KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-audited)
As at and for the period ended 31 December 2018

AMARSTOCK

CHITTAGONG OFFICE : 191-192 BAIZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG 4210, BANGLADESH
T + 880 31 681701-3 | 685207 - 9 F + 880 31 682137

DHAKA OFFICE : ROAD 4, HOUSE 63, BLOCK C, BANANI, DHAKA 1213, BANGLADESH
T + 880 2 9821665, 9821667 F + 880 2 9821682

E ACCESSORIES@KDSGROUP.NET W KDSACCESSORIES.COM

BUREAU VERITAS Certification

1 stop trims & packaging solutions

KDS ACCESSORIES LIMITED

Statement of Financial Position

As at 31 December 2018

	31 Dec 2018 Taka	30 June 2018 Taka
ASSETS		
Non-current Assets		
Property, plant and equipment	1,328,245,336	1,371,421,690
Intangible assets	1,163,022	1,662,505
Capital work-in-progress	12,847,598	14,529,904
Investment in associate	48,404,805	48,265,804
Other investment	5,069,797	4,920,847
Total Non-current Assets	**1,395,730,557**	**1,440,800,750**
Current Assets		
Inventories	739,235,409	667,063,710
Trade receivables	1,274,604,935	1,128,378,143
Other receivables	1,189,908	373,446
Advances, deposits and prepayments	49,884,977	58,349,397
Due from affiliated company	397,908,852	421,112,376
Short term investment	9,071,851	8,820,656
Cash and cash equivalents	5,030,010	6,082,955
Total Current Assets	**2,476,925,941**	**2,290,180,683**
Total Assets	**3,872,656,499**	**3,730,981,433**
EQUITY AND LIABILITIES		
Shareholders' Equity		
Share capital	630,630,000	600,600,000
Share premium	120,000,000	120,000,000
Revaluation reserve	214,391,703	214,391,703
Retained earnings	539,146,303	559,538,849
Total Shareholders' Equity	**1,504,168,006**	**1,494,530,552**
Non-current Liabilities		
Long term borrowings	78,262,633	113,581,686
Defined benefit obligation- gratuity	71,754,058	66,478,037
Deferred tax liability	43,554,475	43,999,854
Total Non-current Liabilities	**193,571,166**	**224,059,577**
Current Liabilities		
Trade and other payables	867,496,402	937,557,390
Current portion of long term borrowings	90,650,184	90,559,800
Current tax liability	29,773,234	36,859,697
Due to affiliated company	93,537,674	39,918,292
Short term bank loan	1,019,613,001	842,600,806
Provision for WPPF and Welfare Fund	73,846,833	64,895,319
Total Current Liabilities	**2,174,917,327**	**2,012,391,304**
Total Equity and Liabilities	**3,872,656,499**	**3,730,981,433**
Net Assets Value Per Share	**23.85**	**24.88**

Chairman | Managing Director | Director | CFO | Company Secretary

KDS ACCESSORIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the period from 01 July 2018 to 31 December 2018

	Half Yearly Results		Quarterly Results	
	01 July 2018 to 31 Dec 2018	01 July 2017 to 31 Dec 2017	01 Oct 2018 to 31 Dec 2018	01 Oct 2017 to 31 Dec 2017
	Taka	Taka	Taka	Taka
Revenue	1,183,578,648	911,700,939	622,175,300	505,262,605
Cost of goods sold	(969,531,154)	(724,164,055)	(504,098,902)	(402,346,183)
Gross Profit	**214,047,494**	**187,536,883**	**118,076,398**	**102,916,422**
Operating expenses	(73,110,289)	(57,103,101)	(34,727,506)	(31,660,061)
Selling and distribution expenses	(28,346,905)	(21,789,652)	(11,581,222)	(10,977,000)
Operating Profit	**112,590,300**	**108,644,130**	**71,767,670**	**60,279,360**
Finance cost	(62,291,808)	(39,894,983)	(28,480,045)	(18,787,533)
Finance income	38,490,319	26,610,791	24,865,956	25,587,899
Profit before other income	**88,788,810**	**95,359,938**	**68,153,581**	**67,079,727**
Other income	2,430,960	780,000	1,904,998	390,000
Profit/(loss) from investment in associates	139,001	93,874	146,973	46,353
Profit before income tax and distribution of WPPF and Welfare Fund	**91,358,771**	**96,233,812**	**70,205,552**	**67,516,080**
Workers' Profit Participation and Welfare Fund	(4,567,939)	(4,811,691)	(3,510,278)	(3,375,804)
Profit before income tax	**86,790,832**	**91,422,121**	**66,695,274**	**64,140,276**
Provision for income tax:				
-Current tax	(17,538,757)	(15,567,065)	(12,587,440)	(11,602,483)
-Deferred tax	445,379	(363,378)	224,463	(308,573)
Profit after Income Tax	**69,697,454**	**75,491,678**	**54,332,297**	**52,229,220**
Other Comprehensive Income - net of tax	-	-	-	-
Total Comprehensive Income	**69,697,454**	**75,491,678**	**54,332,297**	**52,229,220**
Earnings Per Share (Basic)	**1.11**	**1.31**	**0.86**	**0.91**
Restated Earnings Per Share (Basic)		**1.20**		**0.83**

