10,456,892,198)	(7,467,402,315)	(6,368,071,869)	(6,223,633,869)
Land lease payment	(446,273)	(446,273)	-	-
Cash paid for related party loan	(3,098,204,205)		-	-
Short term loan received/(paid)	(1,350,299,088)			
Long term loan received/(paid)	628,513,023	-	(4,018,870,677)	-
Net cash generated from/(used in) financing activities	(14,277,328,741)	(7,467,848,588)	(10,386,942,546)	(6,223,633,869)
Net increase in cash and cash equivalents	1,194,660,824	265,912,669	(2,792,368,240)	(767,893,570)
Opening cash and cash equivalents	586,001,536	323,879,180	3,322,180,442	1,009,871,492
Effect of movements in exchange rates on cash held	-	-	-	-
Cash and cash equivalents as at 30 June	1,780,662,360	589,791,849	529,812,202	241,977,922

The annexed notes 1 to 56 form an integral part of these financial statements.


 Company Secretary & CFO


 Director


 Managing Director


 Chairman

Notes to the consolidated financial statements

1 Reporting entity

1.1 Company profile

United Power Generation & Distribution Company Ltd. (UPGDCL) (hereinafter referred to as "the Company"), a public limited company, was incorporated in Bangladesh on 15 January 2007 under the Companies Act (#18) 1994 under registration no. C-65291(2783)/07 with its corporate office at Gulshan Center Point, Road No. 90-91, House No. 23-26, Gulshan-2, Dhaka-1212, Bangladesh. The Company was initially registered as a private limited company, formerly known as Malancha Holdings Ltd. (MHL) and subsequently converted into a public limited company on 22 December 2010.

The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chattogram Stock Exchange Limited (CSE).

1.2 Investment in subsidiaries

The un-audited consolidated financial statements of the Group as at and for the period ended 31 December 2020 comprise the financial statements of the Company and those of its subsidiaries (together referred to as "the Group").

Subsidiaries

Subsidiaries are the entities controlled by the Company. The Company controls an entity when it has power over the entity and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary companies are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The following are the subsidiaries controlled by the Company:

1.2.1 United Energy Ltd.

United Energy Ltd. (UEL), (formerly Shajahanullah Power Generation Company Limited) is a public limited company incorporated in Bangladesh. The authorised capital of UEL is Tk. 100,000,000 divided into 10,000,000 ordinary shares of Tk. 10 each. UEL developed a power plant of 28 MW capacity at Sylhet in order to produce and supply electricity. The plant came into commercial operational on 21 October 2013.

UEL also acquired a power plant of 53 MW capacity through amalgamation with United Ashuganj Power Limited (UAPL) from 1 July 2016 in order to produce and supply electricity.

On 22 June 2019, the Contract for Supply of Electricity on Rental Basis between Bangladesh Power Development Board (BPDB) and United Energy Ltd relating to its 53 MW plant expired. Prior to the expiry, on 4 August 2018 the Company filed an application with BPDB for a 5 year extension of the contract.

Negotiations for extension of the contract with BPDB are under process and management believes that BPDB will agree to the extension. No electricity is being demanded from the plant by BPDB in the meantime. Necessary market disclosures in this regard were given by the Company on 23 June 2019.

1.2.2 United Ashuganj Energy Ltd.

United Ashuganj Energy Ltd. (UAEL) was incorporated in Bangladesh as a private company limited by shares under Companies Act (Act XVIII) 1994 on 30 January 2013. The authorised share capital of UAEL is Tk. 5,000,000,000 only divided into 500,000,000 ordinary shares of Tk. 10 each.

The principal activity of UAEL is power generation and sale of such power to Bangladesh Power Development Board (BPDB). UAEL is a gas fired power plant with a capacity of 195 MW (net) located at Ashuganj, Brahmanbaria which started its commercial operation on 8 May 2015.

1.2.3 Leviathan Global BD Ltd.

Leviathan Global BD Ltd. (LGBDL) is a public limited company, was incorporated in Bangladesh on 23 May 2018 under the Companies Act (#18) 1994 under registration no. C-145026/2018. The authorised share capital of LGBDL is Tk. 1,000,000,000 only divided into 100,000,000 ordinary shares of Tk. 10 each.

Leviathan Global BD Ltd. is a 50 MW IPP gas-fired power plant having a contract period of 30 years (extendable for further 30 years), built under joint venture with Leviathan Global Corporation, USA and United Enter Prises & Co. (UECL) respectively. The plant is located at Karnaphuli Export Processing Zone (KEPZ) in chattogram and will be operated under an agreement with Bangladesh Export Processing Zone Authority (BEPZA).

1.2.4 United Anwara power Limited

United Anwara Power Limited incorporated in Bangladesh as private limited company under the companies Act (#18) 1994 vide registration no.-C-130232/2016 on 12 April 2016 having its corporate office at Gulshan Centre Point, Road # 90-91, House#23-26, Gulshan-2, Dhaka. The company shall develop a power plant of capacity of 300 MW at Anwara, Chittagong in order to produce and supply electricity under an agreement with Bangladesh Power Development Board (BPDB). The authorised share capital of the Company is Tk. 10,000,000,000 (Taka One thousand crore) only divided into 1,000,000,000 (One hundred crore) only ordinary shares of Tk. 10 (Ten) each.

The power plant consist of Wartsila engine generators, Exhaust Gas Boilers from Al-borg and steam Turbines from GE Triveni with 15 years minimum useful life, which form the major equipment for power generation. The power plant came into commercial operation on 22 June 2019 with capacity of 300 MW (net). This HFO based generating set has its own auxiliaries, exhaust Gas silencers and electrical, mechanical & civil construction and erection. The power plant has Fourteen (14) integrated systems named fuel, lubrication oil, compressed air, cooling, charge air, exhaust, water treatment, fire protection, emission control, automation, electrical, station service, DC and high voltage systems. There are seventeen (17) engine generator sets with capacity of 17.06 MW each i.e. total 300 MW capacity (net) including the capacity of Turbines.

1.2.5 United Jamalpur power Limited

United Jamalpur Power Ltd. (UJPL) (hereinafter referred to as "the Company"), a private limited company, was incorporated in Bangladesh on 20 September 2017 under the Companies Act (#18) 1994 under registration no. C-139126/2017 with its corporate office at Gulshan Center Point, Road No. 90-91, House No. 23-26, Gulshan-2, Dhaka-1212, Bangladesh. The authorized share capital of the Company is Tk. 1,000,000,000 (One Hundred crore) only divided into 100,000,000 (Ten Crore) ordinary shares of Tk. 10 (Tk. ten) each.

The power plant consists of Wartsila engine generators with 20 years expected useful life, which form the major part of the power generation. The power plant came into commercial operation on 21 February 2019 with capacity of 115 MW. This HFO based generating sets consist of auxiliaries, exhaust silencer and electrical, mechanical & civil construction and erection. The power plant has Fourteen (14) integrated systems named fuel, lubrication oil, compressed air, cooling, charge air, exhaust, water treatment, fire protection, emission control, automation, electrical, station service, DC and high voltage systems. The company installed 12 Nos Wartsila engine @ 9.78MW each, 12 Nos Heat Recovery Steam Generators and 1 Steam Turbine of Capacity 6.5 MW.

Details of holding structure in subsidiaries are described in Note 54A.

1.3 Nature of the business

The principal activity of the Company is to generate electricity by gas fired power plants, at Dhaka Export Processing Zone (DEPZ) with 86 MW capacity and Chattogram Export Processing Zone (CEPZ) with 72 MW capacity and to sell electricity to the export processing industries located inside DEPZ and CEPZ with the provision of selling surplus power outside the Export Processing Zones (EPZs) after fulfilling their requirement. The Company is also supplying electricity to Dhaka PBS-1 of Bangladesh Rural Electrification Board (BREB), Bangladesh Power Development Board (BPDB), Karnaphuli Export Processing Zone (KEPZ) and other private sector companies.

1.4 Power plant

The natural gas fired power plants of Dhaka EPZ and Chattogram EPZ consist of Wartsila, Rolls Royce and MTU engine generators with 30 years expected useful life, which forms the major part of the power generation companies.

DEPZ power plant came into commercial operation on 26 December 2008 with a capacity of 41 MW at DEPZ premises. In 2013, the Company increased its capacity from 41 MW to 86 MW and installed 2 heat recovery boilers to produce 8 ton/h of steam for sale to other customers. At DEPZ, there are four gas fired engines with a capacity of 8.73 MW each, five gas fired engines with a capacity of 9.34 MW each and two gas fired engines with a capacity of 2 MW each for generation of electricity.

CEPZ power plant came into commercial operation on 12 August 2009 with a capacity of 44 MW at CEPZ premises. In 2013, the Company increased its capacity from 44 MW to 72 MW and installed 3 heat recovery boilers to produce 12 ton/h of steam for sale to other customers. At CEPZ, there are five gas fired engines with a capacity of 8.73 MW each and three gas fired engines with a capacity of 9.34 MW each.

The principal activity of the Group is to generate and supply electricity. Operational details of the Group are as follows:

Name of entity	Location	Plant capacity (MW)	Fuel Component	Commercial Operation Date (COD)	End of Contract year
United Power Generation & Distribution Company Ltd.	DEPZ	86	Gas	26 December 2008	2038
	CEPZ	72	Gas	12 August 2009	2039
United Energy Ltd	Ashuganj	53	Gas	22 June 2011	Expired. Negotiation in Progress.
	Sylhet	28	Gas	21 October 2013	2043
United Ashuganj Energy Ltd	Ashuganj	195	Gas	8 May 2015	2030
Leviathan Global BD Ltd.	KEPZ	50	Gas	-	2048
United Anwara Power Limited	Anwara	300	HFO	22-Jun-19	2034
United Jamalpur Power Limited	Jamalpur	115	HFO	21-Feb-19	2034

2 Basis of accounting

2.1 Statement of compliance

The un-audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Details of the Group's accounting policies are included in Note 54.

2.2 Date of authorisation

The un-audited consolidated financial statements were authorised for issue by the Board of Directors on 30 January 2021.

2.3 Reporting period

The current financial period of the Group covers half year from 1 July 2020 to 31 December 2020.

3 Functional and presentation currency

These un-audited consolidated financial statements have been presented in Bangladeshi Taka (Taka/Tk/BDT), which is both the functional and presentation currency of the Group. All financial information presented in Taka have been rounded off to the nearest integer, unless otherwise indicated.

4 Use of estimates and judgments

In preparing these un-audited consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary 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.

4.1 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 5 and 54B	Property, plant and equipment
Note 9 and 54C	Inventories
Note 10 and 54D	Trade and other receivables
Note 28 and 54J	Current Tax liability
Note 45, 47, and 54H	Contingent assets and Contingent liabilities

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liabilities that are not based on observable market data

The Group, on regular basis, reviews the inputs and valuation judgements used in measurement of fair value and recognises transfers between level of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

4.2 Changes in significant accounting policies

The following lists shows the recent changes to International Financial Reporting Standards ("IFRS" or "standards") that are required to be applied by an entity with an annual reporting period beginning on or after 1 July 2019:

- IFRS 16: *Leases*
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23: *Uncertainty over Tax Treatments*
- Amendments to IFRS 9: *Financial Instruments* on prepayment features with negative compensation
- Amendments to IAS 28: *Investments in Associates and Joint Ventures* on long-term interests in associates and joint ventures
- Amendments to IAS 19: *Employee Benefits* on plan amendment, curtailment or settlement
- Amendments to various standards based on the Annual Improvements to IFRSs 2015-2017 Cycle

The group initially adopted IFRS 16: *Leases* (hereafter "IFRS 16") on 1 July 2019. The other new and amended standards and the interpretation to a standard listed above do not have any material effect on the Company's financial statements.

