

**United Power Generation &
Distribution Company Ltd.
Consolidated financial statements
as at and for the year ended 30 June 2022**

INDEPENDENT AUDITOR'S REPORT
To the shareholders of United Power Generation & Distribution Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of United Power Generation & Distribution Company Ltd. ("the Group" or "UPGDCL") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 50.2 to the consolidated financial statements, wherein the management has explained the status of additional claim by the Group's gas suppliers, Titas Gas Transmission & Distribution Company Limited and Karnaphuli Gas Distribution Company Limited amounting to BDT 3,949,464,742 (for the period January 2018 to June 2022) and BDT 2,486,826,134 (for the period May 2018 to July 2022) respectively based on a directive dated 2 January 2018 from the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources. After several stages of legal proceedings, where the judgements did not go in favour of the Group, the Group has filed two Civil Review Petitions which are still pending for hearing before the Honourable Appellate Division of the Supreme Court of Bangladesh as of the date of this report. Pending final outcome of the Court proceedings, management has concluded that a significant uncertainty exists in order to enable any reliable estimation of a potential obligation, and no provision for these claims has been made in the accompanying consolidated financial statements.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

1. Revenue recognition	
See note 60 (F) and 32 to the consolidated financial statements	
Description of key audit matters	How the matters were addressed in our audit
<p>Revenue recognition and provision for customer receivables are key areas of judgement, particularly in relation to:</p> <ul style="list-style-type: none"> ▪ energy revenue is made based on the survey of the meter reading. The customer (or government authority) verify the electrical energy output through physical inspection of meter and/or review of relevant reports generated from the meter. Upon agreement by both parties, the electrical energy delivered for the month is evidenced by the approval of the professional engineers representing the Group and the customer. The meter is calibrated and certified by independent professional engineers on a regular basis; and ▪ identify conflicting issues relating to billing and assessing whether there is little prospect cash will be received for revenue that has been billed. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ assessing whether revenue recognition policies are applied through comparison with relevant accounting standards and industry practice; ▪ testing the Group's controls over revenue recognition; ▪ re-calculate the invoice amount as per Power Purchase Agreement (PPA); ▪ assessing the assumptions used to calculate the metered accrued income by ensuring that inputs used to the calculation have been derived appropriately; ▪ assessing the Group's disclosures of its revenue recognition, including the estimation and uncertainty involved in recording revenue; and ▪ discussed with the management regarding the treatment for revenue recognition policy of the Group.
2. Additional charges claimed by the gas suppliers to the UPGDCL	
See note 60 H and 50.2 to the consolidated financial statements	
Description of key audit matters	How the matters were addressed in our audit
<p>Based on a decision of the Ministry of Power, Energy and Mineral Resources with regard to gas rates applicable for gas-based power plants, the gas suppliers of the Group, namely Titas Gas Transmission & Distribution Company Limited and Karnaphuli Gas Distribution Company Limited have claimed additional amounts of BDT 3,949,464,742 and BDT 2,486,826,134 for Dhaka Export Processing Zone (DEPZ) and Chittagong Export Processing Zone (CEPZ) plants, respectively.</p> <p>The Group had 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. Judgment was given against the Group and the Group then appealed to Honourable Supreme Court which was also discharged by the Court. The Group has now filed two review petitions which are still pending for hearing before the Honourable Appellate Division of the Supreme Court of Bangladesh as of the date of this report.</p> <p>Pending final outcome of the Court proceedings, management has concluded that a significant uncertainty exists in order to enable any reliable estimation of a potential obligation, and no provision for these claims has been made in the accompanying financial statements.</p>	<p>Our substantive procedures in this area included:</p> <ul style="list-style-type: none"> ▪ discussion of material legal cases with the Group's Legal Department; ▪ review of legal documents pertaining to the case. ▪ inquiry with management and review and analysis of management's detailed assessment of the probability of outcome of the case. ▪ directly obtaining assessment and legal opinion from the Group's external legal counsel with regard to the outcome of the case. ▪ assessment of disclosures in the consolidated financial statements of material contingencies, nature and their measurement.

Other Information included in the Group's June 30, 2022 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Group so far as it appeared from our examination of these books;
- c) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Group's business.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202



Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

Dhaka, 27 October 2022

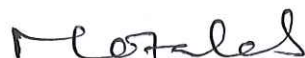
United Power Generation & Distribution Company Ltd.
Consolidated statement of financial position

<i>In Taka</i>	Note	30 June 2022	30 June 2021
Assets			
Property, plant and equipment	5	38,553,574,856	40,804,081,092
Capital Work In Progress (CWIP)	6	1,804,307,076	1,638,575,574
Right of use assets	7	183,790,779	202,444,023
Investment in subsidiaries	8	-	-
Non-current assets		40,541,672,711	42,645,100,689
Inventories	9	4,265,343,282	4,118,391,067
Trade and other receivables	10	24,501,517,713	5,365,772,394
Receivable from related parties	11	15,343,171,161	13,760,155,755
Advances, deposits and prepayments	12	173,724,377	145,308,271
Investment in marketable securities	13	148,085,596	151,883,809
Advance income tax	14	6,664,589	3,993,965
Cash and cash equivalents	15	1,230,174,686	1,482,743,529
Current assets		45,668,681,403	25,028,248,791
Total assets		86,210,354,114	67,673,349,480
Equity			
Share capital	16	5,796,952,700	5,796,952,700
Share premium	17	2,046,000,000	2,046,000,000
Revaluation reserve	18	56,115,299	56,787,291
Retained earnings	19	24,786,447,118	24,666,183,710
Equity attributable to the owners of the Company		32,685,515,117	32,565,923,701
Non-controlling interests	20	512,166,162	525,075,969
Total equity		33,197,681,279	33,090,999,670
Liabilities			
Preference Share Capital	21	2,100,000,000	1,000,000,000
Long term loan	22	3,883,160,052	3,750,946,968
Security money received	24	700,000	700,000
Land lease Liability	25	24,677,455	23,489,811
Non-current liabilities		6,008,537,507	4,775,136,779
Deferred revenue	26	234,267,429	477,756,223
Trade and other payables	27	14,411,833,578	5,827,211,311
Unclaimed dividend	28	13,322,090	13,155,151
Accrued expenses	29	119,105,149	51,370,373
Long term loan - Current portion	22	1,266,361,806	2,058,335,238
Short term loan	23	6,210,000,000	2,486,321,103
Preference Share Capital	21	900,000,000	500,000,000
Land lease Liability	25	1,980,622	960,083
Payable to related parties	30	23,845,523,399	18,389,214,028
Current Tax liability	31	1,741,255	2,889,521
Current liabilities		47,004,135,328	29,807,213,031
Total liabilities		53,012,672,835	34,582,349,810
Total equity and liabilities		86,210,354,114	67,673,349,480
Net asset value per share	41	56.38	56.18

The annexed notes 1 to 61 form an integral part of these financial statements.

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202



Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

Dhaka, 27 October 2022



Moinuddin Hasan Rashid
Managing Director



Professor Mohammad Musa, PhD
Director



Mostak Ahmmed FCA
Company Secretary



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

<i>In Taka</i>	<i>Note</i>	For the year ended	
		30 June 2022	30 June 2021
Revenue	32	49,435,163,297	30,580,520,521
Cost of sales	33	(39,269,299,916)	(18,767,741,083)
Gross profit		10,165,863,381	11,812,779,438
General and administrative expenses	34	(98,733,440)	(107,849,592)
Other income/(Expenses)	35	95,132,864	(24,557,302)
Operating profit		10,162,262,805	11,680,372,544
Finance income	36	826,961,563	397,760,515
Foreign exchange gain/(loss)	37	(321,175,944)	(75,261)
Finance expense	38	(510,727,599)	(973,102,746)
Profit before tax		10,157,320,826	11,104,955,052
Income tax (expense)/income	39	(2,024,428)	9,219,956
Profit for the period		10,155,296,398	11,114,175,008
Other comprehensive income		-	-
Total comprehensive income		10,155,296,398	11,114,175,008

Total comprehensive income attributable to:

Owners of the Company		9,974,411,005	10,900,859,457
Non-controlling interests	20	180,885,393	213,315,551
Total comprehensive income		10,155,296,398	11,114,175,008

Earnings per share (Basic)	40.1	17.21	18.80
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As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202

Motaleb

Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

Dhaka, 27 October 2022

Moinuddin Hasan Rashid
Moinuddin Hasan Rashid
Managing Director

Mohd Musa
Professor Mohammad Musa, PhD
Director

Mostak Ahmed
Mostak Ahmed FCA
Company Secretary



**United Power Generation & Distribution Company Ltd.
Consolidated statement of changes in equity**

<i>In Taka</i>	For the year ended 30 June 2022					
	Attributable to the owners of the Company					
	Share capital	Share premium	Retained earnings	Revaluation reserve	Non-controlling interests	Total
Balance at 1 July 2021	5,796,952,700	2,046,000,000	24,666,183,710	56,787,291	525,075,969	33,090,999,670
Profit for the year	-	-	9,974,411,005	-	180,885,393	10,155,296,399
Dividend	-	-	(9,854,819,590)	-	(193,795,200)	(10,048,614,790)
Depreciation on revalued assets	-	-	671,992	(671,992)	-	-
Balance at 30 June 2022	5,796,952,700	2,046,000,000	24,786,447,118	56,115,299	512,166,162	33,197,681,279
Note	16	17	19	18	20	
	For the year ended 30 June 2021					
	Attributable to the owners of the Company					
	Share capital	Share premium	Retained earnings	Revaluation reserve	Non-controlling interests	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 year	-	-	10,900,859,457	-	213,315,551	11,114,175,008
Bonus dividend paid during the year	526,995,700	-	(526,995,700)	-	-	-
Cash dividend for the year 2019-20	-	-	(7,641,437,650)	-	-	(7,641,437,650)
Dividend to minority shareholder	-	-	-	-	(286,632,000)	(286,632,000)
Depreciation on revalued assets	-	-	671,992	(671,992)	-	-
Non-controlling interest added during the year	-	-	-	-	53,683,214	53,683,214
Balance at 30 June 2021	5,796,952,700	2,046,000,000	24,666,183,710	56,787,291	525,075,969	33,090,999,670
Note	16	17	19	18	20	

The annexed notes 1 to 61 form an integral part of these financial statements.