Chairman | Managing Director | Director | CFO | Company Secretary

KDS ACCESSORIES LIMITED
Statement of Changes in Equity
For the period from 01 July 2018 to 31 December 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
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**
Balance as on 01 July 2018		600,600,000	120,000,000	214,391,703	559,538,849	1,494,530,552
Bonus share for the year 2017-2018		30,030,000	-	-	(30,030,000)	-
Cash dividend for the year 2017-2018		-	-	-	(60,060,000)	(60,060,000)
Net Profit after tax for the period		-	-	-	69,697,454	69,697,454
Balance as at 31 December 2018	**Taka:**	**630,630,000**	**120,000,000**	**214,391,703**	**539,146,303**	**1,504,168,006**

Chairman | Managing Director | Director | CFO | Company Secretary

KDS ACCESSORIES LIMITED

Statement of Cash Flows

For the period from 01 July 2018 to 31 December 2018

	01 July 2018 to 31 Dec 2018 Taka	01 July 2017 to 31 Dec 2017 Taka
A. Operating activities		
Received from customers	1,060,862,403	784,409,030
Received from other sources	-	26,109,401
Paid to suppliers	(1,095,733,119)	(545,821,780)
Paid for operating, selling & distribution expenses	(67,492,638)	(47,088,078)
Cash generated by operations	**(102,363,354)**	**217,608,573**
Interest paid (net)	(38,741,161)	(39,894,983)
Income Tax Paid	(12,787,133)	(1,348,000)
Net cash flows from operating activities	**(153,891,648)**	**176,365,590**
B. Investing activities		
Acquisition of property, plant and equipment	(7,494,556)	(61,971,075)
Proceed from sale of non-current assets	1,734,000	-
Increase in investments	(400,144)	(204,803)
Net cash flows from investing activities	**(6,160,700)**	**(62,175,878)**
C. Financing activities		
Receipt / (Repayment)of long term loans	(35,228,669)	(44,155,436)
Repayment of lease finance	-	(481,035)
Receipt of short term borrowings	177,012,195	215,454,831
Short term loan received from /(paid to) affiliated companies	76,822,906	(228,374,521)
Dividend paid	(59,708,026)	(51,901,611)
Net cash flows from financing activities	**158,898,406**	**(109,457,772)**
D. Net changes of cash and cash equivalents (A+B+C)	(1,153,942)	4,731,940
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	100,997	19,199
G. Cash and cash equivalents at the end of the year (D+E+F)	**5,030,010**	**10,360,407**
Net Operating Cash Flows Per Share (NOCFPS)	**(2.44)**	**2.94**

Chairman Managing Director Director CFO Company Secretary

Selected Explanatory Notes to the Interim Financial Statements
As at and for the period ended 31 December 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 half yearly financial report has been prepared based on International Accounting Standard (IAS) - 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 number of shares outstanding for the period ended 31 December 2018 and profit for the same period . The number of shares outstanding for the period was 63,063,000. Earnings per share for the same period of preceding year has also been calculated based on 63,063,000 number of shares.

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 2018.

8 Deferred tax liability

Deferred tax liability of Tk 4,35,54,475 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 4,84,08,250 and financial position liability method for gratuity obligation for Tk (89,69,258) and on revalued assets of the associates investee for Tk 41,15,483.

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.

