KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-audited)
As at and for the period ended 30 September 2018

AMARSTOCK

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BUREAU VERITAS Certification

1 stop trims & packaging solutions

KDS ACCESSORIES LIMITED

Statement of Financial Position

As at 30 September 2018

	30 Sep 2018 Taka	30 June 2018 Taka
ASSETS		
Non-current Assets		
Property, plant and equipment	1,351,010,062	1,371,421,690
Intangible assets	1,411,051	1,662,505
Capital work-in-progress	12,847,598	14,529,904
Investment in associate	48,257,832	48,265,804
Other investment	4,920,847	4,920,847
Total Non-current Assets	**1,418,447,389**	**1,440,800,750**
Current Assets		
Inventories	776,523,788	667,063,710
Trade receivables	1,146,791,563	1,128,378,143
Other receivables	938,693	373,446
Advances, deposits and prepayments	62,932,040	58,349,397
Due from affiliated company	385,198,171	421,112,376
Short term investment	8,820,656	8,820,656
Cash and cash equivalents	6,586,279	6,082,955
Total Current Assets	**2,387,791,190**	**2,290,180,683**
Total Assets	**3,806,238,579**	**3,730,981,433**
EQUITY AND LIABILITIES		
Shareholders' Equity		
Share capital	600,600,000	600,600,000
Share premium	120,000,000	120,000,000
Revaluation reserve	214,391,703	214,391,703
Retained earnings	574,904,006	559,538,849
Total Shareholders' Equity	**1,509,895,709**	**1,494,530,552**
Non-current Liabilities		
Long term borrowings	96,039,982	113,581,686
Defined benefit obligation- gratuity	68,859,885	66,478,037
Deferred tax liability	43,778,938	43,999,854
Total Non-current Liabilities	**208,678,805**	**224,059,577**
Current Liabilities		
Trade and other payables	975,408,480	937,557,390
Current portion of long term borrowings	90,786,492	90,559,800
Current tax liability	41,811,014	36,859,697
Due to affiliated company	-	39,918,292
Short term bank loan	911,383,493	842,600,806
Provision for WPPF and Welfare Fund	68,274,587	64,895,319
Total Current Liabilities	**2,087,664,066**	**2,012,391,304**
Total Equity and Liabilities	**3,806,238,579**	**3,730,981,433**
Net Assets Value Per Share	**25.14**	**24.88**

Chairman Director CEO CFO Company Secretary

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KDS ACCESSORIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the period from 01 July 2018 to 30 September 2018

	01 July 2018 to 30 Sept 2018 Taka	01 July 2017 to 30 Sept 2017 Taka
Revenue	561,403,348	406,438,334
Cost of goods sold	(465,432,252)	(321,817,873)
Gross Profit	**95,971,096**	**84,620,461**
Operating expenses	(38,382,783)	(25,443,040)
Selling and distribution expenses	(16,765,683)	(10,812,652)
Operating Profit	**40,822,630**	**48,364,769**
Finance cost	(33,811,763)	(21,107,450)
Finance income	13,624,363	1,022,891
Profit before other income	**20,635,229**	**28,280,211**
Other income	525,962	390,000
Profit/(loss) from investment in associates	(7,973)	47,521
Profit before income tax and distribution of WPPF and Welfare Fund	**21,153,219**	**28,717,732**
Workers' Profit Participation and Welfare Fund	(1,057,661)	(1,435,887)
Profit before income tax	**20,095,558**	**27,281,845**
Provision for income tax:		
-Current tax	(4,951,317)	(3,964,582)
-Deferred tax	220,916	(54,805)
Profit after Income Tax	**15,365,157**	**23,262,458**
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	**15,365,157**	**23,262,458**
Earnings Per Share (Basic)	**0.26**	**0.41**
Restated Earnings Per Share (Basic)		**0.39**

Chairman Director CEO CFO Company Secretary

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KDS ACCESSORIES LIMITED

Statement of Changes in Equity

For the period from 01 July 2018 to 30 September 2018

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2017	572,000,000	120,000,000	214,391,703	512,354,021	1,418,745,724
Net Profit after tax for the period	-	-	-	23,262,458	23,262,458
Balance as at 30 September 2017	**572,000,000**	**120,000,000**	**214,391,703**	**535,616,479**	**1,442,008,182**
Balance as on 01 July 2018	600,600,000	120,000,000	214,391,703	559,538,849	1,494,530,552
Net Profit after tax for the period	-	-	-	15,365,157	15,365,157
Balance as at 30 September 2018	**600,600,000**	**120,000,000**	**214,391,703**	**574,904,006**	**1,509,895,709**

Chairman Director CEO CFO Company Secretary

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KDS ACCESSORIES LIMITED

Statement of Cash Flows

For the period from 01 July 2018 to 30 September 2018

	01 July 2018 to 30 Sept 2018 Taka	01 July 2017 to 30 Sept 2017 Taka
A. Operating activities		
Received from customers	565,338,051	414,120,147
Received from other sources	-	956,651
Paid to suppliers	(555,342,220)	(296,098,908)
Paid for operating expenses	(27,133,190)	(13,290,805)
Cash generated by operations	**(17,137,360)**	**105,687,085**
Interest paid (net)	(21,383,787)	(21,107,450)
Income Tax Paid	(4,535,822)	(1,348,000)
Net cash flows from operating activities	**(43,056,968)**	**83,231,635**
B. Investing activities		
Acquisition of property, plant and equipment	(4,076,078)	(39,165,808)
Proceed from sale of non-current assets	219,000	-
Increase in investments	-	(126,855)
Net cash flows from investing activities	**(3,857,078)**	**(39,292,663)**
C. Financing activities		
Receipt / (Repayment)of long term loans	(17,315,012)	(22,890,993)
Repayment of lease finance	-	(237,640)
Receipt of short term borrowings	68,782,687	19,254,100
Short term loan paid to affiliated companies	(4,004,087)	(42,431,464)
Net cash flows from financing activities	**47,463,587**	**(46,305,997)**
D. Net changes of cash and cash equivalents (A+B+C)	549,541	(2,367,025)
E. Cash and cash equivalents at the beginning of the year	6,082,955	5,609,269
F. Effect of foreign exchange rate changes on cash and cash equivalents	(46,217)	69,588
G. Cash and cash equivalents at the end of the year (D+E+F)	**6,586,279**	**3,311,832**
Net operating cash flows per share	**(0.72)**	**1.46**

Chairman | Director | CEO | CFO | Company Secretary

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KDS ACCESSORIES LIMITED

Notes to the Interim Financial Statements

For the period from 01 July 2018 to 30 September 2018

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 , hanger, 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 2018, 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 2018.

5 Earnings Per Share

Earnings Per Share (EPS) has been calculated based on the weighted average number of shares outstanding for the period ended 30 September 2018 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 30 September 2018.

8 Deferred tax liability

Deferred tax liability of Tk- 4,37,78,938 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- 4,83,00,336 and financial position liability method for gratuity obligation for Tk- (86,07,486) and on revalued assets of the associates investee for Tk- 40,86,088.

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.