

KDS ACCESSORIES LIMITED
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Correspondent Firm to **Deloitte Touche Tohmatsu**

AUDITORS' REPORT TO THE SHAREHOLDERS OF KDS ACCESSORIES LIMITED

We have audited the accompanying financial statements of **KDS ACCESSORIES LIMITED**, which comprises the statement of financial position as at 31 December 2010 and the related statement of comprehensive income, statement of cash flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 31 December 2010 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by KDS Accessories Limited so far as it appeared from our examination of those books;
- (iii) The Company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns.

Chittagong, 18 May 2011

Hoda Vasi Chowdhury

Chartered Accountants

Hoda

**KDS ACCESSORIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Notes	2010 Taka	2009 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
		476,036,749	425,155,425
Property, Plant & Equipment	3.1	427,870,483	418,655,425
Capital Work-in-Progress	4	27,666,266	-
Investments	5	20,500,000	6,500,000
CURRENT ASSETS & PROPERTIES			
		797,594,212	476,852,967
Advances, Deposits & Prepayments	6	8,200,730	3,903,409
Inventory	7	376,434,553	199,998,285
Trade Receivables	8	374,221,543	242,050,568
Due from Affiliated Companies	9	2,355,888	-
Cash & Bank Balances	10	36,381,498	30,900,705
TOTAL ASSETS & PROPERTIES	Taka	1,273,630,961	902,008,392
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
		301,540,339	218,999,617
Share Capital	11.2	126,060,000	21,010,000
General Reserve		-	4,609,646
Retained Earnings		175,480,339	193,379,971
NON CURRENT LIABILITIES			
		57,567,630	74,090,085
Long Term Loan	12	57,567,630	74,090,085
CURRENT LIABILITIES AND PROVISIONS			
		914,522,992	608,918,690
Current portion of Long Term Loan	12	35,003,436	35,003,436
Short Term Loan	13	811,943,869	522,136,826
Creditors & Accruals	14	21,279,632	9,375,305
Provision for Taxation	15	46,296,055	42,403,124
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	Taka	1,273,630,961	902,008,392
CONTINGENT LIABILITIES AND COMMITMENTS			
	16		
NET ASSET VALUE PER SHARE	23	23.92	1,042.36

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on *3 May* 2011
and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, *18 May* 2011

Hoda Vasi Chowdhury & Co
CHARTERED ACCOUNTANTS

Hoda Vasi

**KDS ACCESSORIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 Taka	2009 Taka
Net Turnover	17	950,564,234	753,148,528
Cost of Sales	18	(761,451,388)	(602,537,810)
Gross Profit/ (Loss)		189,112,846	150,610,718
Operating expenses			
Administrative Expenses	19	(33,023,909)	(29,893,889)
Selling & Distribution Expenses	20	(13,743,375)	(9,312,304)
		(46,767,284)	(39,206,193)
Trading profit		142,345,562	111,404,525
Financial Expenses	21	(36,596,193)	(11,411,414)
Profit before contribution to WPP & WF		105,749,369	99,993,111
Contribution to WPP & WF @ 5%		(5,287,468)	-
Gross operating income		100,461,901	99,993,111
Non-Operating Income	22	1,464,684	651,262
Profit before Income Tax		101,926,585	100,644,373
Provision for Income Tax	15	(19,385,863)	(18,992,932)
Profit after Tax		82,540,722	81,651,441
Unappropriated profit brought forward		193,379,971	111,728,530
Profit available for appropriation		275,920,693	193,379,971
Appropriations:			
Bonus share issue @ 500%		105,050,000	-
Transfer from General Reserve		(4,609,646)	-
		100,440,354	-
Unappropriated profit carried forward		175,480,339	193,379,971
		275,920,693	193,379,971
Earning per share (Basic)	24.1	6.55	388.63
Earning per share (Adjusted)	24.2	6.55	6.48

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on **3 May** 2011
and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, **18 May** 2011


CHARTERED ACCOUNTANTS



**KDS ACCESSORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	2010 Taka	2009 Taka
Net Profit before tax		101,926,585	100,644,373
Adjustments for non-cash items:			
Depreciation	3.2	27,395,220	46,129,045
		129,321,805	146,773,418
(Increase)/decrease in current assets:			
Advance, Deposits & Prepayments	6	(4,297,321)	(2,362,273)
Inventories	7	(176,436,269)	(82,788,907)
Trade receivables	8	(132,170,975)	(90,500,194)
Due from Affiliated Companies	9	(2,355,888)	-
		(315,260,453)	(175,651,374)
Increase/(decrease) in current liabilities			
Short term loan	13	289,807,043	198,541,392
Creditors & Accruals	14	11,904,327	6,411,443
Due to Affiliated Companies		-	(27,622,298)
		301,711,371	177,330,537
Income tax paid	15	(15,492,932)	-
CASH FLOW FROM OPERATING ACTIVITIES		100,279,791	148,452,581
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of fixed assets	3	(36,610,277)	(323,464,711)
Capital work-in-progress	4.1	(27,666,266)	248,466,885
Increase in investment	5	(14,000,000)	-
Net cash inflow / (outflow) from Investing Activities		(78,276,543)	(74,997,826)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan (refunded)/received	12	(16,522,455)	(50,984,787)
Net cash inflow / (outflow) from Financing Activities		(16,522,455)	(50,984,787)
Net increase in cash & cash equivalents		5,480,793	22,469,968
Cash and cash equivalents at the beginning		30,900,705	8,430,737
Cash and cash equivalents at the end		36,381,498	30,900,705
OPERATING CASH FLOW PER SHARE	25	7.95	706.58

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on **3 May** 2011 and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, **18 May** 2011


Hoda Vasi Chowdhury & Co
CHARTERED ACCOUNTANTS



**KDS ACCESSORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010**

Particulars	Amount in Taka			
	Share Capital	General Reserve	Retained Earnings	Total Equity
Balance as on 01 January 2009	21,010,000	4,609,646	111,728,530	137,348,176
Net profit (after tax) transferred from I/S	-	-	81,651,441	81,651,441
Bonus share Issue	-	-	-	-
Adjustment of general reserve	-	-	-	-
	-	-	81,651,441	81,651,441
Balance as at 31 December 2009	21,010,000	4,609,646	193,379,971	218,999,617
Balance as on 01 January 2010	21,010,000	4,609,646	193,379,971	218,999,617
Net profit (after tax) transferred from I/S	-	-	82,540,722	82,540,722
Bonus share Issue	105,050,000	-	(105,050,000)	-
Adjustment of general reserve	-	(4,609,646)	4,609,646	-
	105,050,000	(4,609,646)	(17,899,632)	82,540,722
Balance as at 31 December 2010	126,060,000	-	175,480,339	301,540,339

These financial statements should be read in conjunction with the annexed notes

AUDITORS' REPORT TO THE SHAREHOLDERS

See annexed report *Hoda*



COMPANY SECRETARY



DIRECTOR



MANAGING DIRECTOR