The effects of the adoption of IFRS 16 on the group's financial statements are explained below:

IFRS 16

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 supersedes IAS 17: *Leases*, IFRIC 4: *Determining whether an Arrangement contains a Lease*, SIC 15: *Operating Leases – Incentives*, and SIC 27: *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 introduced a single, on-balance sheet lease accounting model for lessees. It changed the accounting of leases previously classified as operating leases under IAS 17, which were off balance sheet. Under IAS 17, operating leases were expensed on a straight-line basis over the term of the lease, and assets and liabilities were recognised only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under IFRS 16, a lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

There are recognition exemptions for short-term leases and leases of low-value items (practical expedients). In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17; i.e. lessors continue to classify leases as finance or operating leases.

Impact on lessee accounting

The group has chosen to apply the modified retrospective approach, under which the cumulative effect of initial application is not recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for the year ended on 30 June 2019 is not restated, i.e. it is presented as previously reported under IAS 17.

On initial application of IFRS 16, for all leases, except for those that the practical expedient was applied (see below), the Company has:

- Recognised right of use assets in the statement of financial position by reclassifying Prepaid lease rent;
- Recognised depreciation of right of use assets in the statement of profit or loss.

Under IFRS 16, the Group applied the practical expedient to grandfather the definition of a lease on transition. This means that:

- all contracts entered into before 1 July 2019 that were not identified as leases in accordance with IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 July 2019;
- for any leases with unexpired lease term on initial application date of less than 12 months or any leases relating to low value items, the Company elected to use the short-term lease exemption; and
- the initial direct costs arising from the measurement of right-of-use asset at the date of initial application were excluded.
- The Group's right of use assets were measured by reclassifying prepaid lease rent.
- The impact of IFRS 16 on the statement of profit or loss was to replace the operating lease expenses (or rent expense) with a depreciation of right-of-use assets, with the exception of short-term leases and leases of low-value assets. The financial impact of these changes on the results of the Company for the year compared to those of the prior year was not significant.
- IFRS 16 doesn't have any material impact on the statement of cash flows.

Impact on lessor accounting

The Group leases out its power plant assets. The Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. The Group is showing capacity revenue received from BPDB by straightlining the non-escalable portion, from 1 July 2019, over remaining PPA life.

The Group has applied IFRS 15: *Revenue from Contracts with Customers* to allocate consideration in the contract to each lease and non-lease component.

Notes to the Un-audited consolidated financial statements (Continued)

5 Property, plant and equipment

See accounting policy in Note 54B

Reconciliation of carrying amount

<i>In Taka</i>	Plant and machinery	Gas line	Building and civil construction	Land and development	Office equipment	Furniture and fixture	Motor vehicle	Total
Cost								
Balance at 1 July 2019	26,661,217,004	482,305,512	751,030,070	279,952,125	16,133,177	12,059,402	95,518,715	28,298,216,004
Additions	197,634,750	1,410,533	1,753,625	-	888,397	153,956	-	201,841,262
Disposals/transfers	(48,140,896)	-	-	-	-	-	-	(48,140,896)
Balance at 30 June 2020	26,810,710,859	483,716,045	752,783,695	279,952,125	17,021,574	12,213,358	95,518,715	28,451,916,370
Accumulated depreciation								
Balance at 1 July 2020	26,810,710,859	483,716,045	752,783,695	279,952,125	17,021,574	12,213,358	95,518,715	28,451,916,370
Additions	23,293,462,094	-	1,918,540,133	41,976,954	9,307,106	3,561,990	91,578,329	25,358,426,605
Disposals/transfers	-	-	-	-	-	-	-	-
Balance at 31 December 2020	50,104,172,952	483,716,045	2,671,323,828	321,929,079	26,328,680	15,775,348	187,097,044	53,810,342,976
Accumulated depreciation								
Balance at 1 July 2019	7,539,060,188	122,052,068	225,564,093	117,627,277	13,660,144	5,975,019	32,193,764	8,056,132,554
Depreciation for the period	1,238,503,937	14,829,465	40,633,959	9,387,678	909,499	1,210,834	9,126,646	1,314,602,019
Adjustment for disposal/transfers	(16,298,100)	-	-	-	-	-	-	(16,298,100)
Balance at 30 June 2020	8,761,266,026	136,881,533	266,198,052	127,014,955	14,569,643	7,185,853	41,320,411	9,354,436,473
Balance at 1 July 2020	8,761,266,026	136,881,533	266,198,052	127,014,955	14,569,643	7,185,853	41,320,411	9,354,436,473
Opening Depreciation added on acquisition	1,359,751,233	-	104,376,007	-	723,316	326,443	5,121,251	1,470,298,249
Depreciation for the period	1,203,399,458	7,469,709	68,117,089	4,693,839	936,464	776,879	9,089,260	1,294,482,698
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-
Balance at 31 December 2020	11,324,416,717	144,351,241	438,691,147	131,708,794	16,229,423	8,289,175	55,530,921	12,119,217,420
Carrying amounts								
Balance at 30 June 2020	18,049,444,833	346,834,512	486,585,644	152,937,169	2,451,931	5,027,505	54,198,304	19,097,479,899
Balance at 31 December 2020	38,779,756,235	339,364,804	2,232,632,681	190,220,284	10,099,257	7,486,173	131,566,123	41,691,125,558
Allocation of depreciation								
<i>In Taka</i>					Note		31 December 2020	31 December 2019
Cost of sales					30		1,283,883,136	653,127,513
General and administrative expenses					31		10,599,563	4,178,058
							1,294,482,698	657,305,571

Notes to the financial statements (Continued)

5.1 Property, plant and equipment

Reconciliation of carrying amount

<i>In Taka</i>	Plant and machinery	Gas line	Office equipment	Furniture and fixture	Motor vehicle	Total
Cost						
Balance at 1 July 2019	10,421,132,793	352,876,102	11,284,359	3,079,220	62,493,836	10,850,866,310
Additions	140,094,317	1,410,533	299,171	23,703	-	141,827,724
Disposals/transfers	(48,140,896)	-	-	-	-	(48,140,896)
Balance at 30 June 2020	10,513,086,214	354,286,635	11,583,530	3,102,923	62,493,836	10,944,553,137
Balance at 1 July 2020	10,513,086,214	354,286,635	11,583,530	3,102,923	62,493,836	10,944,553,137
Additions	10,823,958		51,000			10,874,958
Disposals/transfers						-
Balance at 31 December 2020	10,523,910,172	354,286,635	11,634,530	3,102,923	62,493,836	10,955,428,095
Accumulated depreciation						
Balance at 1 July 2019	2,493,994,151	51,668,090	10,977,794	1,517,354	20,645,375	2,578,802,764
Depreciation for the year	347,669,024	7,066,926	154,030	302,597	5,824,158	361,016,735
Adjustment for disposals/transfers	(16,298,100)					(16,298,100)
Balance at 30 June 2020	2,825,365,075	58,735,016	11,131,824	1,819,952	26,469,533	2,923,521,399
Balance at 1 July 2020	2,825,365,075	58,735,016	11,131,824	1,819,952	26,469,533	2,923,521,399
Depreciation for the year	175,215,421	3,588,439	87,851	143,257	2,859,100	181,894,069
Adjustment for disposals/transfers						-
Balance at 31 December 2020	3,000,580,496	62,323,455	11,219,675	1,963,209	29,328,633	3,105,415,468
Carrying amounts						
At 30 June 2020	7,610,823,661	294,456,003	408,099	1,210,509	34,594,753	7,941,493,024
At 31 December 2020	7,523,329,676	291,963,180	414,855	1,139,714	33,165,203	7,850,012,627

a) Allocation of depreciation

<i>In Taka</i>	Note	2020	2,019
Cost of sales	30	180,075,128	357,406,568
General and administrative expenses	31	1,818,941	3,610,167
		181,894,069	361,016,735

b) Basis of allocation

99% of total depreciation cost charged to cost of sales. Remaining 1% of total depreciation cost charged to the general and administrative expenses.

Notes to the Un-audited consolidated financial statements (Continued)

6 Capital Work In Progress (CWIP)

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Capital Machinery	1,604,834,949	-	1,555,743,277	-
Gas Line	5,000,000	-	5,000,000	-
Building and Civil construction	70,693,628	-	54,888,927	-
Furniture and Fixture	89,607	-	89,607	-
	1,680,618,184	-	1,615,721,811	-

7 Right of use assets

See accounting policy in Note 54Q

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cost				
Balance as at 01 July	225,596,620	26,210,102	-	-
Recognition of right-of-use assets on initial application of IFRS 16	-	-	245,823,435	26,210,102
Addition	-	-	-	-
Disposals	-	-	-	-
Balance as at	225,596,620	26,210,102	245,823,435	26,210,102
Accumulated depreciation				
Balance as at 01 July	1,462,890	1,462,890	-	-
Amortisation for the period	10,844,852	731,445	21,689,705	1,462,890
Adjustment for disposal/transfers	-	-	-	-
Balance as at	12,307,742	2,194,334	21,689,705	1,462,890
Carrying amounts				
Balance as at	213,288,878	24,015,768	224,133,730	24,747,212

Amortisation on right of use asset has been charged to cost of sales.

A land lease agreement was signed between Ashuganj Power Station Company Ltd. (APSCL) and United Ashuganj Energy Ltd. on 27 October 2013. The area of land is 6.48 acres and the value of the lease is Tk. 304,080,000.

8 Investment in subsidiary

	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
United Energy Ltd	-	297,000	-	297,000
Leviathan Global BD Ltd.	-	3,000,000	-	3,000,000
United Anwara power Limited	-	3,334,877,715	-	-
United Jamalpur power Limited	-	1,979,760,477	-	-
	-	5,317,935,192	-	3,297,000

On 13 November 2018, the Board of Directors of the Company resolved to acquire 99% ordinary shares of United Energy Ltd (UEL) at face value with effect from 1 July 2018. UEL is a power generation company established under the Private Sector Power Generation Policy of Bangladesh. It operates two power plants, a 53 MW plant at Ashuganj and a 28 MW plant at Sylhet, respectively.

UEL also holds 92.41% ordinary shares of United Ashuganj Energy Ltd (UAEL), a power generation company established under Public Private Partnership (PPP). It operates a 195 MW plant located at Ashuganj, Brahmanbaria.

On 22 June 2019, the Board of Directors of UPGDCL resolved to acquire 75% shares (300,000 shares at face value of Tk. 10 each) of Leviathan Global BD Ltd. (LGBDL) from United Enterprises & Co. Ltd. (UECL). A share transfer agreement was also signed on the same date stating the acquisition to be effective from 1 July 2019.

Notes to the Un-audited consolidated financial statements (Continued)

On 15 September 2020, the Board of Directors of the Company, resolved to acquire 99% shares (9,900,000 shares) of United Anowara Power Limited (UAnPL) from Sponsor Shareholders at Net Asset Value based on audited Financial Statements as at 30 June 2020. A share transfer agreement was also signed on the same date stating the acquisition to be effective from 1 July 2020. UAnPL is a 300 MW IPP HFO fired power plant, located at Anwara, Chattogram for a period of 15 years which came into Commercial Operation on 22 June 2019. The principal activity of the company is to generate electricity to sell such generated electricity to Bangladesh Power Development board (BPDB) under a Power Purchase Agreement (PPA).

