



KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-audited) As at and for the period ended 31 March 2019

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1stop
trims & packaging
solutions



KDS ACCESSORIES LIMITED
Statement of Financial Position
As at 31 March 2019

	31 Mar 2019	30 June 2018
	Taka	Taka
ASSETS		
Non-current Assets		
Property, plant and equipment	1,303,357,791	1,371,421,690
Intangible assets	1,057,239	1,662,505
Capital work-in-progress	12,847,598	14,529,904
Investment in associate	48,437,057	48,265,804
Other investment	5,315,852	4,920,847
Total Non-current Assets	1,371,015,536	1,440,800,750
Current Assets		
Inventories	608,128,090	667,063,710
Trade receivables	1,227,082,993	1,128,378,143
Other receivables	1,474,791	373,446
Advances, deposits and prepayments	62,681,840	58,349,397
Due from affiliated company	520,544,793	421,112,376
Short term investment	9,263,879	8,820,656
Cash and cash equivalents	13,153,992	6,082,955
Total Current Assets	2,442,330,378	2,290,180,683
Total Assets	3,813,345,914	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	579,497,336	559,538,849
Total Shareholders' Equity	1,544,519,039	1,494,530,552
Non-current Liabilities		
Long term borrowings	194,314,827	113,581,686
Defined benefit obligation- gratuity	74,158,677	66,478,037
Deferred tax liability	43,678,556	43,999,854
Total Non-current Liabilities	312,152,059	224,059,577
Current Liabilities		
Trade and other payables	616,167,148	937,557,390
Current portion of long term borrowings	153,290,324	90,559,800
Current tax liability	37,006,486	36,859,697
Due to affiliated company	-	39,918,292
Short term bank loan	1,071,724,850	842,600,806
Provision for WPPF and Welfare Fund	78,486,008	64,895,319
Total Current Liabilities	1,956,674,815	2,012,391,304
Total Equity and Liabilities	3,813,345,914	3,730,981,433
Net Assets Value Per Share	24.49	24.88


Chairman


Director

CEO


CFO


Company Secretary



KDS ACCESSORIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the period from 01 July 2018 to 31 March 2019

	Nine Months Results		Quarterly Results	
	01 July 2018 to 31 Mar 2019	01 July 2017 to 31 Mar 2018	01 Jan 2019 to 31 Mar 2019	01 Jan 2018 to 31 Mar 2018
	Taka	Taka	Taka	Taka
Revenue	1,719,875,882	1,443,468,915	536,297,234	531,767,977
Cost of goods sold	(1,399,697,477)	(1,149,525,260)	(430,166,322)	(425,361,204)
Gross Profit	320,178,405	293,943,655	106,130,911	106,406,772
Operating expenses	(106,337,795)	(90,657,660)	(33,227,506)	(33,554,559)
Selling and distribution expenses	(38,794,049)	(32,318,658)	(10,447,144)	(10,529,006)
Operating Profit	175,046,561	170,967,336	62,456,261	62,323,207
Finance cost	(94,632,103)	(64,496,134)	(32,340,295)	(24,601,151)
Finance income	58,564,991	29,086,260	20,074,672	2,475,469
Profit before other income	138,979,449	135,557,463	50,190,639	40,197,525
Other income	4,436,435	1,170,000	2,005,475	390,000
Profit/(loss) from investment in associates	171,253	140,227	32,252	46,353
Profit before income tax and distribution of WPPF and Welfare Fund	143,587,136	136,867,690	52,228,366	40,633,879
Workers' Profit Participation and Welfare Fund	(7,179,357)	(6,843,385)	(2,611,418)	(2,031,694)
Profit before income tax	136,407,779	130,024,306	49,616,948	38,602,185
Provision for income tax:				
-Current tax	(26,680,590)	(20,743,747)	(9,141,833)	(5,176,682)
-Deferred tax	321,298	(823,720)	(124,081)	(460,342)
Profit after Income Tax	110,048,487	108,456,839	40,351,034	32,965,161
Other Comprehensive Income - net of tax	-	-	-	-
Total Comprehensive Income	110,048,487	108,456,839	40,351,034	32,965,161
Earnings Per Share (Basic)	1.75	1.86	0.64	0.56
Restated Earnings Per Share (Basic)		1.72		0.52