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

<i>In Taka</i>	Note	For the year ended	
		30 June 2022	30 June 2021
Cash flows from operating activities			
Cash received from customers		30,057,000,670	32,175,452,533
Cash received from other sources		98,103,059	104,322,718
Cash paid to suppliers and others		(28,548,577,683)	(15,550,568,650)
Tax paid		(2,715,565)	(2,973,886)
Financial charges paid	38	(510,727,598)	(976,603,147)
Net cash generated from operating activities		1,093,082,883	15,749,629,568
Cash flows from investing activities			
Acquisition of property, plant and equipment		(99,793,875)	(456,675,850)
Investment in subsidiary company		-	(5,314,638,192)
Cash paid for liabilities against capital machinery		(288,110,196)	(7,341,323,202)
Cash received/(paid) for related party loan		(848,449,466)	(4,656,931,110)
Dividend from subsidiary company		7,568,179,964	18,518,282,217
Net cash generated from/(used in) investing activities		6,331,826,426	748,713,864
Cash flows from financing activities			
Dividend paid		(17,616,627,814)	(27,127,448,934)
Preference Share Capital	21	1,500,000,000	1,500,000,000
Lease payment	25	(1,840,434)	(905,738)
Cash paid for related party loan		5,376,982,142	13,190,044,527
Short term loan received/(paid)		3,723,678,897	(4,259,695,266)
Long term loan received/(paid)		(659,760,349)	1,096,403,972
Net cash generated from/(used in) financing activities		(7,677,567,558)	(15,601,601,439)
Net increase in cash and cash equivalents		(252,658,249)	896,741,993
Opening cash and cash equivalents	15	1,482,743,529	586,001,536
Effect of movements in exchange rates on cash held		89,405	-
Cash and cash equivalents as at 30 June		1,230,174,686	1,482,743,529
Net operating cash flow per share	42	1.89	27.17

The annexed notes 1 to 61 form an integral part of these financial statements.



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

Consolidated financial statements of the Group as at and for the year ended 30 June 2022 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) the former name of Shajahanullah Power Generation Company Limited (SPGCL) (hereinafter referred to as "the Company") a Public Limited Company in Bangladesh was incorporated vide registration no.-C-75168/09 on 04 March 2009 under the Companies Act (#18) 1994 having its present corporate office at United House, Madani Avenue, United City, Dhaka 1212. The company has developed a power plant of 28 MW capacity in Sylhet in order to produce and supply electricity through BPDB and BREB. The Sylhet power 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.

The authorized capital of the company is Tk. 100,000,000 divided into 10,000,000 ordinary shares of Tk. 10 each. The company has acquired in the year 2017-18 a power plant of 53 MW capacity through Amalgamation of United Ashuganj Power Limited (UAPL) in B. Baria Ashuganj in order to produce and supply electricity through BPDB.

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. UEL is a power generation company established under the Private Sector Power Generation Policy of Bangladesh. It operates two power plants 28 MW plant at Sylhet and 53 MW plant at Ashuganj.

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 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. The plant further extended its contract for another five years vide contract No. 10640, executed on 31 March 2022.



Notes to the consolidated financial statements

1.2.2 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 the Company is BDT 7,000,000,000 only divided into 500,000,000 ordinary shares of BDT 10 each and 200,000,000 redeemable preference shares of BDT 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) (hereinafter referred to as "the Company"), a private limited company, was incorporated in Bangladesh on 23 May 2018 under the Companies Act (#18) 1994 under registration no. C-145026/2018 with its corporate office at United House, Madani Avenue, United City, Dhaka-1212, Bangladesh.

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 Power Generation & Distribution Company Ltd (UPGDCL) respectively.

On 22 June 2019, the Board of Directors of the Company 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. LGBDL is a 50 MW IPP gas fired power plant built under joint venture between Leviathan Global Corporation, USA and UECL. The plant is located at KEPZ in Chattogram and will be operated under an agreement with BEPZA with a contract period of 30 years (extendable for a further 30 years) which is expected to be operational by February 2023.

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.



Notes to the consolidated financial statements

On 15 September 2020, the Board of Directors of the Company, resolved to acquire 99% shares (9,900,000 shares) of United Anwara 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).

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 02 August 2017 under the Companies Act (#18) 1994 under registration no. C-139126/2017 with its corporate office at United House, Madani Avenue, United City, Dhaka-1212, Bangladesh. The authorized share capital of the Company is Tk. 2,500,000,000 (Two Hundred Fifty crore) only divided into 250,000,000 (Twenty Five 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.

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).

Details of holding structure in subsidiaries are described in Note 60A and note 8.

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 82 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.



Notes to the consolidated financial statements

1.4 Power plant

The natural gas fired power plants of Dhaka EPZ and Chattogram EPZ consist of Wartsila and Rolls Royce 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. In 2021, the company disposed two gas fired MTU engines with a capacity of 2 MW. At present total install capacity of DEPZ power plant is 82 MW.

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	82	Gas	26 December 2008	2038
	CEPZ	72	Gas	12 August 2009	2039
United Energy Ltd	Ashuganj	53	Gas	22 June 2011	2027
	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 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 60.

2.2 Date of authorisation

The consolidated financial statements were authorised for issue by the Board of Directors on 27 October 2022.

2.3 Reporting period

The current financial period of the Group covers twelve months from 1 July 2021 to 30 June 2022.



Notes to the consolidated financial statements

3 Functional and presentation currency

These 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 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 2022 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 60B	Property, plant and equipment
Note 9 and 60C	Inventories
Note 10 and 60D	Trade and other receivables
Note 31 and 60J	Current Tax liability
Note 48, 50, and 60H	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.



Notes to the consolidated financial statements (Continued)

- 5 Property, plant and equipment
See accounting policy in Note 60B

In Taka	Building and										Total	
	Plant and machinery	Gas line	construction	civil	Land and development	Office equipment	Furniture and fixture	Motor vehicle				
Cost												
Balance at 1 July 2021	50,360,525,262	483,716,045	2,697,067,990	321,929,079	27,534,786	16,417,214	187,675,898	54,094,866,273				
Additions	193,960,183	752,135	11,512,819	-	1,931,847	38,250	16,460,000	224,655,234				
Disposals/transfers	-	-	-	-	-	-	-	-				
Balance at 30 June 2022	50,554,485,445	484,468,180	2,708,580,809	321,929,079	29,466,632	16,455,464	204,135,898	54,319,521,507				
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	23,864,415,531	-	1,944,284,295	41,976,954	10,513,212	4,203,856	92,157,183	25,957,551,030				
Disposals/transfers	(314,601,128)	-	-	-	-	-	-	(314,601,128)				
Balance at 30 June 2021	50,360,525,262	483,716,045	2,697,067,990	321,929,079	27,534,786	16,417,214	187,675,898	54,094,866,273				
Accumulated depreciation												
Balance at 1 July 2021	12,407,487,664	149,956,125	506,099,783	136,402,634	17,187,861	9,000,253	64,650,862	13,290,785,182				
Depreciation for the year	2,305,098,718	9,098,848	129,282,439	9,387,678	1,861,343	1,412,538	19,019,906	2,475,161,470				
Adjustment for disposal/transfers	-	-	-	-	-	-	-	-				
Balance at 30 June 2022	14,712,586,382	159,054,973	635,382,222	145,790,312	19,049,203	10,412,791	83,670,768	15,765,946,651				
Balance at 1 July 2020	10,121,017,259	136,881,533	370,574,059	127,014,955	15,292,959	7,512,296	46,441,661	10,824,734,722				
Depreciation for the year	2,409,238,016	13,074,592	135,525,724	9,387,678	1,894,902	1,487,957	18,209,201	2,588,818,070				
Adjustment for disposal/transfers	(122,767,610)	-	-	-	-	-	-	(122,767,610)				
Balance at 30 June 2021	12,407,487,664	149,956,125	506,099,783	136,402,634	17,187,861	9,000,253	64,650,862	13,290,785,182				
Carrying amounts												
Balance at 30 June 2022	35,841,899,063	325,413,207	2,073,198,587	176,138,767	10,417,429	6,042,672	120,465,129	38,553,574,856				
Balance at 30 June 2021	37,953,037,598	333,759,920	2,190,968,207	185,526,445	10,346,925	7,416,960	123,025,036	40,804,081,092				
Allocation of depreciation												
In Taka									Note	30 June 2022	30 June 2021	
Cost of sales									33	2,455,389,348	2,567,620,736	
General and administrative expenses									34	19,772,122	21,197,334	
										2,475,161,470	2,588,818,070	



Notes to the consolidated financial statements (Continued)

6 Capital Work In Progress (CWIP)

<i>In Taka</i>	30 June 2022	30 June 2021
Capital Machinery	1,332,487,527	1,321,368,790
Building and civil Construction	79,653,910	73,550,132
Office Furniture	157,607	157,607
Office and Electrical equipment	314,606	314,606
Gas Line	5,000,000	5,000,000
Interest during construction period	386,693,426	238,184,439
	1,804,307,076	1,638,575,574

7 Right of use assets

See accounting policy in Note 60S

<i>In Taka</i>	Note	30 June 2022	30 June 2021
Land lease rent	7.1	180,754,316	202,444,023
Office rent	7.2	3,036,463	-
Balance at		183,790,779	202,444,023

7.1 Land lease rent

<i>In Taka</i>	30 June 2022	30 June 2021
Cost		
Balance as at 01 July 2021	245,823,435	245,823,435
Addition	-	-
Disposals	-	-
	245,823,435	245,823,435
Accumulated depreciation		
Balance as at 01 July 2021	43,379,412	21,689,705
Amortisation for the year	21,689,707	21,689,707
Adjustment for disposal/transfers	-	-
	65,069,119	43,379,412
Carrying amount		
Balance at 30 June	180,754,316	202,444,023

7.2 Office rent

<i>In Taka</i>	30 June 2022	30 June 2021
Cost		
Balance as at 01 July 2021	-	-
Addition	4,048,617	-
Disposals	-	-
	4,048,617	-
Accumulated depreciation		
Balance as at 01 July 2021	-	-
Amortisation for the year	1,012,154	-
Adjustment for disposal/transfers	-	-
	1,012,154	-
Carrying amount		
Balance at 30 June	3,036,463	-

Amortisation on right of use asset (land) has been charged to cost of sales and amortisation on right of use asset (office rent) has been charged to general and administrative expenses.



