



KDS Accessories Ltd.

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

CHITTAGONG OFFICE : 191-192 BALZID BOSTAMI ROAD, NASIRABAD I/A, CHITTAGONG 4210, BANGLADESH
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KDS ACCESSORIES LIMITED

Statement of Financial Position

As at 31 December 2018

	31 Dec 2018	30 June 2018
	Taka	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

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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



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KDS ACCESSORIES LIMITED
Statement of Changes in Equity
For the period from 01 July 2018 to 31 December 2018

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Amount in Taka 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

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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	01 July 2017 to 31 Dec 2017
	Taka	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

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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



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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



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

32.00 i) Calculation of half yearly Earnings Per Share (EPS) per ordinary share of Tk 10 each:

A. Net profit after tax

B. Total number of outstanding ordinary shares at the end of the period

C. Earnings Per Share (EPS)-Re-stated

01 July 2018 to 31 Dec 2018	01 July 2017 to 31 Dec 2017
Taka	Taka
69,697,454	75,491,678
63,063,000	63,063,000
1.11	1.20

ii) Calculation of quarterly Earnings Per Share (EPS) per ordinary share of Tk 10 each:

A. Net profit after tax

B. Total number of outstanding ordinary shares at the end of the period

C. Earnings Per Share (EPS)-Re-stated

01 Oct 2018 to 31 Dec 2018	01 Oct 2017 to 31 Dec 2017
Taka	Taka
54,332,297	52,229,220
63,063,000	63,063,000
0.86	0.83

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

B. Total number of outstanding ordinary shares at the end of the period

C. Net Operating Cash Flows Per Share (NOCFPS)

01 July 2018 to 31 Dec 2018	01 July 2017 to 31 Dec 2017
Taka	Taka
(153,891,648)	176,365,590
63,063,000	60,060,000
(2.44)	2.94

34.00 Reconciliation of cash (used in)/generated from operations-Indirect Method

Profit before income tax

Depreciation charged

Amortization charged

(Gain)/loss on sale of property, plant and equipment

Profit/(loss) from investment in associates

Finance Income

Finance Cost

Increase in Inventory

Increase in Trade Receivables (after adjusting foreign currency fluctuation gain)

(Increase)/ Decrease in other receivables

(Increase) / Decrease in Advances, Deposits and Pre-payments

Increase in Trade and Other payables (after adjusting foreign currency fluctuation loss)

Increase in provision of WPPF and WF

Increase in the provision of gratuity

Cash (used in)/generated from operations

Interest paid (net)

Income tax paid (net)

Reconciled net income

Net cash (used in)/generated from operating activities as per direct method

Difference

86,790,832	91,422,121
52,270,176	46,624,861
499,483	561,579
(1,650,960)	-
(139,001)	(93,874)
(38,490,319)	(26,610,791)
62,291,808	39,894,983
(72,171,699)	(33,481,101)
(122,716,245)	(117,615,058)
(780,000)	(1,281,390)
(3,373,667)	(16,016,407)
(79,121,298)	205,401,933
8,951,514	7,112,851
5,276,021	4,848,713
(102,363,354)	200,768,420
(38,741,161)	(23,054,830)
(12,787,133)	(1,348,000)
(153,891,648)	176,365,590
(153,891,648)	176,365,590