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Company Secretary






KDS ACCESSORIES LIMITED
Statement of Changes in Equity
For the period from 01 July 2018 to 31 March 2019

Particulars	Amount in Taka				
	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	-	-	-	108,456,839	108,456,839
Balance as at 31 March 2018	Taka: 600,600,000	120,000,000	214,391,703	535,010,860	1,470,002,563
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	-	-	-	110,048,487	110,048,487
Balance as at 31 March 2019	Taka: 630,630,000	120,000,000	214,391,703	579,497,336	1,544,519,039


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Company Secretary



KDS ACCESSORIES LIMITED

Statement of Cash Flows

For the period from 01 July 2018 to 31 March 2019

	01 July 2018 to 31 Mar 2019	01 July 2017 to 31 Mar 2018
	Taka	Taka
A. Operating activities		
Received from customers	1,651,345,110	1,250,665,209
Received from other sources	1,615,475	28,385,344
Paid to suppliers	(1,619,362,896)	(1,005,359,988)
Paid for operating, selling & distribution expenses	(114,577,842)	(40,528,068)
Cash generated by operations	(80,980,152)	233,162,497
Interest paid (net)	(60,934,204)	(64,496,134)
Income Tax Paid	(16,676,351)	(19,538,240)
Net cash flows from operating activities	(158,590,708)	149,128,123
B. Investing activities		
Acquisition of property, plant and equipment	(8,643,884)	(76,973,948)
Proceed from sale of non-current assets	1,734,000	-
Increase in investments	(838,228)	(204,803)
Net cash flows from investing activities	(7,748,112)	(77,178,751)
C. Financing activities		
Receipt / (Repayment) of long term loans	143,463,665	(60,604,498)
Repayment of lease finance	-	(646,529)
Receipt of short term borrowings	229,124,044	326,688,312
Short term loan received from /(paid to) affiliated companies	(139,350,709)	(282,405,149)
Dividend paid	(59,925,555)	(57,142,900)
Net cash flows from financing activities	173,311,445	(74,110,764)
D. Net changes of cash and cash equivalents (A+B+C)	6,972,626	(2,161,392)
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	98,411	67,237
G. Cash and cash equivalents at the end of the year (D+E+F)	13,153,992	3,515,114
Net Operating Cash Flows Per Share (NOCFPS)	(2.51)	2.48


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**Selected Explanatory Notes to the Interim Financial Statements
As at and for the period ended 31 March 2019**

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 nine months 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 March 2019 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 March 2019.

8 Deferred tax liability

Deferred tax liability of Tk 4,36,78,556 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 4,88,26,458 and financial position liability method for gratuity obligation for Tk (92,69,835) and on revalued assets of the associates investee for Tk 41,21,933.

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 March 2019

	31 Mar 2019	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	493,435,759	530,050,343
Administrative Building	32,779,903	34,026,637
Factory Building	280,244,893	296,473,657
Office Equipment	7,829,689	8,859,168
Electric Installation	47,884,318	54,197,548
Furniture & Fixture	2,457,415	3,110,290
Computer Equipment	2,959,691	3,595,582
Motor Vehicle	16,035,330	21,377,673
	1,303,357,791	1,371,421,690
11.00 Intangible assets (at cost less accumulated amortization)		
Software	1,057,239	1,662,505
	1,057,239	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	48,437,057	48,265,804
	48,437,057	48,265,804
14.00 Other investment		
Investment in Fixed Deposit (1 to 3 years)	5,315,852	4,920,847
	5,315,852	4,920,847
15.00 Inventories		
Raw materials	492,567,091	468,878,644
Work-in-process	22,424,917	27,448,184
Finished goods	8,337,225	10,121,068
Stores & spares	48,212,928	52,924,969
Goods in transit	36,585,929	107,690,845
	608,128,090	667,063,710
16.00 Trade receivables	1,227,082,993	1,128,378,143
17.00 Other receivables		
Rent receivable	1,170,000	-
Accrued interest income on FDR	304,791	373,446
	1,474,791	373,446
18.00 Advances, deposits and prepayments		
Advances	47,845,046	44,732,285
Security deposits	11,989,449	11,694,449
Prepayments	2,847,346	1,922,663
	62,681,840	58,349,397
19.00 Due from affiliated companies		
KDS Poly Industries Limited	476,258,390	421,112,376
KDS Thread Limited	44,286,403	-
	520,544,793	421,112,376
20.00 Short term investment		
Investment in Fixed Deposit (less than 1 year)	9,263,879	8,820,656
	9,263,879	8,820,656
21.00 Cash and cash equivalents		
Cash in hand	1,116,744	917,833
Cash at bank	12,037,248	5,165,122
	13,153,992	6,082,955