Notes to the consolidated financial statements (Continued)

8 Investment in subsidiaries

See Note 1.2

<i>In Taka</i>	30 June 2022	30 June 2021
United Energy Ltd	-	-
Leviathon Global BD Ltd.	-	-
United Anwara power Limited	-	-
United Jamalpur power Limited	-	-
	-	-

9 Inventories

See accounting policy in Note 60C

<i>In Taka</i>	Note	30 June 2022	30 June 2021
Spare parts	9.1	1,856,457,857	1,610,163,572
Lube oil and chemicals	9.2	73,240,160	107,433,366
Heavy fuel oil	9.3	2,055,813,661	2,296,494,563
Light fuel oil	9.4	6,656,092	8,827,452
Materials in transit		273,175,512	95,472,113
		4,265,343,282	4,118,391,067

9.1 Spare parts

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	1,610,163,572	1,249,367,080
Purchase during the year	1,039,461,693	955,798,240
Transfer during the year	(70,587,083)	(13,430,934)
Consumption during the year	(722,580,325)	(581,570,814)
	1,856,457,857	1,610,163,572

9.2 Lube oil and chemicals

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	107,433,366	62,942,658
Purchase during the year	517,247,962	372,842,820
Transfer during the year	(19,037,225)	1,201,364
Consumption during the year	(532,403,944)	(329,553,475)
	73,240,160	107,433,366

9.3 Heavy fuel oil

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	2,296,494,562	906,282,916
Purchase during the year	32,736,518,627	14,362,093,307
Consumption during the year	(32,977,199,529)	(12,971,881,661)
	2,055,813,661	2,296,494,563



Notes to the consolidated financial statements (Continued)

9.4 Light fuel oil

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	8,827,451	12,879,012
Purchase during the year	1,125,180	1,250,200
Transfer during the year	-	(2,467,549)
Consumption during the year	(3,296,540)	(2,834,211)
	6,656,092	8,827,452

10 Trade and other receivables

See accounting policy in Note 60D

<i>In Taka</i>	Note	30 June 2022	30 June 2021
Trade receivables	10.1	24,491,687,290	5,357,838,851
Other receivables	10.2	9,830,423	7,933,543
		24,501,517,713	5,365,772,394

10.1 Trade receivables

<i>In Taka</i>	30 June 2022	30 June 2021
BREB	230,862,774	233,605,341
BPDB	23,583,589,589	4,435,997,288
BEPZA	401,305,424	415,417,053
Private customers	275,929,503	272,819,170
	24,491,687,290	5,357,838,851

10.2 Other receivables

<i>In Taka</i>	30 June 2022	30 June 2021
Wartsila Bangladesh Ltd	5,832,334	5,022,158
Bergen Engine BD (Pvt.) Ltd	2,535,813	1,218,495
Kaltimex Energy Bangladesh (Pvt) Ltd.	-	164,133
Precision Energy Ltd.	47,818	129,978
ABB Ltd.	936,609	936,609
Weber Power Solution Ltd.	109,641	109,641
Samuda Power Ltd.	-	352,528
EVP Chittagong Ltd.	368,209	
	9,830,423	7,933,543

10.3 Out of the total receivable from BREB, an amount of BDT 177,171,835 for the year from 2009 to 2012 was under arbitration in Bangladesh Energy Regulatory Commission (BERC) for determination. In May 2018, the arbitration panel awarded in favor of BREB. The Company has filed a writ petition with the BERC against the arbitration award. Judgment has been given against UPGDCL on 3 July 2022. The company will file a petition against the judgment in the High Court. Management believes that the review petition will be considered by the court.

10.4 Out of the total receivable from BPDB, an amount of BDT 128,900,233 is disputed by BPDB dating back to the year 2009 to 2012. The Company will pursue this amount upon satisfactory resolution of the above matter, but is confident of recovery.



Notes to the consolidated financial statements (Continued)

11 Receivable from related parties

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2022	30 June 2021
United Mymensingh Power Ltd	15,335,924,161	13,751,979,081
United Payra Power Ltd.	3,818,012	4,183,611
United Engineering and Power Services Ltd	3,051,595	1,527,907
United Lube Oil Ltd	377,392	2,465,157
	15,343,171,161	13,760,155,755

12 Advances, deposits and prepayments

See accounting policy in Note 60D

<i>In Taka</i>	Note	30 June 2022	30 June 2021
Advances	12.1	100,335,160	70,891,374
Deposits	12.2	53,949,707	53,950,158
Prepayments	12.3	19,439,510	20,466,739
		173,724,377	145,308,271

12.1 Advances

<i>In Taka</i>	30 June 2022	30 June 2021
Advance against LC charges	705,690	1,632,449
Advance against HFO	15,423,345	
Advance against expenses	84,206,125	69,258,924
	100,335,160	70,891,374

12.2 Deposits

<i>In Taka</i>	30 June 2022	30 June 2021
Karnaphuli Gas Distribution Company Ltd.	44,293,183	44,293,183
Bank guarantee margin	5,850,000	5,850,000
BEPZA	1,112,518	1,112,519
Balance in BO account	75,007	75,457
Central Depository Bangladesh Ltd.	500,000	500,000
Chattagram Palli Biddut Shamity-1	1,913,998	1,913,998
BPDB	205,000	205,000
	53,949,707	53,950,158

12.3 Prepayments

<i>In Taka</i>	30 June 2022	30 June 2021
Insurance premium	14,495,662	15,276,779
BERC license fees	2,048,836	2,294,948
Bank guarantee commission	2,895,012	2,895,012
	19,439,510	20,466,739



Notes to the consolidated financial statements (Continued)

13 Investment in marketable securities

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2022	30 June 2021
Cash available for share purchase	31,796	123,614
Financial assets classified as fair value through profit and loss	148,053,800	151,760,195
	148,085,596	151,883,809

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 30 June 2022	Cost price	Changes in fair value	Market value at 30 June 2021
BEXIMCO	511,000	129.80	66,327,800	82,238,736	(15,910,936)	-
SHAHJABANK	840,000	19.90	16,716,000	18,117,047	(1,401,047)	16,034,695
Square Pharmaceuticals Ltd	300,000	216.70	65,010,000	71,664,681	(6,654,681)	-
IDLC	100,000	59.90	-	-	-	5,990,000
BXPBARMA	167,000	192.70	-	-	-	44,325,000
BATBC	90,000	539.10	-	-	-	48,519,000
BERGERPBL	5,000	1,759.50	-	-	-	8,797,500
Olympic Industries Ltd.	10,000	170.00	-	-	-	1,700,000
Renata Ltd.	20,000	1,319.70	-	-	-	26,394,000
			148,053,800	172,020,464	(23,966,664)	151,760,195



Notes to the consolidated financial statements (Continued)

14 Advance income tax

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	6,086,350	15,542,391
Paid during the year	4,428,696	1,229,897
Adjustment for completion of assessment	(3,850,457)	(12,778,323)
	6,664,589	3,993,965

15 Cash and cash equivalents

See accounting policy in Note 60D

<i>In Taka</i>	Note	30 June 2022	30 June 2021
Cash in hand	15.1	1,030,472	609,866
Fixed deposits	15.2	33,423,718	31,692,554
Cash at bank	15.3	1,195,720,496	1,450,441,109
		1,230,174,686	1,482,743,529

15.1 Cash in hand

<i>In Taka</i>	30 June 2022	30 June 2021
Cash in hand	1,030,472	609,866
	1,030,472	609,866

15.2 Fixed deposits

<i>In Taka</i>	30 June 2022	30 June 2021
AB Bank Limited	33,423,718	31,692,554
	33,423,718	31,692,554



Notes to the consolidated financial statements (Continued)

15.3 Cash at bank

<i>In Taka</i>	30 June 2022	30 June 2021
Dhaka Bank Limited	1,035,030,306	820,378,657
Dutch Bangla Bank Limited	30,917,222	27,978,437
Shahjalal Islami Bank Limited	8,200	27,104
Eastern Bank Limited	24,404,113	2,263,091
Jamuna Bank Limited	2,220,584	70,247
Trust Bank Limited	-	222,913
Brac Bank Limited	14,419,446	13,681,649
Brac Bank Ltd.-Dividend dist. A/C 2013 and 2014	-	1,446,847
The City Bank Limited-Dividend distribution A/C 2016	24,059,296	558,254,984
Dhaka Bank Limited - Dividend distribution A/C 2017	-	1,079,961
The Hongkong and Shanghai Banking Corp. Ltd	22,471,423	14,065,856
Standard Chartered Bank	11,555,182	4,355,855
The City Bank Limited	8,582,628	4,204,323
Bank Asia Ltd.	3,050,681	1,351,143
Citibank N.A	9,235,210	-
United Commercial Bank Ltd.	6,044	9,940
Mutual Trust Bank Ltd.	4,276,534	450,086
Prime Bank Ltd.	4,500,273	462,094
One Bank Ltd.	7,925	8,917
Pubali Bank Limited	975,428	129,006
	1,195,720,496	1,450,441,109

16 Share capital

See accounting policy in Note 600

<i>In Taka</i>	30 June 2022	30 June 2021
Authorised		
800,000,000 ordinary shares of Tk. 10 each	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
	10,000,000,000	10,000,000,000
Ordinary shares issued, subscribed and paid up		
Opening balance	5,796,952,700	5,269,957,000
Bonus shares issued	-	526,995,700
Closing balance	5,796,952,700	5,796,952,700