On 15 September 2020, the Board of Directors of the Company also resolved to acquire 99% shares (9,900,000 shares) of United Jamalpur Power Limited (UJPL) from Sponsor Shareholders at Net Asset Value based on audited Financial Statements as at 30 June 2020. A share transfer agreement was also signed on the same date stating the acquisition to be effective from 1 July 2020. UJPL is a 115 MW IPP HFO fired power plant, located at Jamalpur for a period of 15 years which came into commercial operation on 21 February 2019. The principal activity of the company is to generate electricity to sell such generated electricity to Bangladesh Power Development board (BPDB) under a Power Purchase Agreement (PPA).

9 Inventories

See accounting policy in Note 54C

In Taka	Note	31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Spare parts	9.1	1,519,124,027	653,448,163	1,162,763,960	603,771,077
Lube oil and chemicals	9.2	80,187,145	13,845,625	45,811,875	20,906,529
Heavy fuel oil	9.3	640,034,400	-	-	-
Light fuel oil	9.4	10,966,344	-	-	-
Materials in transit		68,941,005	10,115,976	122,658,620	110,162,883
		2,319,252,922	677,409,764	1,331,234,455	734,840,489

9.1 Spare parts

In Taka	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	1,249,367,080	603,771,077	1,022,385,629	457,117,013
Purchase during the period	634,536,567	302,589,598	606,886,635	509,768,425
Transfer during the period	(19,720,486)	(12,481,262)	9,781,993	9,781,993
Consumption during the period	(345,059,134)	(240,431,251)	(476,290,297)	(372,896,354)
	1,519,124,027	653,448,163	1,162,763,960	603,771,077

9.2 Lube oil and chemicals

In Taka	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	62,942,659	20,906,529	38,646,978	8,619,479
Purchase during the period	220,288,555	20,498,367	88,335,849	54,907,753
Transfer during the period	(12,304,149)	1,313,969	-	-
Consumption during the period	(190,739,920)	(28,873,239)	(81,170,952)	(42,620,704)
	80,187,145	13,845,625	45,811,875	20,906,529

9.3 Heavy fuel oil

In Taka	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	906,282,916	-	-	-
Purchase during the period	6,952,944,773	-	-	-
Consumption during the period	(7,219,193,290)	-	-	-
	640,034,400	-	-	-

9.4 Light fuel oil

In Taka	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	12,879,012	-	-	-
Purchase during the period	1,250,200	-	-	-
Transfer during the period	(2,467,549)	-	-	-
Consumption during the period	(695,319)	-	-	-
	10,966,344	-	-	-

Notes to the Un-audited consolidated financial statements (Continued)

10 Trade and other receivables

See accounting policy in Note 54D

<i>In Taka</i>	<i>Note</i>	31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade receivables	10.1	8,679,068,778	1,224,939,001	2,721,688,325	1,403,050,102
Other receivables	10.2	6,742,142	5,789,674	4,760,738	4,596,605
		8,685,810,920	1,230,728,675	2,726,449,063	1,407,646,707

10.1 Trade receivables

<i>In Taka</i>	<i>Note</i>	31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
BREB		253,831,914	238,071,141	251,478,856	231,669,177
BPDB		7,784,726,163	347,536,259	1,775,388,896	478,612,516
BEPZA		350,573,953	350,573,953	386,377,099	386,377,099
Other private customers		289,936,749	288,757,649	308,443,474	306,391,311
		8,679,068,778	1,224,939,001	2,721,688,325	1,403,050,102

10.2 Other receivables

<i>In Taka</i>		31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Wartsila Bangladesh Ltd		4,400,142	4,400,142	4,401,754	4,401,754
Bergen Engine BD (Pvt.) Ltd		783,317	10,120	-	-
Kaltimex Energy Bangladesh (Pvt) Ltd.		164,133	-	164,133	-
ABB Ltd.		936,609	936,609	-	-
Weber Power Solution Ltd.		109,641	109,641	109,641	109,641
EVP Chittigong Ltd.		348,299	333,162	85,210	85,210
		6,742,142	5,789,674	4,760,738	4,596,605

11 Receivable from related party

See accounting policy in Note 54D

<i>In Taka</i>		31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
United Enterprises & Co. Ltd		7,475,109,050	-	5,240,109,050	-
United Power Generation & Distribution		(0)	-	-	-
United Energy Ltd		-	2,381,351	-	944,922
United Ashuganj Energy Ltd.		-	-	-	-
United Mymensingh Power Ltd		16,050,743	567,903	5,169,415,253	5,168,213,416
United Jamalpur Power Ltd		-	68,114	133,889	68,114
United Anowara Power Ltd		-	13,178	7,672,081	7,272,176
United Payra Power Ltd.		16,336,281	7,257,473	-	-
United Engineering and Power Services		-	-	-	-
United Lube Oil Ltd		377,392	377,392	377,392	377,392
		7,507,873,467	10,665,411	10,417,707,665	5,176,876,020

12 Advances, deposits and prepayments

See accounting policy in Note 54D

<i>In Taka</i>	<i>Note</i>	31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Advances	12.1	69,294,220	36,176,289	71,598,548	37,777,775
Deposits	12.2	53,950,607	24,911,344	52,036,610	24,911,344
Prepayments	12.3	42,846,590	9,025,522	15,921,412	9,125,465
		166,091,417	70,113,155	139,556,570	71,814,584

Notes to the Un-audited consolidated financial statements (Continued)

12.1 Advances

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Advance against salary and allowances	500,000	500,000	500,000	500,000
Advance against LC charges	23,360		351,125	277,064
Advance against expenses	68,770,860	35,676,289	70,747,422	37,000,711
	69,294,220	36,176,289	71,598,548	37,777,775

12.2 Deposits

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Karnaphuli Gas Distribution Company L	44,293,183	17,448,825	44,293,183	17,448,825
Bank guarantee margin	5,850,000	5,850,000	5,850,000	5,850,000
BEPZA	1,112,519	1,112,519	1,112,519	1,112,519
Balance in BO account	75,907	-	75,907	-
Central Depository Bangladesh Ltd.	500,000	500,000	500,000	500,000
Chattagram Palli Biddut Shamity-1	1,913,998			
BPDB	205,000	-	205,000	-
	53,950,607	24,911,344	52,036,610	24,911,344

12.3 Prepayments

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Insurance premium	40,534,878	8,186,666	13,624,129	8,746,667
Bank guarantee commission	767,416	-	1,656,256	-
BERC license fees	1,544,295	838,856	641,027	378,798
	42,846,590	9,025,522	15,921,412	9,125,465

Notes to the Un-audited consolidated financial statements (Continued)

13 Investment in marketable securities

See accounting policy in Note 54D

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cash available for share purchase	1,263,718	1,263,718	789,680	789,680
Financial assets classified as fair value through profit and loss	143,040,583	143,040,583	92,027,541	92,027,541
	144,304,301	144,304,301	92,817,221	92,817,221

13.1 Financial assets classified as fair value through profit and loss

Name of the Company	No. of shares	Rate per share	Market value at 31 December 2020	Market value at 30 June 2020	Cost price	Changes in fair value
Baximco Pharma Limited	600,000	57.00	34,200,000	6,920,000	33,148,310	1,051,690
GP	30,758	347.10	10,676,102		10,566,844	109,258
BATBC	20,000	1,180.80	23,616,000		21,864,336	1,751,664
BXPHERMA	300,000	190.50	57,150,000		54,901,749	2,248,251
Shahjalal Islami Bank Limited	759,759	22.90	17,398,481	13,892,736	18,065,677	(667,196)
Olympic Industries Ltd.	14,500	173.90		4,209,205		
Ranata Ltd.	13,000	1,156.20		14,366,800		
Square Pharmaceuticals Ltd	125,000	204.00		11,212,500		
Glaxosmith Ltd.	5,500	2,186.60		12,026,300		
Singer BD Ltd	150,000	147.00		22,050,000		-
Pioneer Insurance Ltd.	250,000	29.40		7,350,000		-
			143,040,583	92,027,541	138,546,915	4,493,667

Notes to the Un-audited consolidated financial statements (Continued)

14 Advance income tax

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	16,155,004	-	15,869,483	-
Paid during the period	2,228,412	-	5,544,142	-
Adjustment for completion of assessment	-	-	(5,954,103)	-
	18,383,416	-	15,459,522	-

15 Cash and cash equivalents

See accounting policy in Note 54D

<i>In Taka</i>	Note	31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Cash in hand	15.1	694,130	325,473	226,051	140,534
Fixed deposits	15.2	30,868,676	-	-	-
Cash at bank	15.3	1,749,099,554	589,466,376	416,783,997	323,738,646
		1,780,662,360	589,791,849	417,010,048	323,879,180

15.1 Cash in hand

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Cash in hand	694,130	325,473	226,051	140,534
	694,130	325,473	226,051	140,534

15.2 Fixed deposits

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
AB Bank Limited	30,868,676	-	-	-
	30,868,676	-	-	-

15.3 Cash at bank

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Dhaka Bank Limited	317,710,851	387,396	361,922,440	290,207,455
Dutch Bangla Bank Limited	659,237,232	385,442,528	7,536,739	7,317,281
Shahjalal Islami Bank Limited	32,279	32,279	32,624	32,624
Eastern Bank Limited	2,946,803	79,656	1,073,666	79,511
Jamuna Bank Limited	270,705	20,974	952,255	21,319
Trust Bank Limited	223,408	223,408	223,753	223,753
Brac Bank Limited	13,657,960	13,657,960	13,498,490	13,498,490
Brac Bank Ltd.-Dividend dist. A/C 2013 and 2014	1,405,434	1,405,434	1,398,487	1,398,487
The City Bank Limited-Dividend distribution A/C 1	184,905,964	183,012,922	8,916,088	8,916,088
Dhaka Bank Limited - Dividend distribution A/C 2	1,079,854	1,079,854	1,072,191	1,072,191
The Hongkong and Shanghai Banking Corp. Ltd	9,067,279	4,123,965	7,746,743	971,447
Standard Chartered Bank	152,030,836	-	811,739	-
The City Bank Limited	3,387,932	-	11,598,782	-
Bank Asia Ltd.	402,016,912	-	-	-
United Commercial Bank Ltd.	14,145	-	-	-
Mutual Trust Bank Ltd.	29,367	-	-	-
Prime Bank Ltd.	431,976	-	-	-
Pubali Bank Limited	650,616	-	-	-
	1,749,099,554	589,466,376	416,783,997	323,738,646

16 Share capital

See accounting policy in Note 54N

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Authorised				
800,000,000 ordinary shares of Tk. 10 each	8,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000
200,000,000 redeemable preference shares of Tk. 10 each	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000

Notes to the Un-audited consolidated financial statements (Continued)

Ordinary shares issued, subscribed and paid up				
Opening balance	5,269,957,000	5,269,957,000	4,790,870,000	4,790,870,000
Bonus shares issued	526,995,700	526,995,700	479,087,000	479,087,000
Closing balance	5,796,952,700	5,796,952,700	5,269,957,000	5,269,957,000

16.1 Particulars of shareholding		31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>	No. of shares	Value (Tk)	Value (Tk)	Value (Tk)	Value (Tk)
United Mymensingh Power Ltd	521,716,902	5,217,169,023	5,217,169,023	4,742,880,930	4,742,880,930
Investment Corporation of	15,834,962	158,348,960	158,348,960	143,953,600	143,953,600
General investors	42,143,406	421,434,717	421,434,717	383,122,470	383,122,470
	579,695,270	5,796,952,700	5,796,952,700	5,269,957,000	5,269,957,000

16.2 Percentage of shareholdings		31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Name of shareholders					
United Mymensingh Power Ltd		90.00%	90.00%	81.82%	81.82%
Investment Corporation of Bangladesh		2.73%	2.73%	2.73%	2.48%
General investors		7.27%	7.27%	7.27%	6.61%
		100%	100%	100%	100%

17 Share premium		31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>					
Share premium		2,046,000,000	2,046,000,000	2,046,000,000	2,046,000,000
		2,046,000,000	2,046,000,000	2,046,000,000	2,046,000,000

This represents premium of Tk. 62 per share of 33,000,000 ordinary shares of Tk. 10 each.

