KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-audited)
As at and for the period ended 31 December 2017

AMARSTOCK

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BUREAU VERITAS Certification

1 stop trims & packaging solutions

KDS ACCESSORIES LIMITED

Statement of Financial Position

As at 31 December 2017

		31 Dec 2017	30 June 2017
		Taka	Taka
ASSETS			
Non-current Assets			
Property, plant and equipment		1,297,382,611	1,295,466,955
Intangible assets		2,165,413	2,726,992
Capital work-in-progress		101,758,336	88,327,777
Investment in associate		48,391,568	48,297,694
Other investment		4,757,338	4,713,519
Total Non-current Assets		**1,454,455,267**	**1,439,532,937**
Current Assets			
Inventories		488,545,974	455,064,873
Trade receivables		973,270,827	845,978,918
Other receivables		3,407,386	2,125,996
Advances, deposits and prepayments		98,655,800	82,639,393
Due from affiliated company		434,201,150	205,826,629
Short term investment		8,604,622	8,443,638
Cash and cash equivalents		10,360,407	5,609,269
Total Current Assets		**2,017,046,166**	**1,605,688,716**
Total Assets	**Taka:**	**3,471,501,433**	**3,045,221,653**
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital		600,600,000	572,000,000
Share premium		120,000,000	120,000,000
Revaluation reserve		214,391,703	214,391,703
Retained earnings		502,045,699	512,354,021
Total Shareholders' Equity		**1,437,037,402**	**1,418,745,724**
Non-current Liabilities			
Long term borrowings		146,515,622	178,540,034
Defined benefit obligation- gratuity		64,563,910	59,715,197
Deferred tax liability		40,787,709	40,424,331
Total Non-current Liabilities		**251,867,241**	**278,679,562**
Current Liabilities			
Trade and other payables		743,194,869	532,569,135
Current portion of long term borrowings		91,054,836	103,185,860
Current portion of lease finance		165,494	646,529
Current tax liability		46,312,282	32,093,217
Short term bank loan		833,392,200	617,937,369
Provision for WPPF and Welfare Fund		68,477,108	61,364,257
Total Current Liabilities		**1,782,596,790**	**1,347,796,367**
Total Equity and Liabilities	**Taka:**	**3,471,501,433**	**3,045,221,653**
Net Assets Value Per Share		**23.93**	**24.80**

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KDS ACCESSORIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income
For the period from 01 July 2017 to 31 December 2017

	Half Yearly Results		Quarterly Results	
	01 Jul 2017 to 31 Dec 2017	01 Jul 2016 to 31 Dec 2016	01 Oct 2017 to 31 Dec 2017	01 Oct 2016 to 31 Dec 2016
	Taka	Taka	Taka	Taka
Revenue	911,700,939	772,447,810	505,262,605	428,305,201
Cost of goods sold	(724,164,055)	(596,976,009)	(402,346,183)	(328,471,911)
Gross Profit	**187,536,883**	**175,471,801**	**102,916,422**	**99,833,290**
Operating expenses	(57,103,101)	(41,866,733)	(31,660,061)	(22,031,445)
Selling and distribution expenses	(21,789,652)	(16,730,262)	(10,977,000)	(7,593,835)
Operating Profit	**108,644,130**	**116,874,807**	**60,279,360**	**70,208,011**
Finance cost	(39,894,983)	(39,445,559)	(18,787,533)	(17,358,087)
Finance income	26,610,791	12,261,024	25,587,899	9,958,040
Profit before Other Income	**95,359,938**	**89,690,272**	**67,079,727**	**62,807,965**
Other income	780,000	780,000	390,000	390,000
Income from associates	93,874	796,876	46,353	462,254
Profit before Income Tax and distribution of WPPF and WF	**96,233,812**	**91,267,148**	**67,516,080**	**63,660,218.76**
Workers' Profit Participation and Welfare Fund	(4,811,691)	(4,563,357)	(3,375,804)	(3,183,011)
Profit before Income Tax	**91,422,121**	**86,703,791**	**64,140,276**	**60,477,208**
Provision for income tax:				
-Current tax	(15,567,065)	(12,418,696)	(11,602,483)	(9,005,847)
-Deferred tax	(363,378)	(1,023,386)	(308,573)	(276,803)
Profit after Income Tax	**75,491,678**	**73,261,709**	**52,229,220**	**51,194,558**
Other Comprehensive Income				
Items that will never be reclassified to profit or loss	-	-	-	-
Items that are or may be reclassified to profit or loss	-	-	-	-
Other Comprehensive Income - net of tax	-	-	-	-
Total Comprehensive Income Taka:	**75,491,678**	**73,261,709**	**52,229,220**	**51,194,558**
Earnings Per Share (EPS)-Restated	**1.31**	**1.27**	**0.91**	**0.89**
Weighted average no. of shares used to compute EPS	**57,677,973**	**57,677,973**	**57,677,973**	**57,677,973**