16.1 Particulars of shareholding

<i>In Taka</i>	30 June 2022		30 June 2021
	No. of shares	Value (Tk)	Value (Tk)
United Mymensingh Power Ltd	521,716,902	5,217,169,020	5,217,169,020
Investment Corporation of BD	16,178,079	161,780,790	161,780,790
General investors	41,800,289	418,002,890	418,002,890
	579,695,270	5,796,952,700	5,796,952,700



Notes to the consolidated financial statements (Continued)

16.2 Percentage of shareholdings

Name of shareholders	30 June 2022	30 June 2021
United Mymensingh Power Ltd	90.00%	90.00%
Investment Corporation of Bangladesh	2.79%	2.79%
General investors	7.21%	7.21%
	100%	100%

16.3 Classification of shareholders by holding

Range of holding in number of shares	30 June 2022	30 June 2021
	No. of shareholders	No. of shareholders
01 to 5000 shares	12,685	11,723
5,001 to 20,000 shares	391	446
20,001 to 50,000 shares	110	94
50,001 to 1,000,000 shares	94	101
1,000,001 to 10,000,000 shares	7	8
over 10,000,001 shares	1	1
	13,288	12,373

17 Share premium

<i>In Taka</i>	30 June 2022	30 June 2021
Share premium	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

<i>In Taka</i>	30 June 2022	30 June 2021
Revaluation reserve	56,115,299	56,787,291
	56,115,299	56,787,291

19 Retained earnings

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	24,666,183,710	21,933,085,610
Net profit during the period	9,974,411,005	10,900,859,457
	34,640,594,715	32,833,945,067
Issue of bonus shares for the year 2019-20	-	(526,995,700)
Cash dividend for the year 2020-21	(9,854,819,590)	(7,641,437,650)
Depreciation on revalued assets	671,992	671,992
	24,786,447,118	24,666,183,710

20 Non-controlling interests

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	525,075,969	544,709,204
Dividend to minority shareholders	(193,795,200)	(286,632,000)
Profit during the period	180,885,393	213,315,551
Non-Controlling interest added on acquisition	-	53,683,214
	512,166,162	525,075,969



Notes to the consolidated financial statements (Continued)

21 Preference Share Capital

<i>In Taka</i>	30 June 2022	30 June 2021
Preference Share Capital (non-current portion)	2,100,000,000	1,000,000,000
Preference Share Capital (current portion)	900,000,000	500,000,000
	3,000,000,000	1,500,000,000

22 Long term loan

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2022	30 June 2021
Non-current portion	3,883,160,052	3,750,946,968
Current portion	1,266,361,805	2,058,335,238
	5,149,521,857	5,809,282,206

Non-current liabilities

<i>In Taka</i>	30 June 2022	30 June 2021
Investment Promotion and Financing Facility (IPFF) loan	2,549,826,717	2,861,363,635
Standard Chartered Bank Ltd.	666,666,667	889,583,333
Dutch Bangla Bank Ltd.	666,666,668	-
	3,883,160,052	3,750,946,968

Current liabilities

<i>In Taka</i>	30 June 2022	30 June 2021
Investment Promotion and Financing Facility (IPFF) loan	599,695,140	533,335,238
Standard Chartered Bank Ltd.	333,333,333	1,525,000,000
Dutch Bangla Bank Ltd.	333,333,332	-
	1,266,361,806	2,058,335,238



Notes to the consolidated financial statements (Continued)

22.1 United Ashuqani Energy Limited

Terms and repayment schedule

a) The following loans were obtained 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% (IPPF margin) + 1.75% (PFI's margin)	12 years	2027	40 equal quarterly instalments
IPFF loan	Trust Bank Limited	USD 21,940,000	6 month USD LIBOR + 0.3% (IPPF margin) + 1.75% (PFI'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% (IPPF margin) + 1.75% (PFI'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 nominated by United Enterprises & Co. Ltd.
- Corporate guarantees by the United Enterprises & Co. Ltd and Ashuganj Power Station & Co. Ltd.

b) Preference share

Nature of loan	Lender	Limit	Dividend rate	Tenure	Year of maturity	Repayment terms
Preference share	Dhaka Bank Limited	BDT 2,000 million	5.5%	3 years	Nov' 2024	Yearly redemption. i) 1st year 20% ii) 2nd year 20%. iii) 3rd year 60%.

The Preference share is secured by:

- Three undated cheque covering the subject facility.
- Corporate guarantee of United Enterprises & Co.
- Put option and Share Retention Agreement between United Energy Limited and Preference Shares subscriber i. e investors (s) will always have the option to sell 100% outstanding of the Preference Shares to United Energy Limited.

c) Short term loan (STL) facility

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
STL	Dhaka Bank Limited	BDT 1,200 million	7%	1 year	Nov' 2021	12 equal monthly instalments

The STL is secured by:

- One post dated cheque covering the subject facility.
- Usual charge documents.
- Corporate guarantees by the corporate guarantors.

22.2 United Jamalpur Power Limited

Preference share

The following preference share and loan were obtained by United Jamalpur Power Ltd. (UJPL) to repay high-cost existing liability

Nature of loan	Lender	Limit	Dividend rate	Tenure	Year of maturity	Repayment terms
Preference share	Mutual trust bank Ltd.	BDT 1,500 million	5.5% p. a	3 years	Nov' 2024	Yearly redemption.

The Preference share is secured by:

- Three post dated cheque covering the subject facility.
- Corporate guarantee of United Enterprises & Co.
- Put option and Share Retention Agreement between United Energy Limited and Preference Shares subscriber i. e investors (s) will always have the option to sell 100% outstanding of the Preference Shares to United



Long term loan (LTL) facility

The following term loan was obtained by United Jamalpur Power Ltd. (UJPL) for refinancing against already incurred expenses for settlement of accepted liabilities.

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
Term Loan	DBBL	BDT 100 Crore	6% p.a	3 years	2025	6 equal Half-Yearly instalments

The term loan is secured by:

- Usual charge documents.
- One post dated cheque covering the subject facility.
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) supported by Board Resolution.
- Standard Term Loan Agreement.

Short term loan (STL) facility

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
STL	Dhaka Bank Limited	BDT 500 million	7.00%	Six months	2022	9/28/2022
STL	HSBC	BDT 250 million	6.90%	Six months	2022	9/14/2022

The STL is secured by:

- Post dated cheque covering the subject facility.
- Usual charge documents.
- Corporate guarantee by the corporate guarantor.

22.3 United Anwara Power Limited

Long terms loan and repayment schedule

The following term loan was obtained by United Anwara Power Ltd. (UANPL) for refinancing against already incurred expenses for settlement of accepted liabilities.

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Repayment terms
Term Loan	DBBL	BDT 100 Crore	6.00% p.a	3 years	2025	6 equal Half-Yearly

The term loan is secured by:

- Usual charge documents.
- One post dated cheque covering the subject facility.
- Corporate Guarantee from United Enterprises & Co. Ltd. (UECL) supported by Board Resolution.
- Standard Term Loan Agreement.

Short term loan (STL) facility

Nature of loan	Lender	Limit	Interest	Tenure	Year of maturity	Maturity
STL	The City Bank Ltd.	BDT 100 Crore	7.00%	Six months	2022	9/28/2022
	Prime Bank Ltd.	BDT 150 Crore	5.50%	Six months	2022	8/28/2022
	Prime Bank Ltd.	BDT 100 Crore	7.50%	Six months	2022	12/18/2022
	HSBC	BDT 46 Crore	4.50%	One Year	2023	5/7/2023
	Pubali Bank Ltd.	BDT 100 Crore	7.50%	Six months	2022	11/23/2022
	Pubali Bank Ltd.	BDT 50 Crore	6.00%	Six months	2022	10/10/2022

The STL is secured by:

- Post dated cheque covering the subject facility.
- Usual charge documents.
- Corporate guarantee by the corporate guarantor.



Notes to the consolidated financial statements (Continued)

23 Short term loan

<i>In Taka</i>	30 June 2022	June 2021
Dutch Bangla Bank Ltd.	-	1,420,000,000
Public Bank Ltd.	1,500,000,000	-
The City Bank Ltd.	1,000,000,000	-
Prime Bank Ltd.	2,500,000,000	500,000,000
HSBC	710,000,000	-
Dhaka Bank Ltd.	500,000,000	566,321,103
	6,210,000,000	2,486,321,103

24 Security money received

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2022	30 June 2021
Lilac Fashion Wear Ltd	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.

25 Lease Liability

See accounting policy in Note 60S

<i>In Taka</i>	30 June 2022	30 June 2021
Land lease rent	23,489,811	-
Office rent	3,168,266	-
Balance at	26,658,077	-

25.1 Land lease rent

<i>In Taka</i>	30 June 2022	30 June 2021
Balance as at 01 July	24,449,894	25,355,632
Add: Addition during the year	-	-
Add: Interest charged during the year	1,414,220	1,468,565
Less: Payment made during the year	(2,374,303)	(2,374,303)
Balance as at	23,489,811	24,449,894

25.2 Office rent

<i>In Taka</i>	30 June 2022	30 June 2021
Balance as at 01 July	-	-
Add: Addition during the year	4,048,617	-
Add: Interest charged during the year	319,649	-
Less: Payment made during the year	(1,200,000)	-
Balance as at	3,168,266	-

Segregation of Land lease liability:

<i>In Taka</i>	30 June 2022	30 June 2021
Non-current portion	24,677,455	23,489,811
Current portion	1,980,622	960,083
	26,658,077	24,449,894



Notes to the consolidated financial statements (Continued)

26 Deferred revenue

<i>In Taka</i>	30 June 2022	30 June 2021
Deferred revenue	234,267,429	477,756,223
	234,267,429	477,756,223

This pertains to the difference between capacity payments received from the customer and capacity payments recognised in statement of profit or loss and other comprehensive income in relation to the Power Purchase Agreement (PPA) due straight-lining of capacity revenue over the remaining PPA term following the application of IFRS 16.