Selected Explanatory Notes to the Interim Financial Statements
As at and for the period ended 31 December 2018

		31 Dec 2018	30 June 2018
		Taka	Taka
10.00	**Property, plant & equipment (at cost less accumulated depreciation)**		
	Land and Land Development	419,730,792	419,730,792
	Plant and Machineries	507,440,590	530,050,343
	Administrative Building	33,195,481	34,026,637
	Factory Building	285,640,763	296,473,657
	Office Equipment	8,083,659	8,859,168
	Electric Installation	50,482,594	54,197,548
	Furniture & Fixture	2,721,247	3,110,290
	Computer Equipment	3,210,249	3,595,582
	Motor Vehicle	17,739,962	21,377,673
		1,328,245,336	**1,371,421,690**
11.00	**Intangible assets (at cost less accumulated amortization)**		
	Software	1,163,022	1,662,505
		1,163,022	**1,662,505**
12.00	**Capital work-in-progress**		
	Land and land development	12,847,598	12,847,598
	Plant & machinery	-	1,682,306
		12,847,598	**14,529,904**
13.00	**Investment in associate**		
	SKYS Securities Limited	48,404,805	48,265,804
		48,404,805	**48,265,804**
14.00	**Other investment**		
	Investment in Fixed Deposit (1 to 3 years)	5,069,797	4,920,847
		5,069,797	**4,920,847**
15.00	**Inventories**		
	Raw materials	565,487,718	468,878,644
	Work-in-process	23,693,653	27,448,184
	Finished goods	10,394,041	10,121,068
	Stores & spares	48,936,966	52,924,969
	Goods in transit	90,723,031	107,690,845
		739,235,409	**667,063,710**
16.00	**Trade receivables**	**1,274,604,935**	**1,128,378,143**
17.00	**Other receivables**		
	Rent receivable	780,000	-
	Accrued interest income on FDR	409,908	373,446
		1,189,908	**373,446**
18.00	**Advances, deposits and prepayments**		
	Advances	37,268,223	44,732,285
	Security deposits	11,989,449	11,694,449
	Prepayments	627,305	1,922,663
		49,884,977	**58,349,397**
19.00	**Due from affiliated companies**		
	KDS Poly Industries Limited	397,908,852	421,112,376
		397,908,852	**421,112,376**
20.00	**Short term investment**		
	Investment in Fixed Deposit (less than 1 year)	9,071,851	8,820,656
		9,071,851	**8,820,656**
21.00	**Cash and cash equivalents**		
	Cash in hand	617,935	917,833
	Cash at bank	4,412,075	5,165,122
		5,030,010	**6,082,955**

AMARSTOCK

Selected Explanatory Notes to the Interim Financial Statements
As at and for the period ended 31 December 2018

		31 Dec 2018 Taka	30 June 2018 Taka
22.00	**Share capital**		
	Authorized Capital		
	200,000,000 Ordinary Shares of Tk. 10 each	2,000,000,000	2,000,000,000
		2,000,000,000	**2,000,000,000**
	Issued, subscribed and paid-up Capital		
1,000	Ordinary Shares of Tk. 10 each as at 21 April 1991	10,000	10,000
2,100,000	Ordinary Shares of Tk. 10 each as at 17 June 2004	21,000,000	21,000,000
10,505,000	Ordinary Shares of Tk. 10 each as at 30 June 2010	105,050,000	105,050,000
17,522,340	Ordinary Shares of Tk. 10 each as at 6 March 2012	175,223,400	175,223,400
9,871,660	Ordinary Shares of Tk. 10 each as at 8 June 2013	98,716,600	98,716,600
12,000,000	Ordinary Shares of Tk.10 each issued through IPO 10 September 2015	120,000,000	120,000,000
5,200,000	Ordinary Shares of Tk. 10 each as at 01 September 2016 (Bonus share)	52,000,000	52,000,000
2,860,000	Ordinary Shares of Tk. 10 each as at 07 November 2017 (Bonus share)	28,600,000	28,600,000
3,003,000	Ordinary Shares of Tk. 10 each as at 04 November 2018 (Bonus share)	30,030,000	-
63,063,000	**Ordinary Shares of Tk. 10 each**	**630,630,000**	**600,600,000**
23.00	**Long term borrowings**		
	Due within one year	90,650,184	90,559,800
	Due after one year	78,262,633	113,581,686
		168,912,817	**204,141,486**
24.00	**Defined benefit obligation- gratuity**	**71,754,058**	**66,478,037**
25.00	**Deferred tax liability**	**43,554,475**	**43,999,854**
26.00	**Trade and other payables**		
	Trade payable	728,452,647	815,590,719
	For revenue expenses	132,928,139	117,965,152
	For other finance	6,115,616	4,001,519
		867,496,402	**937,557,390**
27.00	**Current tax liability**	**29,773,234**	**36,859,697**
28.00	**Due to affiliated company**		
	KDS Thread Limited	93,537,674	39,918,292
		93,537,674	**39,918,292**
29.00	**Short term bank loan**		
	Bank Overdraft	83,230,469	31,083,819
	Loan Against Trust Receipt (LATR)	168,645,790	110,838,032
	Local Documentary Bill Purchase (LDBP)	424,911,861	320,172,498
	Demand Loan and Time Loan	342,824,881	380,506,457
		1,019,613,001	**842,600,806**
30.00	**Provision for WPPF and Welfare Fund**	**73,846,833**	**64,895,319**
31.00	**Calculation of Net Asset Value (NAV) per ordinary share of Tk 10 each:**		
	A. Total equity of the company	1,504,168,006	1,494,530,552
	B. Total number of outstanding ordinary shares at the end of the period	63,063,000	60,060,000
	C. Net Asset Value (NAV) per ordinary share (A/B) rounded off upto two decimal places	**23.85**	**24.88**