18 Revaluation reserve		31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>					
Revaluation reserve		57,123,286	-	57,459,283	-
		57,123,286	-	57,459,283	-

19 Retained earnings		31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
<i>In Taka</i>					
Opening balance		21,933,085,610	8,305,986,678	22,704,577,678	10,664,437,759
Net profit during the period		5,504,250,273	2,452,185,953	5,935,053,939	4,348,766,919
		27,437,335,883	10,758,172,631	28,639,631,617	15,013,204,678
Issue of bonus shares		(526,995,700)	(526,995,700)	(479,087,000)	(479,087,000)
Cash dividend for the year 2019-20		(7,641,437,650)	(7,641,437,650)	(6,228,131,000)	(6,228,131,000)
Depreciation on revalued assets		335,996	-	671,992	-
		19,269,238,530	2,589,739,281	21,933,085,610	8,305,986,678

Notes to the Un-audited consolidated financial statements (Continued)

20 Non-controlling interests

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	544,709,204	-	488,158,794	-
Addition during the period:	-	-	-	-
Share capital	-	-	1,000,000	-
Dividend from subsidiary company	(121,632,000)	-	(88,183,200)	-
Profit during the period	109,180,565	-	143,733,610	-
Non-Controlling interest added during the period	53,683,214	-	-	-
	585,940,983	-	544,709,204	-

21 Borrowings

See accounting policy in Note 54D

Non-current liabilities

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Investment Promotion and Financing Facility (IPFF) loan	3,420,439,651	-	3,420,439,651	-
Liabilities for capital machinery	5,904,623,558	-	-	-
City bank Limiyed	1,426,390,192	-	-	-
Dutch Bangla Bank Limited	661,063,935	-	661,430,051	-
	11,412,517,336	-	4,081,869,702	-

Current liabilities

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Investment Promotion and Financing Facility (IPFF) loan	236,534,009	-	494,378,230	-
Short term loan	4,658,568,472	-	-	-
City Bank Limited	186,050,895	-	-	-
Dutch Bangla Bank Limited	148,213,234	-	288,569,949	-
	5,229,366,610	-	782,948,179	-

Notes to the Un-audited consolidated financial statements (Continued)

21.1 Terms and repayment schedule

The following loans were obtained by UAEL under Investment Promotion and Financing Facility (IPFF) for procurement of capital machineries, civil construction and local procurement related to power plant assets.

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
IPFF loan	Dhaka Bank Limited	USD 21,940,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PF's margin)	12 years	2027	40 equal quarterly instalments
IPFF loan	Trust Bank Limited	USD 21,940,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PF's margin)	12 years	2027	40 equal quarterly instalments
IPFF loan	Mutual Trust Bank Limited	USD 14,620,000	6 month USD LIBOR + 0.3% (IPFF margin) + 1.75% (PF's margin)	12 years	2027	40 equal quarterly instalments

The IPFF loan is secured by:

- Registered hypothecation (first charge) on machinery, plant, equipment, furniture, fixture and all other assets, both present and future, of the borrower along with notarised IGPA to sell the same
- Registered hypothecation (first charge) over all floating assets, both present and future, of the borrower along with notarised IGPA to sell the same
- Sponsors' undertaking to inject necessary equity funds to finance any cost overrun of the project
- Personal guarantees by the personal guarantors
- Corporate guarantees by the corporate guarantors

21.2 The following term loan was obtained by Leviathon Global Bangladesh Ltd. (LGBD) for settlement of accepted liability under deferred LC open through HSBC for import of capital machineries of power plant.

Nature of Term Loan	Lender	Limit	Interest	Tenure	Year of	Repayment terms
	DBBL	BDT 95 crore	9% p.a	3 years	2023	12 equal quarterly instalments

The term loan is secured by:

- DP Note and other basic change documents duly signed by the authorized Director(s) of the company supported by Board resolution.
- Assignment of bill receivable of Leviathan Global Bd Ltd. (Bills to be received against supply of electricity to be deposited to an account opened with DBBL in the name of the Corporate Guarantee of United Enterprise & Co. Ltd. & Neptune Land Development Ltd. supported by board resolution of the concerns.
- Personal Guarantees of all nominated directors of United Energy Ltd., holding 75% shares of the concern.
- Letter of hypothecation by way of 2nd charge with RJSC on the fixed asset (Building and machinery) of the company subject to obtaining NOC from BEPZA.
- Machinery of the concern to be duly insured covering minimum risks of Fir & RSD with Bank Mortgagee clause,
- Standard Term Loan Agreement

21.3 The following term loan was obtained by United Jamalpur Power Ltd. (UJPL) for settlement of accepted liability under deferred LC open through CBL for import of capital machineries of power plant.

Nature of Term Loan	Lender	Limit	Interest	Tenure	Year of	Repayment terms
	CBL	BDT 186 Crore	9% p.a	5 years	2025	60 equal quarterly instalments

The term loan is secured by:

- Registered mortgage with IGPA of project land and building of UJPL covering term loan limit
- 1st ranking floating charge with RJSC over plant & machinery of the company against Term Loan financing
- 1st ranking floating charge with RJSC over stocks & receivables of the company by way of Pari Passu Security Sharing Agreement (PPSSA)
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) supported by Board Resolution.
- Insurance coverage incorporating CBL as loss payee
- Standard charge documents

Notes to the Un-audited consolidated financial statements (Continued)

- 22 Security money received
See accounting policy in Note 54D

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Lilac Fashion Wear Ltd	700,000	700,000	700,000	700,000
	700,000	700,000	700,000	700,000

Security deposit received comprises of an amount equal to two months minimum charge received from Lilac Fashion Wear Ltd.

- 23 Land lease Liability
See accounting policy in Note 54Q

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Balance as at 01 July	25,355,632	25,355,632	-	-
Add: Addition during the year	-	-	26,210,102	26,210,102
Add: Interest charged during the period	740,879	740,879	1,519,833	1,519,833
Less: Payment made during the period	(1,187,152)	(1,187,152)	(2,374,303)	(2,374,303)
Balance as at 30 June	24,909,359	24,909,359	25,355,632	25,355,632

Segregation of Land lease liability:

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Non-current portion	24,463,086	24,463,086	24,449,893	24,449,893
Current portion	446,273	446,273	905,739	905,739
	24,909,359	24,909,359	25,355,632	25,355,632

- 24 Deferred revenue

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Deferred revenue	263,191,682	-	263,191,682	-
	263,191,682	-	263,191,682	-

This pertains to the difference between capacity payments received from the customer and capacity payments recognised in profit or loss in relation to the Power Purchase Agreement (PPA) of United Ashuganj Eneygy Limited (UAEL) due to straight-lining of capacity revenue over the remaining PPA term upon application of IFRS 16. UAEL is a subsidiary of United Energy Limited (UEL) while UEL is a direct subsidiary of United Power generation and distribution Company Limited (UPGDCL).

- 25 Trade and other payables
See accounting policy in Note 54D

<i>In Taka</i>	Note	31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade payables	25.1	212,905,092	142,048,518	217,705,551	121,372,274
Other payables	25.2	5,326,817,826	228,970,597	49,069,538	34,941,266
		5,539,722,918	371,019,115	266,775,089	156,313,540

- 25.1 Trade payables

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Gas bill	212,905,092	142,048,518	217,705,551	121,372,274
	212,905,092	142,048,518	217,705,551	121,372,274

Notes to the Un-audited consolidated financial statements (Continued)

25.2 Other payables

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Share application money	6,433,552	6,433,552	6,452,280	6,452,280
Unclaimed dividend	183,711,887	183,711,887	9,676,552	9,676,552
Service charge on gas bill	22,383,339	22,383,339	14,109,483	14,109,483
Other operating expenses	33,804,296	16,441,820	4,702,951	4,702,951
TDS payable	2,092,559	-	1,800,360	-
Wartsila Bangladesh Ltd	679,987	-	338,251	-
Liabilities for Imported Materials	4,807,590,886	-	11,766,771	-
Interest on liabilities for capital machinery	270,081,145	-	-	-
Payable against C&F bill	40,177	-	222,891	-
	5,326,817,826	228,970,597	49,069,538	34,941,266

Unclaimed dividend

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Unclaimed cash dividend for the year 2013 & 2014	1,405,434	1,405,434	1,405,987	1,405,987
Unclaimed interim & final cash div. for the period ended 30 June 2016	3,324,472	3,324,472	3,373,574	3,373,574
Unclaimed cash dividend for the year 2017	818,716	818,716	825,684	825,684
Unclaimed cash dividend for the year 2018	1,074,908	1,074,908	1,076,059	1,076,059
Unclaimed cash dividend for the year 2019	2,873,758	2,873,758	2,995,247	2,995,247
Unclaimed cash dividend for the year 2020	174,214,600	174,214,600	-	-
	183,711,887	183,711,887	9,676,552	9,676,552

26 Accrued expenses

See accounting policy in Note 54D

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Interest expense payable	21,086,905	-	-	-
Provision for expenses	95,882,025	-	3,442,938	-
Service charge on gas bill	3,530,533	3,530,533	8,273,856	8,273,856
VAT payable	10,944,616	9,172,654	5,995,272	4,831,160
Other operating expenses	7,044,784	5,836,856	2,286,948	2,286,948
Directors' remuneration	1,000,000	1,000,000	1,000,000	1,000,000
Audit fees	-	-	2,074,500	800,000
Utility bill	691,153	691,153	691,153	691,153
Security expenses	416,270	211,583	338,243	211,583
Medical expenses	50,970	50,970	50,970	50,970
Welfare fund	16,985	16,985	16,985	16,985
Environmental expenses	16,200	16,200	16,200	16,200
Bergen Engines Bangladesh Pvt.Ltd.	810,000	810,000	1,501,705	810,000
TDS	284,165	-	-	-
	141,774,606	21,336,934	25,688,770	18,988,856

27 Payable to related party

See accounting policy in Note 54D

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
United Engineering & Power Services Ltd	31,424,292	11,607,230	21,207,517	9,882,230
United Ashuganj Energy Ltd	0.00	15,275,683	-	23,766,215
United Enterprises & Co. Ltd	8,739,808,000	-	729,263,143	-
United Mymensingh Power Ltd	5,037,436,440	5,037,436,440	-	-
	13,808,668,732	5,064,319,354	750,470,660	33,648,445

Notes to the Un-audited consolidated financial statements (Continued)

28 Current Tax liability

See accounting policy in Note 54J

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Opening balance	29,823,541	-	184,150,547	-
Provision during the year	1,481,140	-	5,461,848	-
Reversal of excess provision for completion of assessment of 2017	-	-	(55,741,770)	-
Reversal of excess provision for completion of assessment of 2018	-	-	(97,975,262)	-
Adjustment for completion of assessments	-	-	(5,954,103)	-
Paid during the period	-	-	(582,088)	-
	31,304,681	-	29,359,173	-

No provision is required for income tax on UPGDCL's profit as it has received exemption from all such taxes from the Government of Bangladesh for 15 years from commencement.

No provision is required for income tax on the business income of United Energy Ltd. (UEL) and United Ashuganj Energy Ltd. (UAEL) as the companies have received exemption from income from power generation under the private sector power generation policy for a period of 15 years from the start of their commercial operation, vide SRO ref: 211-Law/Income Tax/2013-Income Tax ordinance (#36) 1984 dated 1 July 2013. Such exemption of UEL (Sylhet power plant) and UAEL (Ashuganj 195 MW power plant) will expire on 2028 and 2030 respectively. The Ashuganj 53 MW power plant being rental power plant is liable for TDS at 4% which is borne by the BPDB. However provision has been made on the non-business income of UEL and UAEL.