27 Trade and other payables

See accounting policy in Note 60D

<i>In Taka</i>	Note	30 June 2022	30 June 2021
Trade payables	27.1	14,380,904,335	5,626,966,143
Other payables	27.2	30,929,243	200,245,168
		14,411,833,578	5,827,211,311

27.1 Trade payables

<i>In Taka</i>	30 June 2022	30 June 2021
Gas bill	229,012,792	5,626,966,143
Liabilities for HFO purchase	14,151,891,542	-
	14,380,904,335	5,626,966,143

27.2 Other payables

<i>In Taka</i>	30 June 2022	30 June 2021
Share application money	919,597	6,433,552
Service charge on gas bill	13,003,547	15,231,851
Other operating expenses	15,242,649	8,896,213
TDS payable	9,783	990,030
Bergen Engines Bangladesh Pvt.Ltd.	810,000	810,000
Wartsila Bangladesh Ltd	943,202	679,987
Interest on Intercompany loan	-	166,950,790
Payable against C&F bill	464	252,746
	30,929,243	200,245,168

Share application money BDT 5,513,955 has been transferred to Capital Market Stabilization Fund.

28 Unclaimed dividend

<i>In Taka</i>	30 June 2022	30 June 2021
Unclaimed cash dividend for the year 2013 & 2014	-	1,404,329
Unclaimed interim & final cash div. for the period ended 30 June 2016	-	3,319,650
Unclaimed cash dividend for the year 2017	-	808,572
Unclaimed cash dividend for the year 2018	1,072,116	1,026,883
Unclaimed cash dividend for the year 2019	2,747,534	2,819,121
Unclaimed cash dividend for the year 2020	3,950,608	3,776,596
Unclaimed cash dividend for the year 2021	5,551,834	-
	13,322,090	13,155,151

Unclaimed cash dividend for the year from 2013 to 2017 BDT 5,554,099 has been transferred to Capital Market Stabilization Fund.



Notes to the consolidated financial statements (Continued)

29 Accrued expenses

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2022	30 June 2021
Interest expense payable	3,229,481	-
Provision for expenses	13,084,582	16,657,672
Service charge on gas bill	11,460,230	10,276,855
VAT payable	1,950,516	11,386,560
Other operating expenses	7,639,160	5,196,759
Directors' remuneration	1,000,000	1,000,000
Office Maintenance	10,890,000	-
Audit fees	2,970,000	2,770,000
Utility bill	691,153	691,153
Security expenses	463,683	479,353
Medical expenses	50,970	50,970
Welfare fund	16,985	16,985
Environmental expenses	16,200	16,200
Preference shares dividend accrued	65,057,860	2,824,291
TDS	584,329	3,575
	119,105,149	51,370,373

30 Payable to related parties

See accounting policy in Note 60D

<i>In Taka</i>	30 June 2022	30 June 2021
United Engineering & Power Services Ltd	17,748,622	10,999,010
United Enterprises & Co. Ltd	23,812,884,602	18,377,598,950
United Mymensingh Power Ltd	616,068	616,068
United Payra Power Ltd.	12,894,108	-
Neptune Land Development Ltd.	1,380,000	-
	23,845,523,399	18,389,214,028

31 Current Tax liability

See accounting policy in Note 60J

<i>In Taka</i>	30 June 2022	30 June 2021
Opening balance	5,282,865	29,823,540
Provision during the year	1,741,255	5,461,628
Charged AY 2020-2021	11,375	-
Tax paid AY 2020-2021 as per demand	(238,875)	-
Tax paid AY 2021-2022 as per demand	(35,043)	-
Excess provision AY 2021-2022 as per audit repor	(718,693)	-
Reversal of excess provision for completion of assessment of 2019	-	(15,553,661)
Reversal of excess provision for completion of assessment of 2020	-	(754,803)
Adjustment for completion of assessments	(3,661,211)	(12,663,573)
Paid during the period	(640,419)	(3,423,610)
	1,741,255	2,889,521



Notes to the consolidated financial statements (Continued)

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), United Ashuganj Energy Ltd. (UAEL), United Anwara Power Ltd. (UANPL) and United Jamalpur Power Ltd (UJPL) 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-Ain/Aykor/2013-Income Tax ordinance (#36) 1984 dated 1 July 2013 for UEL, UAEL and SRO ref: 246-Ain/Aykor/2016-Income Tax ordinance (#36) 1984 dated 26 July 2016 for UANPL,UJPL. Such exemption of UEL (Sylhet power plant), UAEL (Ashuganj 195 MW power plant) UANPL (300 MW power plant) and UJPL (115 MW power plant) will expire on 2028, 2030, 2034, 2034 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 the subsidiaries companies..

32 Revenue

See accounting policy in Note 60F

<i>In Taka</i>	<i>Note</i>	30 June 2022	30 June 2021
Electricity supply	32.1	49,386,530,557	30,540,102,820
Steam supply	32.2	48,632,740	40,417,701
		49,435,163,297	30,580,520,521

32.1 Electricity supply

<i>In Taka</i>	30 June 2022	30 June 2021
Bangladesh Power Devt. Board (BPDB)	43,095,888,176	24,322,528,482
Bangladesh Exp. Proce. Zone Auth.(BEPZA)	4,535,849,302	4,350,784,689
Bangladesh Rural Elect. Board (BREB)	575,445,478	580,365,022
Private customers	1,179,347,601	1,286,424,627
	49,386,530,557	30,540,102,820

Break up of revenue from electricity supply

<i>In Taka</i>	30 June 2022	30 June 2021
Capacity payment	8,514,968,314	8,361,554,807
Energy payment	40,378,437,522	21,733,512,596
Supplimental Bill	458,007,022	437,227,379
True-up Bill	35,117,700	7,808,038
	49,386,530,557	30,540,102,820

The actual revenue billed by United Ashuganj Energy Ltd.is BDT 2,954,111,736, recognition of BDT 243,488,794 with this has been accrued due to the Company's implementation of IFRS 16 from the year 2020 from lessor's perspective, for which capacity payment element of revenue is straight-lined over the remaining period of the PPA.

32.2 Steam supply

<i>In Taka</i>	30 June 2022	30 June 2021
Gunze United Ltd	34,048,054	27,746,710
Global Labels (Bangladesh) Ltd	4,994,183	4,838,316
Croydon-Kowloon Designs Ltd	5,916,271	7,000,558
Talisman Ltd	1,579,130	832,116
Sewtech Fashions Limited	2,095,101	-
	48,632,740	40,417,701



Notes to the consolidated financial statements (Continued)

33 Cost of sales

<i>In Taka</i>	30 June 2022	30 June 2021
Fuel and energy	34,932,724,875	14,720,344,526
Spare parts and lube oil	1,258,206,175	881,541,839
Depreciation	2,455,389,348	2,567,620,736
Minimum load charge	48,385,390	47,082,934
Direct overhead	323,404,042	308,245,114
Repair and maintenance	75,739,899	87,020,529
Entertainment	11,168,404	9,098,434
Utility bill	16,060,126	10,738,879
Security expense	7,149,213	7,354,629
Carrying charge	2,110,639	4,248,775
Travelling and conveyance	1,336,691	1,391,228
Wages	2,812,108	3,401,847
Vehicle running and maintenance	6,941,438	4,858,525
Environmental expenses	1,020,787	1,797,998
Printing and stationery	1,066,641	876,178
Site office expense	3,798,175	3,188,150
Telephone, mobile and internet	824,197	1,079,444
Worker welfare fund	211,133	203,989
Postage and courier	222,425	180,373
Automation and IP expense	89,466	92,855
Insurance premium	79,745,268	84,088,379
Gardening and beautification	548,980	680,223
Amortisation of right of use assets	21,689,707	21,689,707
Safety material	1,997,837	912,717
Medical Fees	1,211,236	-
HFO storage rent	10,808,449	-
Survey fee	182,324	-
Fire Fighting Exp	-	3,077
BERC License and others	2,477,443	-
Consultation fees	982,500	-
Land rent	920,000	-
Computer Maintenance	75,000	-
	39,269,299,916	18,767,741,083

- 33.1 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.



Notes to the consolidated financial statements (Continued)

34 General and administrative expenses

<i>In Taka</i>	30 June 2022	30 June 2021
Directors' remuneration	15,621,375	15,621,375
Office maintenance	10,909,541	10,890,000
Advertisement	5,477,063	9,055,899
Depreciation	19,772,122	21,197,334
AGM expenses	845,085	1,470,009
Vehicle running expenses	462,929	709,426
Bank charge and commission	4,838,110	5,877,105
Office rent	180,000	1,380,000
Office expenses	16,450	-
Board meeting fees	5,204,310	4,947,195
Consultancy fees	673,729	2,284,870
Auditor's fee	3,045,000	2,932,500
Entertainment	2,115,055	492,266
Traveling and conveyance	1,270,608	640,516
Postage, telephone and telex	65,980	65,472
Printing and stationery	27,620	44,439
License, fees and others	8,307,442	5,743,455
Capital raising fee	626,480	-
RJSC expenses	1,296,910	7,777,245
CDBL and listing fee	5,044,678	2,540,494
Professional Fees	-	57,500
Legal expense	1,969,910	-
Medical Fees	25,800	88,960
Brokerage commission	9,925,090	14,033,532
Amortisation of right of use assets- Office rent	1,012,154	-
	98,733,440	107,849,592

35 Other income/(Expenses)

<i>In Taka</i>	30 June 2022	30 June 2021
	Consolidated	Consolidated
Realised gain from marketable securities	30,093,542	76,034,203
Dividend income from marketable securities	3,545,443	2,177,316
Unrealised gain/(loss) from marketable securities	(23,966,665)	(2,934,083)
Sale of used lube oil and drums	49,068,204	60,993,614
Scrap sale	36,392,339	24,853,345
Gain/(Loss) on Disposal of fixed assets	-	(185,681,697)
	95,132,864	(24,557,302)