KDS ACCESSORIES LTD. Bangladesh

Selected Explanatory Notes to the Interim Financial Statements
As at and for the period ended 31 December 2018

	01 July 2018 to 31 Dec 2018 Taka	01 July 2017 to 31 Dec 2017 Taka
32.00 i) Calculation of half yearly Earnings Per Share (EPS) per ordinary share of Tk 10 each:		
A. Net profit after tax	69,697,454	75,491,678
B. Total number of outstanding ordinary shares at the end of the period	63,063,000	63,063,000
C. Earnings Per Share (EPS)-Re-stated	**1.11**	**1.20**

	01 Oct 2018 to 31 Dec 2018 Taka	01 Oct 2017 to 31 Dec 2017 Taka
ii) Calculation of quarterly Earnings Per Share (EPS) per ordinary share of Tk 10 each:		
A. Net profit after tax	54,332,297	52,229,220
B. Total number of outstanding ordinary shares at the end of the period	63,063,000	63,063,000
C. Earnings Per Share (EPS)-Re-stated	**0.86**	**0.83**

	01 July 2018 to 31 Dec 2018 Taka	01 July 2017 to 31 Dec 2017 Taka
33.00 Calculation of Net Operating Cash Flows Per Share (NOCFPS) per ordinary share of Tk 10 each:		
A. Net cash (used in)/generated from operating activities	(153,891,648)	176,365,590
B. Total number of outstanding ordinary shares at the end of the period	63,063,000	60,060,000
C. Net Operating Cash Flows Per Share (NOCFPS)	**(2.44)**	**2.94**
34.00 Reconciliation of cash (used in)/generated from operations-Indirect Method		
Profit before income tax	86,790,832	91,422,121
Depreciation charged	52,270,176	46,624,861
Amortization charged	499,483	561,579
(Gain)/loss on sale of property, plant and equipment	(1,650,960)	-
Profit/(loss) from investment in associates	(139,001)	(93,874)
Finance Income	(38,490,319)	(26,610,791)
Finance Cost	62,291,808	39,894,983
Increase in Inventory	(72,171,699)	(33,481,101)
Increase in Trade Receivables (after adjusting foreign currency fluctuation gain)	(122,716,245)	(117,615,058)
(Increase)/ Decrease in other receivables	(780,000)	(1,281,390)
(Increase) / Decrease in Advances, Deposits and Pre-payments	(3,373,667)	(16,016,407)
Increase in Trade and Other payables (after adjusting foreign currency fluctuation loss)	(79,121,298)	205,401,933
Increase in provision of WPPF and WF	8,951,514	7,112,851
Increase in the provision of gratuity	5,276,021	4,848,713
Cash (used in)/generated from operations	**(102,363,354)**	**200,768,420**
Interest paid (net)	(38,741,161)	(23,054,830)
Income tax paid (net)	(12,787,133)	(1,348,000)
Reconciled net income	**(153,891,648)**	**176,365,590**
Net cash (used in)/generated from operating activities as per direct method	**(153,891,648)**	**176,365,590**
Difference	-	-

WAR STOCK