29 Revenue

See accounting policy in Note 54F

<i>In Taka</i>	<i>Note</i>	July to December 2020		July to December 2019	
		Consolidated	Separate	Consolidated	Separate
Electricity supply	29.1	16,159,390,096	3,400,059,030	5,414,815,691	3,296,935,221
Steam supply	29.2	20,056,065	20,056,065	16,082,690	16,082,690
		16,179,446,162	3,420,115,096	5,430,898,381	3,313,017,911

29.1 Electricity supply

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Bangladesh Power Devt. Board (BPDB)	12,987,119,907	338,146,506	2,338,551,366	331,954,791
Bangladesh Export Processing Zone Auth.(BEP)	2,172,172,715	2,172,172,715	2,123,178,618	2,123,178,618
Bangladesh Rural Electrification Board (BREB)	372,052,129	272,996,763	422,445,784	311,161,889
Other private customers	628,045,345	616,743,046	530,639,923	530,639,923
	16,159,390,096	3,400,059,030	5,414,815,691	3,296,935,221

Break up of revenue from electricity supply

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Capacity payment	4,330,998,099	-	1,424,234,039	-
Energy payment	11,772,095,710	3,400,059,030	3,944,906,173	1,674,194,824
Supplimental Bill	48,488,250	-	45,675,478	-
True-up Bill	7,808,038	-	-	-
	16,159,390,096	3,400,059,030	5,414,815,691	1,674,194,824

29.2 Steam supply

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Gunze United Ltd	13,906,663	13,906,663	12,009,492	12,009,492
Global Labels (Bangladesh) Ltd	2,386,277	2,386,277	1,961,373	1,961,373
Croydon-Kowloon Designs Ltd	3,354,193	3,354,193	1,762,860	1,762,860
Talisman Ltd	408,933	408,933	348,966	348,966
	20,056,065	20,056,065	16,082,690	16,082,690

Notes to the Un-audited consolidated financial statements (Continued)

30 Cost of sales

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Fuel and energy	8,116,621,191	678,354,038	1,088,508,283	716,380,773
Spare parts and lube oil	525,763,301	269,304,489	296,812,620	244,637,044
Depreciation	1,283,883,136	180,075,128	653,127,513	178,930,263
Minimum load charge	19,569,067	19,569,067	13,954,067	13,954,067
Direct overhead	145,965,223	47,916,023	67,381,747	52,983,602
Repair and maintenance	33,273,963	29,807,560	67,208,922	22,010,923
Distribution Expenses	5,945,987	5,945,987		
Entertainment	5,142,027	3,674,899	4,810,575	3,766,690
Utility bill	4,326,708	3,656,866	6,445,648	6,158,318
Security expense	3,443,287	1,581,800	3,760,823	2,019,163
Carrying charge	1,455,233	856,542	1,017,238	991,738
Land lease rent	-		1,187,348	1,187,348
Advertisement expense	-		1,091,672	154,422
Travelling and conveyance	310,970	246,126	515,345	436,223
Labour and wages	1,207,249	258,290	289,155	245,005
Vehicle running and maintenance	2,038,921	996,831	792,027	761,537
Environmental expenses	1,124,898	778,108	657,153	365,773
Printing and stationery	1,020,680	61,982	270,316	205,452
Site office expense	385,821	105,698	2,345,304	2,189,813
Telephone, mobile and internet	580,834	172,379	238,318	155,650
BERC license and others	2,121,918	472,295	148,999	91,615
Worker welfare fund	102,079	102,079	101,670	101,670
Postage and courier	53,233	23,085	33,730	12,225
Automation and IP expense	46,515	46,515	40,508	40,508
Insurance premium	46,238,739	8,240,000	17,491,875	
Depreciation of lease rent	-		10,136,002	
Gardening and beautification	357,999	29,130	880,646	841,539
Depreciation of right of use assets	10,844,852	731,445		
Safety material	47,205	3,077		-
Computer maintenance	-		26,800	
	10,211,871,037	1,253,009,440	2,239,274,304	1,248,621,361

- 30.1 The Group signed agreements for all its operation, maintenance and management (O&M) services with United Engineering and Power Service Ltd (UEPSL). It provides all technical support related to operation and management of the power plants. UEPSL raises invoice for actual cost and a service charge per month.

31 General and administrative expenses

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Directors' remuneration	6,000,000	6,000,000	6,000,000	6,000,000
Office maintenance	5,445,000	5,445,000	5,445,000	5,445,000
Advertisement	4,838,353	4,838,353	7,894,984	7,894,984
Depreciation	10,599,563	1,818,941	4,178,058	1,807,376
AGM expenses	747,457	157,500	2,746,571	2,746,571
Vehicle running expenses	184,737	184,737	245,592	245,592
Bank charge and commission	2,524,469	1,340,499	751,282	225,750
Office rent	690,000	690,000	1,265,000	690,000
Office expenses	-		135,550	
Board meeting fees	2,099,100	888,000	1,688,326	780,000
Consultancy fees	671,422	57,500	632,500	402,500
Entertainment	216,688	129,766	219,437	149,277
Traveling and conveyance	298,506	210,046	299,010	247,359
Postage, telephone and telex	15,676	14,998	41,011	37,646
Printing and stationery	32,559	29,519	688,934	683,389

Notes to the Un-audited consolidated financial statements (Continued)

Trade license and others	2,055,771		121,175	11,100
RJSC expenses	4,519,144	3,004,310	149,430	90,390
CDBL and listing fee	-		1,672,262	1,672,262
Professional Fees	57,500			
Legal expense	-		2,325,590	
Income tax expenses	-		265,588	
Brokerage commission	455,471	455,471		
Medical Fees	34,822	34,822		
	41,486,237	25,299,462	36,765,300	29,129,196

32 Other income

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Realised gain from marketable securities	47,155,193	47,155,193	491,741	491,741
Realised gain/(loss) from marketable securities	-	-	-	-
Unrealised gain/(loss) from marketable securities	4,787,357	4,787,357		
Sale of used lube oil and drums	30,471,018	30,471,018	14,194,081	14,194,081
Scrap sale	21,666,557	21,654,587	1,737,500	1,708,520
Gain on Disposal of fixed assets	6,550,000	6,550,000	9,660,461	9,660,461
Dividend income				
	110,630,125	110,618,155	26,083,783	26,054,803

33 Finance income

See accounting policy in Note 54M

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Interest on related party loan	199,840,853	199,840,853	316,855,676	316,855,676
Interest on short term deposits	2,353,559	661,432	14,153,334	
Interest income on bank balance and fixed depts	2,853,257		8,722,044	8,443,660
	205,047,669	200,502,285	339,731,054	325,299,336

34 Foreign exchange gain/(loss)

See accounting policy in Note 54I

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Foreign exchange gain/(loss) - unrealised	-	-		
Foreign exchange gain/(loss) - realised	-	-		
Foreign exchange loss - realised	(151,851)	-	(17,843,149)	
Foreign ex. gain/(loss) on USD A/C- realised	198	198		
	(151,653)	198	(17,843,149)	-

35 Finance expense

See accounting policy in Note 54M

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Interest on IPFF loan	47,170,355			
Interest on short term & Long term loan	302,342,115		256,411,888	
Interest on liabilities for capital machinery	270,081,145			
Bank guarantee commission	4,116,213			
Interest on leasehold land	740,879	740,879		
Syndication fee	2,252,346			
	626,703,052	740,879	256,411,888	-

As per syndicated international loan agreements between lenders and United Ashuganj Energy Ltd. (UAEL), yearly agency fees are paid to lenders. Last year UAEL made a provision of Tk. 3,250,750 against agency fees payable to SCB. Following the repayments of the entire loan in August 2019, the agency fees for the remaining of the year was not incurred. Accordingly, the remaining provision has been reversed this year.

Notes to the Un-audited consolidated financial statements (Continued)

36 Income tax expenses

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Current year enpenses	1,481,140		-	
Reversal of excess provision for completion of assessment of 2017	-			
Reversal of excess provision for completion of assessment of 2018	-			
	1,481,140	-	-	-

37 Earnings per share

See accounting policy in Note 54O

37.1 Earnings per share

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Profit attributable to the ordinary shareholders	5,504,250,273	2,452,185,953	3,171,124,124	2,386,621,493
Weighted average number of shares outstandin	579,695,270	579,695,270	579,695,270	579,695,270
Earnings per share	9.50	4.23	5.47	4.12

38 Net asset value per share

	July to December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Net assets	27,755,255,499	10,432,691,981	29,851,211,097	15,621,943,678
Weighted average number of shares outstandin	579,695,270	579,695,270	579,695,270	579,695,270
Net asset value per share	47.88	18.00	51.49	26.95

38.1 Net assets

<i>In Taka</i>	July to December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Total assets	64,207,411,422	15,914,976,742	36,077,569,984	15,856,950,151
Total liabilities	36,452,155,923	5,482,284,761	6,226,358,887	235,006,473
Net assets	27,755,255,499	10,432,691,981	29,851,211,097	15,621,943,678

39 Net operating cash flow per share (Basic)

	July to December 2020		July to December 2020	
	Consolidated	Separate	Consolidated	Separate
Net cash generated from operating activities	7,002,162,103	2,662,552,037	3,640,175,457	2,043,320,035
Weighted average number of shares outstandin	579,695,270	579,695,270	579,695,270	579,695,270
Net operating cashflow per share	12.08	4.59	6.28	3.52

Notes to the Un-audited consolidated financial statements (Continued)

40 Reconciliation of net profit with cash flow from operating activities

<i>In Taka</i>	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Profit for the period	5,613,430,838	2,452,185,952	3,241,359,864	2,386,621,493
Adjustment for:				
Depreciation	1,294,482,697	181,894,069	657,305,571	180,737,639
Amortisation of lease rent	731,445	731,445	10,136,002	
Depreciation of ROU	10,113,408			
Brokerage commission	455,471	455,471		
Realised gain from marketable securities	(47,155,193)	(47,155,193)		
Unrealised (gain)/loss from marketable securities	(4,787,357)	(4,787,357)		
Foreign exchange (gain)/loss - realised	151,851		18,092,206	
Interest on related party loan	(199,840,853)	(199,840,853)	(316,855,676)	(316,855,676)
Changes in:				
Inventories	259,329,335	57,430,725	(166,232,053)	(152,427,359)
Trade and other receivables	(1,941,794,589)	176,918,032	50,385,320	(63,295,393)
Advances, deposits and prepayments	(5,675,178)	1,701,429	103,657,306	(5,952,365)
Advance income tax	(1,982,025)		(2,547,787)	
Receivable from related party			(2,367,173)	
Trade and other payables	1,702,006,026	33,859,293	491,319	5,371,432
Accrued expenses	56,606,724	9,159,025	35,863,994	8,592,272
Provision for tax	1,481,141		3,645,928	
Payable to related party	264,608,363		7,240,635	527,991
Net cash generated from operating activities	7,002,162,103	2,662,552,037	3,640,175,457	2,043,320,035

Notes to the Un-audited consolidated financial statements (Continued)

41 Related party transactions

During the period, the Group carried out a number of transactions with related parties. The names of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS 24: *Related party disclosures*.

A Transactions with key management personnel

i. Loans to directors

During the period, no loan was given to the directors of the Group.

ii. Key management personnel compensation comprised the following:

The key management personnel includes the Group Managing directors.

a) Short-term employee benefit:

Short-term employee benefit includes remuneration, festival bonus and meeting attendance fees.