36 Finance income

See accounting policy in Note 60M

<i>In Taka</i>	30 June 2022	30 June 2021
Interest on related party loan	817,076,832	379,345,658
Interest on short term deposits	4,438,994	13,432,422
Interest income on bank balance and fixed deposits	5,445,736	4,982,434
	826,961,563	397,760,515



Notes to the consolidated financial statements (Continued)

37 Foreign exchange gain/(loss) See accounting policy in Note 60I

<i>In Taka</i>	30 June 2022	30 June 2021
Foreign exchange loss - realised	(288,065,168)	(75,261)
Foreign exchange gain/(loss) - unrealised	(33,200,182)	-
Foreign ex. gain/(loss) on USD A/C- realised	89,405	-
	(321,175,944)	(75,261)

38 Finance expense See accounting policy in Note 60M

<i>In Taka</i>	30 June 2022	30 June 2021
Interest on IPFF loan	79,240,516	89,146,914
Interest on short term & Long term loan	261,158,834	520,985,199
Preference share dividend paid	156,837,027	-
Interest on liabilities for capital machinery	-	354,293,241
Bank charges and others	1,105,714	-
Bank guarantee and commission	7,516,043	4,956,481
Interest on leasehold land	1,766,364	1,468,565
Arrangement fee	1,150,000	-
Syndication fee	1,953,101	2,252,346
	510,727,599	973,102,746

39 Income tax expenses

<i>In Taka</i>	30 June 2022	30 June 2021
Current year expenses	2,731,746	7,088,508
Reversal of excess provision for completion of assessment of 2019	-	(15,553,661)
Charge for AY 2020-2021	11,375	-
Reversal of excess provision for completion of assessment of 2021-22	(718,693)	(754,803)
	2,024,428	(9,219,956)

40 Earnings per share See accounting policy in Note 60P

40.1 Earnings per share

<i>In Taka</i>	30 June 2022	30 June 2021
Profit attributable to the ordinary shareholders	9,974,411,005	10,900,859,457
Weighted average number of shares outstanding	579,695,270	579,695,270
Earnings per share	17.21	18.80

41 Net asset value per share

	30 June 2022	30 June 2021
Net assets	32,685,515,117	32,565,923,701
Weighted average number of shares outstanding	579,695,270	579,695,270
Net asset value per share	56.38	56.18



Notes to the consolidated financial statements (Continued)

42 Net operating cash flow per share

	30 June 2022	30 June 2021
Net cash generated from operating activities	1,093,082,883	15,749,629,568
Weighted average number of shares outstanding (Basic)	579,695,270	579,695,270
Net operating cashflow per share	1.89	27.17

43 Reconciliation of net profit with cash flow from operating activities

<i>In Taka</i>	30 June 2022	30 June 2021
Profit for the year	10,155,296,398	11,114,175,008
Adjustment for:		
Depreciation	2,475,161,470	2,588,818,070
Amortisation of lease rent	2,475,046	1,462,892
Depreciation of ROU	20,226,815	20,226,815
Brokerage commission	9,925,090	14,033,532
Realised gain from marketable securities	(30,093,542)	(76,034,203)
Unrealised (gain)/loss from marketable securities	23,966,665	2,934,083
Foreign exchange (gain)/loss - un-realised	(299,270)	-
Interest on related party loan	(817,076,832)	(379,345,658)
Loss on disposal of fixed assets	-	185,681,697
Changes in:		
Inventories	(150,168,126)	(1,549,515,570)
Trade and other receivables	(19,135,554,819)	1,378,248,167
Advances, deposits and prepayments	(29,775,662)	14,322,126
Trade and other payables	8,752,971,099	2,290,889,837
Accrued expenses	58,548,522	(43,503,406)
Provision for tax	(1,189,868)	(14,238,564)
Receivable to related party	3,739,913	-
Payable to related party	(1,581,222)	(13,089,800)
Deferred income	(243,488,794)	214,564,541
Net cash generated from operating activities	1,093,082,883	15,749,629,568



Notes to the consolidated financial statements (Continued)

44 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.

<i>In Taka</i>	30 June 2022	30 June 2021
Directors' remuneration	15,621,375	15,621,375
Board meeting fees	5,204,310	4,947,195
	20,825,685	20,568,570
b) Post employment benefit	-	-
c) Other long-term benefit	-	-
d) Termination benefit	-	-
e) Share-based payment	-	-
	20,825,685	20,568,570

B Other related party transactions

United Power Generation & Distribution Company Ltd.

	Transaction value during the period ended 30 June		Balance outstanding as at	
	2022	2021	30 June 2022	30 June 2021
Gunze United Limited				
<i>Sale of goods and services</i>	34,048,054	27,746,710	2,919,823	2,843,897
Brokerage commission				
United Securities Limited	(9,925,090)	(14,033,532)	-	-
Purchase of services				
United Engineering & Power Services Ltd.	(114,443,501)	(103,232,436)	(8,753,851)	(402,500)
United Mymensingh Power Ltd			15,270,771,194	13,747,894,362
Loan disbursed during the year	11,873,576,832	21,311,845,658	-	-
Loan repaid during the year	(10,350,700,000)	(12,731,632,930)	-	-
Transfer of inventory (spare parts)				
United Mymensingh Power Ltd	-	19,427	512,355	512,355
United Anwara Power Ltd	57,894	(7,255,947)	71,071	13,178
United Lube Oil Ltd	-	-	377,392	377,392
United Jamalpur Power Ltd	(158,396)	-	(90,282)	68,114
United Ashuganj Energy Ltd	(2,988,245)	8,361,959	(19,927,593)	(16,939,348)
United Energy Ltd	(412,734)	4,617,107	1,551,520	1,964,254
United Payra Power Plant	-	7,257,473	-	-
United Engineering & Power Services Ltd.	-	-	(2,340,800)	(2,340,800)
Leviathan Global Bangladesh Limited	253,068,818	-	(502)	(253,069,320)
Office rent				
Neptune Commercial Ltd.	(1,380,000)	6,151,821	(1,380,000)	-



Notes to the consolidated financial statements (Continued)

United Energy Ltd	Transaction value during the period ended 30 June		Balance outstanding as at	
	2022	2021	30 June 2022	30 June 2021
Purchase of services				
United Engineering & Power Services Ltd.	(19,118,471)	(17,345,478)	(1,556,467)	-
Loans				
United Enterprises & Co. Ltd.	-	-	3,270,755,986	5,374,690,950
Loan disbursed	1,394,585,036	4,625,363,604	-	-
Loan repaid	(3,498,520,000)	(15,240,163,604)	-	-
Dividend				
United Ashuganj Energy Ltd.	1,628,179,964	2,867,857,883	-	-
Transfer of inventory				
United Power Generation & Distribution Company Ltd.	(412,734)	(1,019,333)	(1,551,521)	(1,964,255)
United Ashuganj Energy Ltd.	1,732,032	(8,388,763)	(11,088,296)	(9,356,264)
United Payra Power Ltd.	-	119,755	119,755	119,755

United Ashuganj Energy Ltd	Transaction value during the period ended 30 June		Balance outstanding as at	
	2022	2021	30 June 2022	30 June 2021
United Engineering & Power Service Ltd				
<i>Purchase of services</i>	(77,164,396)	(82,044,743)	(6,653,970)	(8,235,190)
Others :				
Ashuganj Power Station Co. Ltd.				
Dividend	(133,795,200)	121,632,000	-	-
Pepaid lease rent amortized	(20,226,815)	(20,226,815)	158,932,888	179,159,703
United Energy Ltd				
Loan received	2,815,000,000	2,239,500,000	-	-
Loan repaid	(2,815,000,000)	(2,239,500,000)	-	-
Dividend	(1,628,179,964)	(2,867,857,883)	-	-
Inventory loan	1,732,032	8,388,763	11,088,296	9,356,264
UPGDCL-Inventory loan	2,988,244	(6,826,867)	19,927,592	16,939,348
United Jamalpur Power Ltd.-Inventory loan	(214,110)	378,285	229,950	444,060
United Mymensingh Power Ltd.-Inventory loan	1,523,601	2,370,527	5,095,965	3,572,364
United Anowara Power Ltd.-Inventory loan	341,125	-	58,780	399,905
United Payra Power Ltd. -Inventory loan	(365,599)	573,570	207,971	573,570
United Lube Oil Ltd.-Inventory loan	(2,087,765)	2,087,765	-	2,087,765

Leviathan Global BD Ltd	Transaction value during the period ended 30 June		Balance outstanding as at	
	2022	2021	30 June 2022	30 June 2021
Loan:				
United Enterprises & Co. Ltd	-	-	(1,845,332,920)	(1,765,063,143)
Loan disbursed	-	-	-	-
Loan repaid	80,269,777	-	-	-
United Power Generation and Distribution Company Ltd.				
Loan disbursed	(253,068,818)	253,069,320	502	253,069,320
Loan repaid	-	-	-	-



Notes to the consolidated financial statements (Continued)

<u>United Anwara Power Ltd</u>	Transaction value during the period ended 30 June		Balance outstanding as at	
	2022	2021	30 June 2022	30 June 2021
United Engineering & Power Service Ltd				
Purchase of services	53,545,667	49,708,483		(4,235,698)
Loan:				
United Enterprises & Co. Ltd			(13,661,598,167)	(5,120,399,660)
Loan disbursed	(43,226,499,007)	(19,448,500,000)		
Loan repaid	34,685,300,500	17,000,267,653		
Loan:				
United Jamalpur Power Ltd.				
Loan disbursed	-	(590,000,000)		
Loan repaid	-	590,000,000		
Loan:				
United Mymensingh Power Ltd.				
Loan disbursed	-	(608,707,998)		
Loan repaid	-	558,707,998		
Loan:				
United Payra Power Ltd.				
Loan disbursed	-	1,057,476		
Loan repaid	-	-		
Inventory loan				
United Power Generation & Distribution Company Ltd. (inv)	(57,894)	(13,178)	(71,071)	(13,178)
United Jamalpur Power Ltd. (inventory loan)	23,369,779	(31,279,653)	7,751,497	158,376
United Payra Power Ltd. (inventory loan)	(12,894,108)	3,490,285	(9,403,823)	3,490,285
United Engineering & Power Services Ltd.	1,706,367	(182,678)	1,523,689	-
United Ashuganj Energy Ltd. (inventory loan)	341,125	(399,905)	(58,780)	(399,905)