Selected Explanatory Notes to the Interim Financial Statements As at and for the period ended 31 March 2019

	31 Mar 2019	30 June 2018
	Taka	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	153,290,324	90,559,800
Due after one year	194,314,827	113,581,686
	347,605,151	204,141,486
24.00 Defined benefit obligation- gratuity	74,158,677	66,478,037
25.00 Deferred tax liability	43,678,556	43,999,854
26.00 Trade and other payables		
Trade payable	479,680,784	815,590,719
For revenue expenses	130,318,926	117,965,152
For other finance	6,167,438	4,001,519
	616,167,148	937,557,390
27.00 Current tax liability	37,006,486	36,859,697
28.00 Due to affiliated company		
KDS Thread Limited	-	39,918,292
	-	39,918,292
29.00 Short term bank loan		
Bank Overdraft	108,516,467	31,083,819
Loan Against Trust Receipt (LATR)	52,722,576	110,838,032
Local Documentary Bill Purchase (LDBP)	502,778,745	320,172,498
Demand Loan and Time Loan	407,707,061	380,506,457
	1,071,724,850	842,600,806
30.00 Provision for WPPF and Welfare Fund	78,486,008	64,895,319
31.00 Calculation of Net Asset Value (NAV) per ordinary share of Tk 10 each:		
A. Total equity of the company	1,544,519,039	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	24.49	24.88





**Selected Explanatory Notes to the Interim Financial Statements
As at and for the period ended 31 March 2019**

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

	01 July 2018 to 31 Mar 2019 Taka	01 July 2017 to 31 Mar 2018 Taka
A. Net profit after tax	110,048,487	108,456,839
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	1.75	1.72

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

	01 Jan 2019 to 31 Mar 2019 Taka	01 Jan 2018 to 31 Mar 2018 Taka
A. Net profit after tax	40,351,034	32,965,161
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	0.64	0.52

33.00 Calculation of Net Operating Cash Flows Per Share (NOCFPS) per ordinary share of Tk 10 each:

	01 July 2018 to 31 Mar 2019 Taka	01 July 2017 to 31 Mar 2018 Taka
A. Net cash (used in)/generated from operating activities	(158,590,708)	149,128,123
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)	(2.51)	2.48

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

Profit before income tax	136,407,779	130,024,306
Depreciation charged	78,307,050	70,841,304
Amortization charged	605,266	813,033
(Gain)/loss on sale of property, plant and equipment	(1,650,960)	3,036
Profit/(loss) from investment in associates	(171,253)	(140,227)
Finance Income	(58,564,991)	(29,086,260)
Finance Cost	94,632,103	64,496,134
Increase in Inventory	58,935,620	(145,151,980)
Increase in Trade Receivables (after adjusting foreign currency fluctuation gain)	(68,530,771)	(163,717,446)
(Increase)/ Decrease in other receivables	(1,170,000)	(1,873,952)
(Increase) / Decrease in Advances, Deposits and Pre-payments	(14,189,893)	15,858,142
Increase in Trade and Other payables (after adjusting foreign currency fluctuation loss)	(326,861,431)	274,806,502
Increase in provision of WPPF and WF	13,590,689	10,295,124
Increase in provision of gratuity	7,680,640	5,994,782
Cash (used in)/generated from operations	(80,980,152)	233,162,497
Interest paid (net)	(60,934,204)	(64,496,134)
Income tax paid (net)	(16,676,351)	(19,538,240)
Reconciled net income	(158,590,708)	149,128,123
Net cash (used in)/generated from operating activities as per direct method	(158,590,708)	149,128,123

Difference

