

**Hoda Vasi
Chowdhury & Co**

To
The Chairman
KDS Accessories Limited
191-192 Baizid Bostami Road,
Nasirabad Industrial Area,
Chittagong 4210.

**Audited Financial Statement
Of
KDS Accessories Limited**

For the year ended 31 December 2011

Independent Correspondents firm to **Deloitte Touche Tohmatsu**

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 2011 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 2011 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, 12 July 2012


Hoda Vasi Chowdhury & Co
Chartered Accountants
Hoda Vasi


**KDS ACCESSORIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note(s)	2011 Taka	2010 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
		669,784,926	476,036,749
Property, Plant & Equipment	3.1	579,629,628	427,870,483
Capital Work-in-Progress	4	69,655,298	27,666,266
Investments	5	20,500,000	20,500,000
CURRENT ASSETS & PROPERTIES			
		1,096,502,897	797,594,212
Advances, Deposits & Prepayments	6	7,306,172	8,200,730
Inventory	7	681,645,429	376,434,553
Trade Receivables	8	341,259,145	374,221,543
Due from Affiliated Companies	9	18,917,997	2,355,888
Cash & Bank Balances	10	47,374,154	36,381,498
TOTAL ASSETS & PROPERTIES	Taka	1,766,287,823	1,273,630,961
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
		393,247,620	301,540,339
Share Capital	11.2	126,060,000	126,060,000
Retained Earnings		267,187,620	175,480,339
NON CURRENT LIABILITIES			
		33,816,282	57,567,630
Long Term Loan	12	33,816,282	57,567,630
CURRENT LIABILITIES AND PROVISIONS			
		1,339,223,921	914,522,992
Current portion of Long Term Loan	12	35,445,996	35,003,436
Short Term Loan	13	1,239,471,811	811,943,869
Creditors & Accruals	14	26,305,688	21,279,632
Provision for Taxation	15	38,000,426	46,296,055
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	Taka	1,766,287,823	1,273,630,961
CONTINGENT LIABILITIES AND COMMITMENTS			
	16		
NET ASSET VALUE PER SHARE	23	31.20	23.92

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 11.7, 2012
and were signed on its behalf by


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 12 July 2012


Hoda Vasi Chowdhury & Co
CHARTERED ACCOUNTANTS


**KDS ACCESSORIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note(s)	2011 Taka	2010 Taka
Net Turnover	17	1,146,104,981	950,564,234
Cost of Sales	18	(918,373,652)	(761,451,388)
Gross Profit/ (Loss)		227,731,329	189,112,846
Operating expenses			
Administrative Expenses	19	(41,407,393)	(33,023,909)
Selling & Distribution Expenses	20	(17,941,928)	(13,743,375)
		(59,349,321)	(46,767,284)
Trading profit		168,382,008	142,345,562
Financial Expenses	21	(51,089,003)	(36,596,193)
Profit before contribution to WPP & WF		117,293,005	105,749,369
Contribution to WPP & WF @ 5%		(5,864,649)	(5,287,468)
Gross operating income		111,428,355	100,461,901
Non-Operating Income	22	1,874,788	1,464,684
Profit before Income Tax		113,303,143	101,926,585
Provision for Income Tax	15	(21,595,862)	(19,385,863)
Profit after Tax		91,707,281	82,540,722
Unappropriated profit brought forward		175,480,339	193,379,971
Profit available for appropriation		267,187,620	275,920,693
Appropriations:			
Bonus share issue @ 500%		-	105,050,000
Transfer from General Reserve		-	(4,609,646)
		-	100,440,354
Unappropriated profit carried forward		267,187,620	175,480,339
		267,187,620	275,920,693
Earning per share (Basic)	24.1	7.27	6.55
Earning per share (Adjusted)	24.2	7.27	6.55

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on **11.7. 2012**
and were signed on its behalf by :


COMPANY SECRETARY

 
DIRECTOR MANAGING DIRECTOR
Signed in terms of our separate report of even date annexed

Chittagong, 12 July 2012


Hoda Vasi Chowdhury
CHARTERED ACCOUNTANTS


**KDS ACCESSORIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note(s)	2011 Taka	2010 Taka
Net Profit before tax		113,303,143	101,926,585
Adjustments for non-cash items:			
Depreciation	3.2	35,600,509	27,395,220
		<u>148,903,652</u>	<u>129,321,805</u>
(Increase)/decrease in current assets:			
Advance, Deposits & Prepayments	6	894,559	(4,297,321)
Inventories	7	(305,210,876)	(176,436,269)
Trade receivables	8	32,962,399	(132,170,975)
Due from Affiliated Companies	9	(16,562,109)	(2,355,888)
		<u>(287,916,027)</u>	<u>(315,260,453)</u>
Increase/(decrease) in current liabilities			
Short term loan	13	427,527,942	289,807,043
Creditors & Accruals	14	5,026,056	11,904,327
		<u>432,553,998</u>	<u>301,711,371</u>
Income tax paid	15	(29,891,491)	(15,492,932)
CASH FLOW FROM OPERATING ACTIVITIES		263,650,132	100,279,791
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of fixed assets	3	(187,359,655)	(36,610,277)
Capital work-in-progress	4.1	(41,989,032)	(27,666,266)
Increase in investment	5	-	(14,000,000)
Net cash inflow / (outflow) from Investing Activities		(229,348,687)	(78,276,543)
CASH FLOW FROM FINANCING ACTIVITIES			
Loan (refunded)/received	12	(23,308,788)	(16,522,455)
Net cash inflow / (outflow) from Financing Activities		(23,308,788)	(16,522,455)
Net increase in cash & cash equivalents		10,992,657	5,480,793
Cash and cash equivalents at the beginning		36,381,498	30,900,705
Cash and cash equivalents at the end		47,374,154	36,381,498
OPERATING CASH FLOW PER SHARE	25	20.91	7.95

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on **11.7. 2012**
and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, *12 July* 2012

Hoda Vasi Chowdhury & Co
CHARTERED ACCOUNTANTS
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**KDS ACCESSORIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

Particulars	Amount in Taka			
	Share Capital	General Reserve	Retained Earnings	Total Equity
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
Balance as on 01 January 2011	126,060,000	-	175,480,339	301,540,339
Net profit (after tax) transferred from I/S	-	-	91,707,281	91,707,281
Bonus share Issue	-	-	-	-
Adjustment of general reserve	-	-	-	-
	-	-	91,707,281	91,707,281
Balance as at 31 December 2011	126,060,000	-	267,187,620	393,247,620

These financial statements should be read in conjunction with the annexed notes
AUDITORS' REPORT TO THE SHAREHOLDERS

See annexed report *Amber*


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