<u>United Jamalpur Power Ltd</u>	Transaction value during the period ended 30 June		Balance outstanding as at	
	2022	2021	30 June 2022	30 June 2021
United Enterprises & Co. Ltd			(5,035,197,530)	(6,117,445,197)
Loan disbursed	(8,369,452,333)	(9,859,000,000)		
Loan repaid	9,451,700,000	10,248,671,547		
United Mymensingh Power Ltd.			59,544,647	-
Loan disbursed	(2,345,938.75)	(896,452,305)		
Loan repaid	61,890,586.00	800,100,000		
United Anwara Power Ltd.			8,042,668	-
Loan disbursed	(23,236,985.10)	(590,131,057)		
Loan repaid	31,279,652.70	478,298,710		
Neptune Commercial Ltd.				
Loan disbursed		(2,007,939,200)		
Loan repaid				
United Engineering & Power Services Ltd. (Services Ltd.)	12,644,833	58286525	(2,569,900)	(2,730,490)
United Shipping and Logistic Support Ltd. (Service)	4,948,698			(4,948,698)
National Oil Carriers Ltd.	6,043,098			(6,043,098)
United Anwara Power Ltd.	-		(158,377)	(158,377)
United Power Generation &	158,396		90,282	(68,114)
United Mymensingh Power	-		(616,068)	(616,068)
United Ashuganj Energy	214,110		(229,950)	(444,060)
United Engineering & Power Services Ltd.-(Inventory)	20,520		-	20,520



Notes to the consolidated financial statements (Continued)

45 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.

30 June 2022		Carrying amount				Fair value						
		Fair value- hedging instruments	Mandatorily at FVTPL – others	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												
<i>In Taika</i>	Note											
Investment in marketable securities	13	-	148,085,596	-	-	-	-	148,085,596	148,085,596	-	-	148,085,596
		-	148,085,596	-	-	-	-	148,085,596	148,085,596	-	-	148,085,596
Financial assets not measured at fair value												
Trade and other receivables	10	-	-	-	-	24,501,517,713	-	24,501,517,713	-	-	-	-
Receivable from related parties	11	-	-	-	-	15,343,171,161	-	15,343,171,161	-	-	-	-
Cash and cash equivalents	15	-	-	-	-	1,230,174,686	-	1,230,174,686	-	-	-	-
		-	-	-	-	41,074,863,560	-	41,074,863,560	-	-	-	-
Financial liabilities not measured at fair value												
Borrowings	22	-	-	-	-	-	5,149,521,858	5,149,521,858	-	-	-	-
Security money received	24	-	-	-	-	-	700,000	700,000	-	-	-	-
Trade and other payables	27	-	-	-	-	-	14,411,833,578	14,411,833,578	-	-	-	-
Accrued expenses	29	-	-	-	-	-	119,105,149	119,105,149	-	-	-	-
Payable to related parties	30	-	-	-	-	-	23,845,523,399	23,845,523,399	-	-	-	-
		-	-	-	-	-	43,526,683,984	43,526,683,984	-	-	-	-
30 June 2021												
<i>In Taika</i>	Note											
Investment in marketable securities	13	-	151,883,809	-	-	-	-	151,883,809	151,883,809	-	-	151,883,809
		-	151,883,809	-	-	-	-	151,883,809	151,883,809	-	-	151,883,809
Financial assets not measured at fair value												
Trade and other receivables	10	-	-	-	-	5,365,772,394	-	5,365,772,394	-	-	-	-
Receivable from related parties	11	-	-	-	-	13,760,155,755	-	13,760,155,755	-	-	-	-
Cash and cash equivalents	15	-	-	-	-	1,482,743,529	-	1,482,743,529	-	-	-	-
		-	-	-	-	20,608,671,678	-	20,608,671,678	-	-	-	-
Financial liabilities not measured at fair value												
Borrowings	22	-	-	-	-	-	5,809,282,206	5,809,282,206	-	-	-	-
Security money received	24	-	-	-	-	-	700,000	700,000	-	-	-	-
Trade and other payables	27	-	-	-	-	-	5,827,211,311	5,827,211,311	-	-	-	-
Accrued expenses	29	-	-	-	-	-	51,370,373	51,370,373	-	-	-	-
Payable to related parties	30	-	-	-	-	-	18,389,214,028	18,389,214,028	-	-	-	-
		-	-	-	-	-	30,077,777,918	30,077,777,918	-	-	-	-



Notes to the consolidated financial statements (Continued)

46 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:

<i>In Taka</i>	<i>Note</i>	30 June 2022	30 June 2021
Trade and other receivables	10	24,501,517,713	5,365,772,394
Receivable from related parties	11	15,343,171,161	13,760,155,755
Investment in marketable securities	13	148,085,596	151,883,809
Cash and cash equivalents (excluding cash in hand)	15	1,229,144,214	1,482,133,663
		41,221,918,684	20,759,945,622

ii) Ageing of trade and other receivables

<i>In Taka</i>	30 June 2022	30 June 2021
Not past due	4,726,537,972	2,412,303,109
Past due 0-30 days	5,362,886,920	1,320,665,719
Past due 31-60 days	5,695,030,290	1,044,242,577
Past due 61-90 days	5,269,550,780	60,111,826
Past due 91-120 days	2,908,067,348	14,228,616
Past due 121-365 days	82,339,304	123,152,273
Past due 365+ days	457,105,097	391,068,272
	24,501,517,713	5,365,772,394

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 consolidated financial statements (Continued)

30 June 2022

<i>In Taka</i>	Note	Carrying amount	Contractual cash flows		
			Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Long term loan	22	5,149,521,858	5,149,521,858	974,695,140	4,174,826,718
Short term loan	23	7,476,361,806	7,476,361,806	5,835,000,000	1,641,361,806
Trade and other payables	27	14,411,833,578	14,411,833,578	14,411,833,578	-
Accrued expenses	29	119,105,149	119,105,149	119,105,149	-
Payable to related parties	30	23,845,523,399	23,845,523,399	23,845,523,399	-
		51,002,345,790	51,002,345,790	45,186,157,266	5,816,188,524
Derivative financial liabilities		-	-	-	-
		51,002,345,790	51,002,345,790	45,186,157,266	5,816,188,524

30 June 2021

<i>In Taka</i>	Note	Carrying amount	Contractual cash flows		
			Total	6 months or less	Over 6 months
Non-derivative financial liabilities					
Long term loan	22	5,809,282,206	5,809,282,206	1,538,824,482	4,270,457,724
Short term loan	23	4,544,656,341	4,544,656,341	3,248,821,103	1,295,835,238
Trade and other payables	27	5,827,211,311	5,827,211,311	5,827,211,311	-
Accrued expenses	29	51,370,373	51,370,373	51,370,373	-
Payable to related party	30	18,389,214,028	18,389,214,028	18,389,214,028	-
		34,621,734,259	34,621,734,259	29,055,441,297	5,566,292,962
Derivative financial liabilities		-	-	-	-
		34,621,734,259	34,621,734,259	29,055,441,297	5,566,292,962

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.

Exposure to currency risk

The Group's exposure to foreign currency risk arising from foreign currency denominated assets and liabilities at balance sheet date denominated in US dollar (USD) and British Pound (GBP) are as follows:

	30 June 2022		30 June 2021	
	USD	GBP	USD	GBP
Cash and cash equivalents	10,540	153	9,451	123
Share application money	(10,540)	(153)	(9,451)	(123)
Borrowings	(33,702,749)	-	(39,984,675)	-
Net exposure	(33,702,749)	-	(39,984,675)	-

The following significant exchange rates have been applied:

<i>In Taka</i>	Year-end spot rate	
	30 June 2022	30 June 2021
USD	93.50	84.90
GBP	115.72	117.49

Sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies.



Notes to the consolidated financial statements (Continued)

A 2% change in foreign currency exchange rates in 2020 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

<i>Effect in Taka</i>	Profit/(loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2022 USD (2% movement)	(63,024,140)	63,024,140	(63,024,140)	63,024,140
30 June 2021 USD (2% movement)	(67,893,978)	67,893,978	(67,893,978)	67,893,978

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:

<i>In Taka</i>	Note	Nominal Amount	
		30 June 2022	30 June 2021
Fixed rate instruments			
<i>Financial assets</i>			
Receivable from related parties	11	15,343,171,161	13,760,155,755
Fixed deposits	15.2	33,423,718	31,692,554
<i>Financial liabilities</i>			
Payable to related parties	30	(23,845,523,399)	(18,389,214,028)
Variable rate instruments			
<i>Financial liabilities</i>			
Long term loan	22	(5,149,521,858)	(5,809,282,206)
		(13,618,450,378)	(10,406,647,925)

47 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 of the plant 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 to compensate for all the potential damages caused in such situations.

48 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>	30 June 2022	30 June 2021
Service charge deducted by BEPZA ordered to return to the Company	18,733,918	18,733,918
Loss of warranty	17,424,510	17,424,510
Total	36,158,428	36,158,428

In April 2015, BEPZA took the matter to the Court of District Judge, Dhaka. The final Judgment on 7 March 2022 goes in favor of UPGDCL.



Notes to the consolidated financial statements (Continued)

49 Commitments

The Group had the following outstanding letters of credit (LC) as at 30 June 2022 against which it is committed to purchase spare parts.