In Taka	July to December 2020		July to December 2019	
	Consolidated	Separate	Consolidated	Separate
Directors' remuneration	6,000,000	6,000,000	6,000,000	6,000,000
Board meeting fees	2,099,100	888,000	1,688,326	780,000
	8,099,100	6,888,000	7,688,326	6,780,000
b) Post employment benefit	-	-	-	-
c) Other long-term benefit	-	-	-	-
d) Termination benefit	-	-	-	-
e) Share-based payment	-	-	-	-
	8,099,100	6,888,000	7,688,326	6,780,000

B Other related party transactions

United Power Generation & Distribution Company Ltd.

	Transaction value during the period ended 31 December		Balance outstanding as at	
	2020	2019	July to December 2020	30 June 2020
Gunze United Limited	13,906,663	12,009,492	7,181,377	4,057,473
<i>Sale of goods and services</i>				
United Engineering & Power Services Ltd.	46,745,203	52,648,002	11,607,230	7,541,430
United Securities Limited	281,155	-	-	-
<i>Purchase of services</i>				
United Enterprises & Co. Ltd.	-	-	-	-
Loan disbursed				
Loan repaid				
United Mymensingh Power Ltd	-	-	5,037,436,440	5,167,681,634
Loan disbursed during the year	7,344,196,490	2,486,455,676	-	-
Loan repaid during the year	12,381,632,930	5,600,000,000	-	-
Transfer of inventory (spare parts)				
United Mymensingh Power Ltd	36,121		567,903	531,782
United Anowara Power Ltd	7,258,999	13,178	13,178	7,272,176
United Lube Oil Ltd	-		377,392	377,392
United Jamalpur Power Ltd	-		68,114	68,114
United Ashuganj Energy Ltd	8,490,532	4,099,523	15,275,683	23,766,218
United Energy Ltd	1,436,430	2,493,832	2,381,351	944,922
United Engineering & Power Service:	-		2,340,800	2,340,800

Notes to the Un-audited consolidated financial statements (Continued)

United Energy Ltd

	Transaction value during the period ended 31 December		Balance outstanding as at	
	2020	2019	July to December 2020	30 June 2020
United Engineering & Power Service Ltd				
Purchase of services	1,885,082	22,419,779	(1,470,082)	(415,000)
Loan				-
Loan:				
United Mymensingh Power Ltd	-	-	-	-
Loan disbursed				
Loan repaid		-	-	
United Enterprises & Co. Ltd			7,475,109,050	5,240,109,050
Loan disbursed	3,615,163,604	2,772,100,000		
Loan repaid	1,380,163,604	5,052,332,573		
United Ashuganj Energy Ltd.				
Dividend	695,663,604	703,118,613	784,500,000	1,387,694,279
Inventory loan	4,227,386	59,956	(5,194,887)	(967,501)
Neptune Commercial Ltd			-	-
Loan disbursed	-	-		
Loan repaid	-	-		
UPPL-Inventory Loan	119,755		119,755	
UPGDCL-Inventory Loan	42,266	4,335,813	(2,381,352)	(944,922)

United Ashuganj Energy Ltd

	Transaction value during the period ended 31 December		Balance outstanding as at	
	2020	2019	July to December 2020	30 June 2020
United Engineering & Power Service Ltd				
Purchase of services	(41,254,585)	(80,969,301)	(18,346,980)	(10,910,287)
Loan:				
United Enterprises & Co. Ltd		-	-	-
Loan disbursed	-	-		
Loan repaid	-	-	-	-
Loan:				
United Energy Ltd				
Loan received	1,599,500,000	1,292,126,877	784,500,000	-
Loan repaid	(815,000,000)	(1,292,126,877)		
Dividend payable	1,387,694,279	(703,118,613)	-	(1,387,694,279)
Inventory loan	4,227,386	59,957	5,194,887	967,501
UPGDCL-Inventory loan	(8,490,532)	13,327,298	15,275,683	23,766,215
United Jamalpur Power Ltd.-Inventory loan	378,285	-	444,060	65,775
United Mymensingh Power Ltd.-Inventory loan	964,236	98,220	2,166,073	1,201,837
United Anowara Power Ltd.-Inventory loan	-	1,423,264	399,905	399,905
United Payra Power Ltd. (inventory loan)	190,322		190,322	
United Lube Oil Ltd.-Inventory loan	3,134,169			-

Leviathan Global BD Ltd

	Transaction value during the period ended 31 December		Balance outstanding as at	
	2020	2019	July to December 2020	30 June 2020
Loan:				
United Enterprises & Co. Ltd			914,963,143	729,263,143
Loan disbursed	185,700,000	362,692,834		
Loan repaid	-	-		

Notes to the Un-audited consolidated financial statements (Continued)

United Anwara Power Ltd

	Transaction value during the period ended 31 December		Balance outstanding as at	
	2020	2019	July to December 2020	30 June 2020
United Engineering & Power Service Ltd				
<i>Purchase of services</i>	24,653,336	(34,576,569)	3,854,491	(4,385,923)
Loan:				
United Enterprises & Co. Ltd		-	(5,207,399,660)	(2,672,167,313)
Loan disbursed	(8,468,500,000)	(10,766,467,313)		
Loan repaid	5,933,267,653	8,094,300,000	-	-
Loan:				
United Jamalpur Power Ltd.			-	(111,832,347)
Loan disbursed	(590,000,000)	(1,579,020,000)		
Loan repaid	590,000,000	1,467,187,653		
Loan:				
United Mymensingh Power Ltd.			-	50,000,000
Loan disbursed	(547,500,000)	(1,026,570,407)		
Loan repaid	547,500,000	1,076,570,407		
Loan:				
United Payra Power Ltd.			1,057,476	1,057,476
Loan disbursed	-	-		
Loan repaid	-	1,057,476		
Inventory loan				
UPGDCL-Inventory loan	7,258,999	(7,272,176)	(13,177)	(7,272,176)
United Jamalpur Power Ltd.-Inventory loan	162,118	(3,742)	158,376	(3,742)
United Payra Power Ltd. (inventory loan)	7,711,442		7,711,442	
United Ashuganj Energy Ltd.-inventory loan	-	(399,905)	(399,905)	(399,905)

United Jamalpur Power Ltd

	Transaction value during the period ended 31 December		Balance outstanding as at	
	2020	2019	July to December 2020	30 June 2020
United Enterprises & Co. Ltd			(2,617,445,197)	(6,507,116,744)
<i>Loan disbursed</i>	5,925,671,547	4,258,500,000		
<i>Loan repaid</i>	(2,036,000,000)	(5,372,733,692)	-	-
Loan:				
United Mymensingh Power Ltd.			(20,770)	96,352,305
Loan disbursed	550,079,230	2,970,801,992		
Loan repaid	(646,452,305)	(1,573,225,187)		
Loan:				
United Anwara Power Ltd.			-	111,832,347
Loan disbursed	590,000,000	1,466,500,000		
Loan repaid	(478,167,653)	(1,579,020,000)		
Loan:				
Neptune Commercial Ltd.			-	2,007,939,200
Loan disbursed	(2,007,939,200)			
Loan repaid				
United Anwara Power Ltd.	(162,118)	3,742	(158,376)	3,742
United Power Gen. & Dist. Com. Ltd. (inventory loan)			(68,114)	(68,114)
United Mymensingh Power Ltd. (inventory loan)	12572695	1,285,496	13,337,537	764,843
United Ashuganj Energy Ltd.(inventory loan)	(378,285)		(444,060)	(65,775)

Notes to the Un-audited consolidated financial statements (Continued)

42 Financial instruments - Fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2020														
In Taka	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	Carrying amount			Fair value							
				FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total		
Financial assets measured at fair value														
Investment in marketable securities	13	-	144,304,301	-	-	-	-	144,304,301	144,304,301	-	-	-	144,304,301	
Investment in marketable securities										144,304,301	144,304,301	-	-	144,304,301
Financial assets not measured at fair value														
Trade and other receivables	10	-	-	-	-	8,685,810,920	-	8,685,810,920	-	-	-	-	-	
Receivable from related party	11	-	-	-	-	7,507,873,467	-	7,507,873,467	-	-	-	-	-	
Cash and cash equivalents	15	-	-	-	-	1,780,662,360	-	1,780,662,360	-	-	-	-	-	
Cash and cash equivalents										1,780,662,360	1,780,662,360	-	-	-
										17,974,346,747	17,974,346,747	-	-	-
Financial liabilities not measured at fair value														
Borrowings	21	-	-	-	-	-	16,641,883,946	16,641,883,946	-	-	-	-	-	
Security money received	22	-	-	-	-	-	700,000	700,000	-	-	-	-	-	
Trade and other payables	25	-	-	-	-	-	5,539,722,918	5,539,722,918	-	-	-	-	-	
Accrued expenses	26	-	-	-	-	-	141,774,606	141,774,606	-	-	-	-	-	
Payable to related party	27	-	-	-	-	-	13,808,668,732	13,808,668,732	-	-	-	-	-	
Payable to related party										36,132,750,202	36,132,750,202	-	-	-
30 June 2020														
In Taka	Note	Fair value- hedging instruments	Mandatorily at FVTPL – others	Carrying amount			Fair value							
				FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total		
Financial assets measured at fair value														
Investment in marketable securities	13	-	92,817,221	-	-	-	-	92,817,221	92,817,221	-	-	-	92,817,221	
Investment in marketable securities										92,817,221	92,817,221	-	-	92,817,221
Financial assets not measured at fair value														
Trade and other receivables	10	-	-	-	-	2,726,449,063	-	2,726,449,063	-	-	-	-	-	
Receivable from related party	11	-	-	-	-	10,417,707,665	-	10,417,707,665	-	-	-	-	-	
Cash and cash equivalents	15	-	-	-	-	417,010,048	-	417,010,048	-	-	-	-	-	
Cash and cash equivalents										13,561,166,776	13,561,166,776	-	-	-
Financial liabilities not measured at fair value														
Borrowings	21	-	-	-	-	-	4,864,817,881	4,864,817,881	-	-	-	-	-	
Security money received	22	-	-	-	-	-	700,000	700,000	-	-	-	-	-	
Trade and other payables	25	-	-	-	-	-	266,775,089	266,775,089	-	-	-	-	-	
Accrued expenses	26	-	-	-	-	-	25,688,770	25,688,770	-	-	-	-	-	
Payable to related party	27	-	-	-	-	-	750,470,660	750,470,660	-	-	-	-	-	
Payable to related party										5,908,452,400	5,908,452,400	-	-	-

Notes to the Un-audited consolidated financial statements (Continued)

43 Financial risk management

The Group has exposure to the following risks from its use of financial instruments.