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KDS ACCESSORIES LIMITED

Statement of Changes in Equity

For the period from 01 July 2017 to 31 December 2017

Amount in Taka

Particulars		Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2016		520,000,000	120,000,000	214,391,703	445,214,773	1,299,606,476
Bonus share for the year 2015		52,000,000	-	-	(52,000,000)	-
Cash dividend for the year 2015		-	-	-	(26,000,000)	(26,000,000)
Net Profit after tax for the period		-	-	-	73,261,709	73,261,709
Balance as at 31 December 2016	**Taka:**	**572,000,000**	**120,000,000**	**214,391,703**	**440,476,482**	**1,346,868,185**
Balance as on 01 July 2017		572,000,000	120,000,000	214,391,703	512,354,021	1,418,745,724
Bonus share for the year 2016-2017		28,600,000	-	-	(28,600,000)	-
Cash dividend for the year 2016-2017		-	-	-	(57,200,000)	(57,200,000)
Net Profit after tax for the period		-	-	-	75,491,678	75,491,678
Balance as at 31 December 2017	**Taka:**	**600,600,000**	**120,000,000**	**214,391,703**	**502,045,699**	**1,437,037,402**

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KDS ACCESSORIES LIMITED

Statement of Cash Flows

For the period from 01 July 2017 to 31 December 2017

	01 July 2017 to 31 Dec 2017 Taka	01 July 2016 to 31 Dec 2016 Taka
A. Cash flows from operating activities		
Cash received from customers	784,409,030	634,353,356
Cash received from other sources	26,109,401	12,930,912
Cash paid to suppliers	(545,802,581)	(543,261,614)
Cash paid for operating expenses	(47,088,078)	(29,752,175)
Cash paid for financial expenses	(39,894,983)	(39,445,559)
Income tax paid	(1,348,000)	(10,571,686)
Net cash inflow/(outflow) from operating activities	**176,384,789**	**24,253,235**
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(61,971,075)	(68,337,938)
Addition to intangible assets	-	(162,400)
Investment	(204,803)	(216,440)
Short term loan (paid to)/ received from affiliated companies	(228,374,521)	25,299,855
Net cash inflow/(outflow) from investing activities	**(290,550,399)**	**(43,416,923)**
C. Cash flows from financing activities		
Receipt / (repayment)of long term borrowings	(44,155,436)	(42,222,178)
Receipt / (repayment) of lease finance	(481,035)	4,712,565
Receipt / (repayment) of short term borrowings	215,454,831	77,443,966
Dividend paid	(51,901,611)	(25,825,253)
Loan receipt from affiliated companies	-	(4,191,156)
Net cash inflow/(outflow) from financing activities	**118,916,749**	**9,917,944**
D. Net increase of cash and cash equivalents for the period (A+B+C)	4,751,139	(9,245,744)
E. Cash and cash equivalents at the beginning of the period	5,609,269	14,017,276
F. Cash and cash equivalents at the end of the period (D+E)	**10,360,407**	**4,771,531**
Net operating cash flow per share	**2.94**	**0.42**

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KDS ACCESSORIES LIMITED

Notes to the Interim Financial Statements

For the period from 01 July 2017 to 31 December 2017

1 **Legal Form of Company**

KDS Accessories Limited was incorporated on 21 April 1991 as a private limited company by shares (Registration no- C-H-C-862/154 of 1991) under Companies Act 1913 (since replaced and substituted by the Companies Act 1994) with the Registrar of Joint Stock Companies & Firms. The company was converted from Private Limited Company to Public Limited Company through an Extra-Ordinary General Meeting held on 17 April 2012 and was subsequently approved by RJSC on 26 November 2012. The Company commenced its commercial production on 01 July 1991. Its Registered Office is located at 255, Nasirabad I/A, Chittagong and factory & corporate office is located at 191-192 Baizid Bostami Road, Nasirabad I/A, Chittagong and the Company established its 2nd unit at Mirzapur, Gazipur at Dhaka in the year 2009.

The company refixed the face value of its shares from Tk 100 to Tk 10 each and enhanced its Authorized Share Capital from Tk 200,000,000 to Tk 2,000,000,000 with approval of the shareholders through an Extra-Ordinary General Meeting held on 10 August 2010.

2 **Nature of Business**

The principal activities of the Company are producing different types of standard cartons & display cartons, woven & smart labels , offset, silk screen, web, thermal printing, button and cold peel, hot peel, puff, glitter, image & sublimation transfers and marketing thereof.

3 **Reporting**

The quarterly financial report has been prepared based on Bangladesh Accounting Standard (BAS) - 34 "Interim Financial Reporting". This interim financial statements should be read in conjunction with the audited financial statement for the year ended 30 June 2017, as they provide an update to previously reported information.

4 **Accounting policies and method of computations**

The accounting policies and presentation used are consistent with those used in the Audited Financial Statements for the period ended 30 June 2017.

5 **Earnings Per Share**

Earnings Per Share (EPS) has been calculated based on the weighted average number of shares outstanding for the period ended 31 December 2017 and profit for the same period .

6 **Subsequent events**

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

7 **Impairment of assets**

With reference to the paragraph 9 of BAS-36, there was no such indication of impairment observed relating to capital-work-in-progress till the end of 31 December 2017.

8 **Deferred tax liability**

Deferred tax liability of Tk- 4,07,87,709 arises on the difference between the carrying value of property, plant and equipment and intangible assets as per financial statements and tax written down value for Tk- 4,47,55,371 and financial position liability method for gratuity obligation for Tk- (80,70,489) and on revalued assets of the associates investee for Tk- 41,02,827 .

9 **GENERAL**

9.1 Wherever considered necessary, prior period's figures and phrases have been re-arranged to conform to this period's presentation.

9.2 The amounts in these financial statements have been rounded off to the nearest Taka.

9.3 Bracket figures denotes negative balance.