	Currency	30 June 2022	30 June 2021
		Invoice value	Invoice value
UPGDCL	USD	14,22,046	878,229
	EUR	4,05,754	322,070
UEL	USD	333,910	-
	EUR	47,320	-
UAEL	USD	8,088	33,000
	EUR	18,040.93	16,200
LGDBL	USD	-	-
	EUR	-	-
UAnPL	USD	12,520,000	43,040,917
	EUR	-	116,856
UJPL	USD	-	25,747,935
	EUR	-	-

50 Contingent liabilities

50.1 Contingent liabilities relating to bank guarantees amounted to:

United Power Generation & Distribution Company Ltd

Beneficiary	Expiry date	30 June 2022	30 June 2021
<i>In Taka</i>			
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	Unconditional & Continuous	18,098,475	17,544,403
		218,786,877	218,232,805

United Energy Ltd

Beneficiary	Expiry date	30 June 2022	30 June 2021
<i>In Taka</i>			
Jalalabad Gas Transmission and Distribution Systems Limited	12 October 2022	48,396,019	48,396,019
		48,396,019	48,396,019

United Ashuganj Energy Ltd

Beneficiary	Expiry date	30 June 2022	30 June 2021
<i>In Taka</i>			
Bangladesh Power Development Board	7 June 2023	380,000,000	380,000,000
Bakhrabad Gas Distribution Company Limited	13 June 2026	287,472,356	287,472,356
		667,472,356	667,472,356

Leviathan Global BD Ltd

Beneficiary	Expiry date	30 June 2022	30 June 2021
<i>In Taka</i>			
Karnaphuli Gas Distribution Company Limited	10-Sep-23	53,688,716	53,688,716
Dhaka Customs House	Open Ended	31,795,876	31,795,876
Chattagram Custom House	29-Aug-21		62,716,669
		85,484,592	148,201,261

United Anwara Power Ltd

Beneficiary	Expiry date	30 June 2022	30 June 2021
<i>In Taka</i>			
Dhaka Bank Ltd.	14 Jul 2023	463,150,000	463,150,000
		463,150,000	463,150,000



Notes to the consolidated financial statements (Continued)

United Jamalpur Power Ltd

Beneficiary

<i>In Taka</i>	Expiry date	30 June 2022	30 June 2021
Dhaka Bank Ltd.	10 April 2022	280,000,000	280,000,000
		280,000,000	280,000,000

50.2 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:

- Gas consumed for generating power supplied to the national grid will be charged at the rate set for IPPs.
- 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 3,949,464,742 (for the period January 2018 to June 2022) and BDT 2,486,826,134 (for the period May 2018 to July 2022) 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. Judgment has been given against UPGDCL. The company appealed to Honourable Supreme Court which was discharged by the court. The company has filed a review petition against the judgment in the Supreme Court which is still pending for hearing. Management believes that the review petition will be considered by the court.

51 Bank facilities

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

30 June 2022

United Power Generation & Distribution Company Ltd

Name of the bank	Letter of credit - limit	Loan against		Overdraft limit	Bank guarantee facilities - limit
		Trust Receipt - limit	Short Term Loan		
Dhaka Bank Limited	350,000,000	300,000,000	-	150,000,000	50,000,000
Jamuna Bank Limited	1,000,000,000	250,000,000	-	-	300,000,000
HSBC, Bangladesh	425,000,000	-	-	51,000,000	-
Total	1,775,000,000	550,000,000	-	201,000,000	350,000,000

United Energy Ltd

Name of the bank	Letter of credit - limit	Loan against		Overdraft limit	Bank guarantee facilities - limit
		Trust Receipt - limit	Short Term Loan		
Dhaka Bank Limited	400,000,000	-	-	-	48,396,019
Jamuna Bank Limited	1,000,000,000	-	-	-	-
Total	1,400,000,000	-	-	-	48,396,019

United Ashuganj Energy Ltd

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



Notes to the consolidated financial statements (Continued)

Leviathan Global BD Ltd

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Short Term Loan	Bank guarantee facilities - limit	Term Loan
Dhaka Bank Limited	670,000,000	-	-	-	-
Total	670,000,000	-	-	-	-

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	10,000,000,000	-	2,000,000,000	-	-
HSBC	3,094,000,000	-	500,000,000	-	-
Citi Bank NA	2,000,000,000	-	-	-	-
Dhaka Bank Ltd.	1,418,000,000	-	-	463,150,000	-
Pubali Bank Ltd.	2,100,000,000	500,000,000	-	1,000,000,000	-
City Bank Ltd.	6,000,000,000	-	-	-	-
Bank Asia Ltd.	2,125,000,000	-	-	-	-
Dutch Bangla Bank Ltd.	-	-	1,500,000,000	-	-
Mutual Trust Bank Ltd.	2,000,000,000	-	-	-	-
Prime Bank Ltd.	1,000,000,000	-	1,500,000,000	-	-
United Commercial Bank Ltd.	2,000,000,000	-	500,000,000	-	-
Brac Bank Ltd	3,500,000,000	-	50,000,000	-	-
One Bank Ltd.	1,700,000,000	-	-	-	-
Total	36,937,000,000	500,000,000	6,050,000,000	1,463,150,000	-

United Jamalpur Power Limited

Name of the bank	Letter of credit - limit	Loan against Trust Receipt - limit	Short Term Loan	Bank guarantee facilities - limit	Long Term Loan
HSBC	1,770,000,000	-	250,000,000	-	200,000,000
Dhaka Bank Ltd.	1,215,000,000	-	500,000,000	280,000,000	-
City Bank Ltd.	3,500,000,000	-	-	-	-
Bank Asia Ltd	2,125,000,000	-	-	-	-
Standard Chartered Bank	1,600,000,000	-	800,000,000	-	-
Eastern Bank Ltd.	2,100,000,000	-	1,000,000,000	-	-
Dutch Bangla Bank Ltd.	1,300,000,000	-	200,000,000	-	1,000,000,000
Citibank, N.A	1,600,000,000	-	-	-	-
Brac Bank	3,500,000,000	-	-	-	-
MTBL	1,500,000,000	-	-	-	-
Total	20,210,000,000	-	2,750,000,000	280,000,000	1,200,000,000

52 Expenditure in equivalent foreign currency

<i>In Taka</i>	30 June 2022	30 June 2021
Foreign travel for business purpose	-	-
	-	-



Notes to the consolidated financial statements (Continued)

53 Capacity and production

United Power Generation & Distribution Company Ltd

Location of plant	30 June 2022			30 June 2021	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Dhaka EPZ	656,000	473,878	72%	482,577	74%
Chattogram EPZ	576,000	517,737	90%	522,016	91%
Total	1,232,000	991,615		1,004,593	

United Energy Ltd

Location of plant	30 June 2022			30 June 2021	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Sylhet	224,000	177,474	79%	150,581	67%
Ashuganj	424,000	-	0%	-	0%
Total	648,000	177,474		150,581	

United Ashuganj Energy Ltd

Location of plant	30 June 2022			30 June 2021	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Ashuganj	1,560,000	268,543	17%	153,457	10%

United Anwara Power Ltd

Location of plant	30 June 2022			30 June 2021	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Anwara	2,400,000	1,715,204	71%	1,220,825	51%

United Jamalpur Power Ltd

Location of plant	30 June 2022			30 June 2021	
	Installed capacity (MWH)	Actual production (MWH)	Capacity utilisation (%)	Actual production (MWH)	Capacity utilisation (%)
Jamalpur	920,000	637,860	69%	547,319	59%

54 Number of employees

The Group has no employees. Operation and maintenance activities are managed by 176 personnel for UPGDCL, 86 personnel for UAEL, 36 personnel for UEL, 65 personnel for UJPL and 130 personnel for UANPL provided by United Engineering and Power Services Ltd under separate O&M contracts.

55 Comparatives and rearrangement

Previous year's figures have been rearranged, wherever considered necessary to conform to the current year's presentation.



Notes to the consolidated financial statements (Continued)

56 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.

The Board of Directors in its 103rd meeting held on 27 October 2022 recommended cash dividend @170% per share equivalent to Taka 17.00 of Face Value Taka 10.00 per share aggregating Tk. 9,854,819,590 for the year ended 30 June 2022. The dividend is subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

The Board of Directors in its 102nd meeting held on 24 August 2022 has approved the amalgamation scheme of UPGDCL with UAnPL a 300 MW HFO-based power plant at Anwara, UJPL a 115 MW HFO-based power plant at Jamal pur and UEL 28 MW gas based at Sylhet and 53 MW gas based power plant at Ashuganj. The Hon'ble High Court Division of the Supreme Court of Bangladesh admitted the application on 1 September 2022.

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.

57 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.

58 Basis of measurement

The 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.

59 Macro-economic conditions

The Russian-Ukrainian conflict has brought about global economic uncertainty and volatility, in particular giving rise to energy supply shortages and significant price volatility. In addition, the Bangladesh Taka has undergone rapid devaluation.

Bangladesh Government has for the time being reduced import of liquified natural gas and diesel and is thus focusing on procuring electricity from gas fired plants (by providing them locally sourced natural gas) like that of the Company and from HFO fired power plants. Management is closely monitoring these global and local factors and the impact it may have on electricity demand by the off-taker going forward.



Notes to the consolidated financial statements (Continued)

60 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these financial statements.

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

- 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 Advances, deposits and prepayments
- O Share capital
- P Earnings per share
- Q Dividends
- R Materiality and aggregation
- S Leases

A Basis of consolidated financial statements

The 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.



Notes to the consolidated financial statements (Continued)

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 March 2021, 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.



Notes to the consolidated financial statements (Continued)

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.



Notes to the consolidated financial statements (Continued)

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;
- 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.



Notes to the consolidated financial statements (Continued)

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.

(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.



Notes to the consolidated financial statements (Continued)

(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.

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.



Notes to the consolidated financial statements (Continued)

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.

(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	82 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	5 years	2027
	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

Notes to the consolidated financial statements (Continued)

(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 30 June 2022, 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 the 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.



Notes to the consolidated financial statements (Continued)

N Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to statement of profit or loss and other comprehensive income.

O 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.

P 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.

Q 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.

R Materiality and aggregation

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

S Leases

i) The Company as a lessee

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 Groups incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.



Notes to the consolidated financial statements (Continued)

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.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities separately in the statement of financial position.

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.

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'.

61 Name of auditors of the Group companies

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