- A Credit risk
- B Liquidity risk
- C Market risk

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Group. The Board is assisted in its oversight role by the Audit Committee. Internal audit, under the purview of Audit Committee, undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

A Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. Management monitors the exposure to credit risk on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of financial assets in the statement of financial position.

i) Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

In Taka	Note	31 December 2020		30 June 2020	
		Consolidated	Separate	Consolidated	Separate
Trade and other receivables	10	8,685,810,920	1,230,728,675	2,726,449,063	1,407,646,707
Receivable from related party	11	7,507,873,467	10,665,411	10,417,707,665	5,176,876,020
Investment in marketable securities	13	144,304,301	144,304,301	92,817,221	92,817,221
Cash and cash equivalents (excluc	15	1,779,968,230	589,466,376	416,783,997	323,738,646
		18,117,956,918	1,975,164,763	13,653,757,946	7,001,078,594

ii) Ageing of trade and other receivables

In Taka	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Not past due	2,415,438,938	542,272,529	930,999,795	574,600,818
Past due 0-30 days	1,597,844,563	115,727,012	434,781,206	113,784,362
Past due 31-60 days	1,938,495,248	95,814,494	401,561,658	100,729,016
Past due 61-90 days	2,146,908,856	79,707,072	428,065,407	93,428,059
Past due 91-120 days	81,307,121	21,129,683	75,746,331	75,746,331
Past due 121-365 days	122,393,697	36,192,666	115,052,335	113,683,317
Past due 365+ days	383,422,496	339,885,220	340,242,330	335,674,803
	8,685,810,920	1,230,728,675	2,726,449,062	1,407,646,707

B Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Exposure to liquidity rate risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Notes to the Un-audited consolidated financial statements (Continued)

31 December 2020

31 December 2019

		Contractual cash flows			
<i>In Taka</i>	<i>Note</i>	<i>Carrying amount</i>	<i>Total</i>	<i>6 months or less</i>	<i>Over 6 months</i>
Non-derivative financial liabilities					
Borrowings	21	16,641,883,946	16,641,883,946	335,913,091	16,305,970,855
Trade and other payables	25	5,539,722,918	5,539,722,918	5,539,722,918	-
Accrued expenses	26	141,774,606	141,774,606	141,774,606	-
Payable to related party	27	13,808,668,732	13,808,668,732	13,808,668,732	-
		36,132,050,202	36,132,050,202	19,826,079,347	16,305,970,855
Derivative financial liabilities		-	-	-	-
		36,132,050,202	36,132,050,202	19,826,079,347	16,305,970,855

30 June 2020

30 June 2020

		Contractual cash flows			
In Taka	Note	Carrying amount	Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Borrowings	21	4,864,817,881	4,864,817,881	532,885,129	4,331,932,752
Trade and other payables	25	266,775,089	266,775,089	266,775,089	-
Accrued expenses	26	25,688,770	25,688,770	25,688,770	-
Payable to related party	27	750,470,660	750,470,660	750,470,660	-
		5,907,752,400	5,907,752,400	1,575,819,648	4,331,932,752
Derivative financial liabilities					
		-	-	-	-
		5,907,752,400	5,907,752,400	1,575,819,648	4,331,932,752

C Market risk

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

i. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies.

ii. Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings and deposits.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as at statement of financial position date is as follows:

					Nominal Amount	
		31 December 2020		30 June 2020		
<i>In Taka</i>	<i>Note</i>	Consolidated	Separate	Consolidated	Separate	
Fixed rate instruments						
<i>Financial assets</i>						
Receivable from related party	11	7,507,873,467	10665411.41	10,417,707,665	5176876020	
Fixed deposits	15	30,868,676		-		
<i>Financial liabilities</i>						
Payable to related party	27	(13,808,668,732)	(5,064,319,354)	(750,470,660)	(33,648,445)	
Variable rate instruments						
<i>Financial liabilities</i>						
Borrowings	21	(16,641,883,946)		(4,864,817,881)		
		(22,911,810,535)	(5,053,653,942)	4,802,419,124	5,143,227,575	

44 Operational risk

Operational risk constitutes the ability of the Group's power projects to generate and distribute stipulated electricity to its off-takers. Technology used, fuel supply arrangement, operational and maintenance (O&M) arrangement, political or force majeure in the form of natural disaster like floods, cyclone, tsunami and earthquake may hamper normal performance of power generation. The timely and appropriate maintenance of the distribution networks undertaken by BEPZA reduces the chance of major disruptions. However, severe natural calamities which are unpredictable and unforeseen have the potential to disrupt normal operations of the Group. Management believes that prudent rehabilitation schemes and quality maintenance will lessen the damages caused by such natural disasters. Most importantly, all the above risks of the Group are covered under the separate insurance agreements between Pragati Insurance Company Limited and UPGDCL, UEL and UAEL to compensate for all the potential damages caused in such situations.

Notes to the Un-audited consolidated financial statements (Continued)

45 Contingent assets

The Company has raised a claim against BEPZA for losses suffered as a result of BEPZA failing to timely provide vacant possession of required land and gas connection and a consequent 234 day delay in the Company commencing commercial operation.

In March 2015 an Arbitration Tribunal (consisting of three arbitrators, one appointed by the Company, other appointed by BEPZA and the chairman of the Tribunal) has been appointed by the both arbitrator. The Tribunal ordered that BEPZA compensate the Company for the following amounts.

<i>In Taka</i>	31 December 2020		30 June 2020	
	Consolidated	Separate	Consolidated	Separate
Service charge deducted by BEPZA ordered to return to the Company	18,733,918	18733918	18,733,918	18733918
Loss of warranty	17,424,510	17424510	17,424,510	17424510
Total	36,158,428	36,158,428	36,158,428	36,158,428

In April 2015, BEPZA filed an appeal against the Arbitral award by the Tribunal in the court of district judge, Dhaka. Multiple hearings took place during this year with no significant developments to date.

46 Commitments

The Group had the following outstanding letters of credit (LC) as at 30 September 2020 against which it is committed to purchase spare parts.

	31 December 2020		30 June 2020
	Currency	Invoice value	Invoice value
UPGDCL	USD	735,936	384,881
	EUR	56,035	1,478,941
UEL	USD	92,424	210,668
	EUR	13,755	60,020
UAEL	USD	39,990	82,936
	EUR	-	36,121
LGDBL	USD	-	1,692,700
	EUR	-	8,500
UAnPL	USD	36,813,127	25,500,008
	EUR	34,364	1,245,653
UJPL	USD	15,348,037	1,692,700
	EUR	-	8,500

47 Contingent liabilities

47.1 Contingent liabilities relating to bank guarantees amounted to:

United Power Generation & Distribution Company Ltd

<i>In Taka</i>	Expiry date	31 December		30 June 2020	
Beneficiary					
Titas Gas Transmission & Distribution Com. Ltd.	11 Nov. 2023	78,790,400		78,790,400	
Titas Gas Transmission & Distribution Com. Ltd.	11 Dec. 2022	6,628,382		6,628,382	
Karnaphuli Gas Distribution Company Limited	23 Jan. 2023	34,897,650		34,897,650	
Karnaphuli Gas Distribution Company Limited	20 June 2023	8,647,617		8,647,617	
Karnaphuli Gas Distribution Company Limited	2 March 2024	71,724,353		71,724,353	
Chattogram Customs House	17 Dec. 2019	16,880,331		20,421,244	
		217,568,733		221,109,646	

United Energy Ltd

<i>In Taka</i>	Expiry date	31 December		30 June 2020	
Beneficiary					
Jalalabad Gas Transmission and Distribution Systems Limited	12 October 2022	48,396,019		48,396,019	
		48,396,019		48,396,019	

Notes to the Un-audited consolidated financial statements (Continued)

United Ashuganj Energy Ltd

In Taka

Beneficiary	Expiry date	31 December	30 June 2020
Bangladesh Power Development Board	7 June 2020	380,000,000	380,000,000
Bakhrabad Gas Distribution Company Limited	13 June 2021	287,472,356	287,472,356
		667,472,356	667,472,356

Leviathan Global BD Ltd

In Taka

Beneficiary	Expiry date	31 December	30 June 2020
Karnaphuli Gas Distribution Company Limited	10-Sep-23	53,688,716	53,688,716
		53,688,716	53,688,716

United Anwara Power Ltd

In Taka

Beneficiary	Expiry date	31 December	30 June 2020
Dhaka Bank Ltd.	30 Sep 2021	463,150,000	463,150,000
		463,150,000	463,150,000

United Jamalpur Power Ltd

In Taka

Beneficiary	Expiry date	31 December	30 June 2020
Dhaka Bank Ltd.	10.04.2021	280,000,000	280,000,000
		280,000,000	280,000,000

47.2 In line with the provisions of its gas supply agreements, the Company has historically been charged for gas consumption at the rate set for Independent Power Producers (IPPs). However, on 2 January 2018, the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources resolved in a meeting that gas based power plants will be charged for gas consumption in the following manner:

- a) Gas consumed for generating power supplied to the national grid will be charged at the rate set for IPPs.
- b) Gas consumed for generating power supplied to private customers will be charged at the rate set for captive power producers.

Accordingly, in May 2019, the Company's gas suppliers, Titas Gas Transmission & Distribution Company Limited and Karnaphuli Gas Distribution Company Limited, have claimed additional charges amounting to BDT 1,776,734,152.53 (for the period January 2018 to June 2020) and BDT 491,063,484 (for the period May 2018 to June 2019) respectively.

The Company has filed two separate writ petitions, dated 23 May 2019 and 1 July 2019, with the Honorable High Court Division of the Supreme Court of Bangladesh against the above decision. The Honorable High Court issued a stay order of 4 months, dated 26 May 2019 and 4 July 2019, respectively, on the operation of this decision.

48 Bank facilities

The Group enjoys the following credit facilities from the following financial institutions:

31 December 2020

United Power Generation & Distribution Company Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit
Dutch Bangla Bank Limited	100,000,000	-	-	-
Dhaka Bank Limited	350,000,000	300,000,000	300,000,000	221,109,646
Jamuna Bank Limited	1,000,000,000	250,000,000	50,000,000	300,000,000
Total	1,450,000,000	550,000,000	350,000,000	521,109,646

Notes to the Un-audited consolidated financial statements (Continued)

United Energy Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit
Dhaka Bank Limited	50,000,000	-	-	133,160,000
Dutch Bangla Bank Limited	100,000,000	-	-	-
Pubali Bank Limited	600,000,000	-	1,500,000,000	1,000,000,000
Jamuna Bank Limited	1,000,000,000	250,000,000	-	300,000,000
Total	1,750,000,000	250,000,000	1,500,000,000	1,433,160,000

United Ashuganj Energy Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit
Dutch Bangla Bank Limited	100,000,000	-	-	-
Dhaka Bank Limited	500,000,000	-	-	667,472,356
Total	600,000,000	-	-	667,472,356

Leviathan Global BD Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Overdraft limit	Bank guarantee facilities - limit	Term Loan
Dhaka Bank Limited	670,000,000	-	-	-	-
HSBC	1,335,000,000	-	-	-	-
Dutch-Bangla Bank Ltd.	-	-	-	-	950,000,000
Total	2,005,000,000	-	-	-	950,000,000

United Anwara Power Limited

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Short Term Loan	Bank guarantee facilities - limit	Term Loan
Standard Chartered Bank Ltd.	4,250,000,000	-	-	-	6,375,000,000
HSBC	3,400,000,000	-	250,000,000	-	-
Dhaka Bank Limited	1,418,000,000	-	-	463,150,000	-
Pubali Bank Ltd.	2,700,000,000	500,000,000	1,000,000,000	1,676,000,000	-
City Bank Ltd	6,000,000,000	-	3,600,000,000	-	-
Bank Asia Ltd.	2,125,000,000	-	1,500,000,000	-	-
Dutch-Bangla Bank Ltd.	-	-	1,000,000,000	-	-
Eastern Bank Ltd.	-	-	-	-	-
Mutual Trust Bank Ltd.	2,000,000,000	-	-	-	-
Prime Bank Ltd.	1,500,000,000	-	1,000,000,000	-	-
UCBL	2,000,000,000	-	500,000,000	-	-
Total	25,393,000,000	500,000,000	8,850,000,000	2,139,150,000	6,375,000,000

United Jamalpur Power Limited

Name of the bank	Letter of credit - limit	Short Term Loan	Overdraft limit	Bank guarantee facilities - limit	Long Term Loan
Dhaka Bank Limited	1,215,000,000	500,000,000	-	280,000,000.00	-
HSBC	2,000,000,000	250,000,000	-	-	-
Dutch-Bangla Bank Ltd.	1,300,000,000	750,000,000	-	-	-
The City Bank Ltd.	3,500,000,000	-	-	-	1,860,508,946
Bank Asia Ltd.	506,740,395	-	-	-	-
Eastern Bank Ltd.	-	1,000,000,000	-	-	-
Total	8,521,740,395	2,500,000,000	-	280,000,000	1,860,508,946

49 Expenditure in equivalent foreign currency

	31 December 2020	30 June 2020
<i>In Taka</i>		
Foreign travel for business purpose	-	-
	-	-

Notes to the Un-audited consolidated financial statements (Continued)

50 Other disclosures

50.1 Capacity and production

United Power Generation & Distribution Company Ltd

Location of plant	Installed capacity (MWH)	31 December 2020		31 December 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Dhaka EPZ	344,000	260,257	76%	264,052	77%
Chattogram EPZ	288,000	257,002	89%	254,539	88%
Total	632,000	517,259		518,591	

United Energy Ltd

Location of plant	Installed capacity (MWH)	31 December 2020		31 December 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Sylhet	112,000	87,583	78%	101,586	91%
Ashuganj	212,000	-	0%	-	0%
Total	324,000	87,583		101,586	

United Ashuganj Energy Ltd

Location of plant	Installed capacity (MWH)	31 December 2020		31 December 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Ashuganj	780,000	83,450	11%	226,318	29%

United Anwara Power Ltd

Location of plant	Installed capacity (MWH)	31 December 2020		31 December 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Anwara	1,200,000	771,297.64	64%	352,342.20	29%

United Jamalpur Power Ltd

Location of plant	Installed capacity (MWH)	31 December 2020		31 December 2019	
		Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Jamalpur	460,000	296,744	65%	249,119	54%

50.2 Number of employees

The Group has no employees. Operation and maintenance activities are managed by 172 personnel for UPGDCL, 93 personnel for UAEL, 35 personnel for UEL, 66 personnel for UJPL and 128 personnel for UAnPL provided by United Engineering and Power Services Ltd under separate O&M contracts.

51 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

Board of Directors of the company in its 27th meeting held on 25 January 2021 recommended Interim Cash Dividend of Taka 200,000 per share, aggregating Tk. 6,000,000,000 (Six Hundred Crore) for the period ended 31 December 2020. The dividend is subject to final approval by the shareholders at the annual general meeting of the Company.

Board of Directors of the company in its 29th meeting held on 27 January 2021 recommended Interim Cash Dividend of Taka 150 per share, aggregating Tk. 1,500,000,000 (One Hundred Fifty Crore) for the period ended 31 December 2020. The dividend is subject to final approval by the shareholders at the annual general meeting of the Company.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

52 Going concern

The Group has adequate resources to continue in operation for the foreseeable future. For this reason, the management continues to adopt going concern basis in preparing the financial statements. The current resources of the Group provide sufficient fund to meet the present requirements of its existing business.

Notes to the Un-audited consolidated financial statements (Continued)

53 Basis of measurement

The un-audited consolidated financial statements have been prepared on historical cost basis except inventories which is measured at lower of cost and net realisable value on each reporting date.

54 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise (see also Note 4.2).

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

- A Basis of consolidated financial statements
- B Property, plant and equipment
- C Inventories
- D Financial instruments
- E Impairment
- F Revenue
- G Provisions
- H Contingencies
- I Foreign currency
- J Income tax
- K Employee benefits
- L Statement of cash flows
- M Finance income and finance expenses
- N Share capital
- O Earnings per share
- P Dividends
- Q Leases

A Basis of consolidated financial statements

The un-audited consolidated financial statements comprise the consolidated financial position and the consolidated results of operation of United Power Generation and Distribution Company Ltd. (the "Company") and its subsidiaries United Energy Ltd., United Ashuganj Energy Ltd., Leviathan Global BD Ltd., United Anwara Power Limited, United Jamalpur Power Limited (collectively referred to as the 'Group').

Subsidiary is an enterprise controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of the subsidiary are included in the consolidated financial statements on a line by-line basis and the interest of non-controlling shareholders, if any, in results and net assets of the subsidiary are stated separately. The financial statements of the subsidiary are included in consolidated financial statement of the Group from the date of control achieved until the date of control ceased. The consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS)- 27 "Separate Financial Statements" and International Financial Reporting Standard (IFRS)- 10: "Consolidated Financial Statements".

Name of subsidiaries	% of controlling interest	% of non-controlling interest
United Energy Ltd	99	1
United Ashuganj Energy Ltd	91.49	8.51
Leviathan Global BD Ltd.	75	25
United Anwara Power Limited	99	1
United Jamalpur Power Limited	99	1

United Power Generation & Distribution Company Ltd. (UPGDCL) hold 99% Shares in each of United Energy Ltd. (UEL), United Anwara Power Ltd. (UANPL) United Jamalpur Power Ltd. (UJPL) and 75% Shares in Leviathan Global BD Ltd. (LGBD). Moreover UEL hold 92.41% Shares of United Ashuganj Energy Ltd. (UAEL) which is effectively owned by UPGDCL of 91.49% Shares in UAEL.

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

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 UPGDCL 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 31 December 2019, there are no such investments.

B Property, plant and equipment

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.

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 Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation

i) Property, plant and equipment is stated at cost less accumulated depreciation. All property, plant and equipment have been depreciated on straight line method.

ii) In respect of addition to fixed assets, full depreciation is charged in the month of addition irrespective of date of purchase in that month and no depreciation is charged in the month of disposal/retirement. Residual value is estimated to be zero for all assets.

The rates of depreciation vary according to the estimated useful lives of the items of all property, plant and equipment.

Considering the estimated useful life of the assets, the rates of depreciation are as follows:

	%
Plant and machinery	3.33 - 8.33
Gas line	2 - 8.33
Building and civil construction	3.33 - 8.33
Office equipment	10 - 15
Furniture and fixture	10
Motor vehicle	10

Retirements and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss 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 in the statement of profit or loss and other comprehensive income.

C Inventories

Inventories consisting mainly of spare parts, lube oil and chemicals are valued at lower of cost and net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale. Costs of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using weighted average cost method.

When inventories are consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

D 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.

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

Notes to the Un-audited consolidated financial statements (Continued)

- how the performance of the portfolio is evaluated and reported to the Group's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets include cash and cash equivalents, trade and other receivables and receivable from related parties.

Notes to the Un-audited consolidated financial statements (Continued)

(a) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

iii. Financial liability

All financial liabilities are recognised initially on the transaction date at which the Group becomes a party to the contractual provisions of the liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade and other payables, related party payables, borrowings, accrued expenses etc.

(a) Trade and other payables

The Group recognises trade and related party payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(b) Loans and borrowings

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

(c) Accrued expenses

Accrued expenses represent various operating expenses that are due at the reporting date which are initially measured at fair value.

E Impairment

Financial assets

Financial assets 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 has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The Group assesses yearly whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss, if and only the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in the statement of comprehensive income.

F Revenue

Revenue is recognised, upon supply of electricity, quantum of which is determined by survey of meter reading. It excludes value added tax and other government levies, on the basis of net units of energy generated and transmitted to the authorised customer's transmission systems and invoiced on a monthly basis upon transmission to the customers. Revenue is valued using rates in effect when service is provided to customers.

Notes to the Un-audited consolidated financial statements (Continued)

G Provisions

A provision is recognised in the statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

H Contingencies

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

(i) Contingent liability

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

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 and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

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.

I Foreign currency

Foreign currency transactions are translated into BDT/Taka at the exchange rates prevailing on the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the reporting date.

Foreign currency denominated non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates prevailing at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

J Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Un-audited consolidated financial statements (Continued)

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Power generation companies in the Group are given tax exemptions for certain years beginning with the month of Commercial Date of Operation ("COD"). The summary of tax exemptions for the power plants operated in the Group are as below:

Entity	Plant	Tax provision status	Period	Expiry
UPGDCL	86 MW plant at DEPZ	Tax exemption on all income	15 years	2023
	72 MW plant at CEPZ	Tax exemption on all income	15 years	2024
UEL	53 MW plant at Ashuganj	Tax exemption on business income	8 years	2019
	28 MW plant at Sylhet	Tax exemption on business income	15 years	2028
UAEL	195 MW plant at Ashuganj	Tax exemption on business income	15 years	2030
UAnPL	300 MW plant at Anwara	Tax exemption on business income	15 years	2034
UJPL	115 MW plant at Jamalpur	Tax exemption on business income	15 years	2034

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

As of 31 December 2021, the Company's power plant operated under tax exemption regime. It has examined the precedent of tax assessment completed of a power generation company for the year when its tax exemption ended, which shows accounting depreciation charge to be equal to the tax depreciation charge, implying that there were no temporary differences between accounting net book value and tax written down value of property, plant and equipment at that point in time. On this basis, in the preparation of these financial statements, the Company has not considered any deferred tax relating to property, plant and equipment as the Company is still under tax exemption as at the reporting date.

K Employee benefits

Workers profit participation fund (WPPF)

The government of Bangladesh has made an amendment to the Labour Law 2006 in July 2013. As per amended section-232 (chha) of the Act, any undertaking carrying on business to earn profit is liable to make provision for WPPF at 5% of the net profit and it also needs to be distributed within 9 months of the statement of financial position date. Operation and maintenance (O&M) activities of the Group are managed by employees of United Engineering and Power Services Limited under an O&M contract. Therefore, the provision of WPPF is not applicable for the Group.

L Statement of cash flows

Statement of cash flows has been prepared in accordance with the IAS 7: *Statement of cash flows* under the direct method.

M Finance income and finance expenses

Finance income comprises interest on financial deposits with banks and loans made to related parties. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. The Group's finance cost includes interest expense which is recognised at amortised cost.

N Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

O Earnings per share

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

P Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the annual general meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid.

Q Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

Policy applicable from 1 July 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 July 2019.

Notes to the Un-audited consolidated financial statements (Continued)

i) The Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- i. fixed payments, including in-substance fixed payments;
- ii. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. amounts expected to be payable under a residual value guarantee; and
- iv. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii) The Company as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the Un-audited consolidated financial statements (Continued)

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'capacity revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Policy applicable before 1 July 2019

For contracts entered into before 1 July 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- i. fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- ii. the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
- iii. the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the;
- iv. the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
- iv. facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i) The Company as a lessee

In comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii) The Company as a lessor

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Under an operating lease, the asset is included in the statement of financial position as property and equipment. Lease income is recognised over the term of the lease on a straight-line basis. This implies the recognition of deferred income when the contractual day rates are not constant during the initial term of the lease contract.

Notes to the Un-audited consolidated financial statements (Continued)

55 Name of auditors of the Group companies

Name of subsidiary	Status	Name of auditors
United Energy Ltd	Subsidiary	Hussain Farhad & Co.
United Ashuganj Energy Ltd	Subsidiary	Rahman Rahman Huq
Leviathan Global BD Ltd.	Subsidiary	Hussain Farhad & Co.
United Anwara Power Limited	Subsidiary	ARTISAN
United Jamalpur Power Limited	Subsidiary	ARTISAN

56 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 July 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Effective for year beginning 1 January 2020	• Amendments to references to conceptual framework in IFRS standards
	• Amendments to IFRS 3: <i>Business Combinations</i> of definition of business
	• Amendments to IAS 1: <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> of definition of material.
Effective for year beginning 1 January	• IFRS 17: <i>Insurance Contracts</i>
Effective date deferred indefinitely / available for optional adoption	• Amendments to IFRS 10: <i>Consolidated Financial Statements</i> and IAS 28: <i>Investments in Associates and Joint Ventures</i> on sale or contribution of assets between an investor and its associate or joint venture

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Company's financial statements.