



KDS Accessories Ltd.

BANGLADESH | CHINA | HONG KONG | UK

Financial Statements (Un-audited) As at and for the period ended 31 December 2022



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KDS ACCESSORIES LIMITED
Statement of Financial Position (Un-audited)
As at 31 December 2022

		31 Dec 2022	30 June 2022
	Note(s)	Taka	Taka
ASSETS			
Non-current Assets			
Property, plant and equipment	11	1,207,152,370	1,230,753,540
Intangible assets	12	31,631	94,880
Capital work-in-progress	13	7,290,073	25,146,785
Investment in SKYS Securities Limited	14	30,377,066	30,377,066
Other investment	15	4,922,480	4,880,832
Total Non-current Assets		1,249,773,620	1,291,253,103
Current Assets			
Inventories	16	1,054,505,592	866,281,364
Trade receivables	17	1,339,456,380	1,614,767,904
Other receivables	18	1,204,278	298,495
Advances, deposits and prepayments	19	103,684,816	88,234,598
Due from affiliated company	20	836,812,771	514,520,973
Short term investment	21	2,307,941	2,300,000
Cash and cash equivalents	22	100,256,020	270,139,607
Total Current Assets		3,438,227,797	3,356,542,941
Total Assets		4,688,001,417	4,647,796,044
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	23	711,823,610	711,823,610
Share premium		120,000,000	120,000,000
Revaluation reserve		214,391,703	214,391,703
Retained earnings		741,962,728	774,546,730
Total Shareholders' Equity		1,788,178,041	1,820,762,043
Non-current Liabilities			
Long term borrowings	24	110,710,699	101,676,544
Defined benefit obligation- gratuity	25	123,997,635	119,456,593
Deferred tax liability	26	22,017,117	23,656,041
Total Non-current Liabilities		256,725,451	244,789,178
Current Liabilities			
Trade and other payables	27	2,182,219,914	2,359,435,822
Unclaimed Dividend	28	5,355,067	861,655
Current portion of long term borrowings	24	16,956,612	33,870,307
Current tax liability	29	58,235,665	39,094,407
Short term bank loan	30	298,405,731	76,098,256
Provision for WPPF and Welfare Fund	31	81,924,937	72,884,376
Total Current Liabilities		2,643,097,925	2,582,244,823
Total Equity and Liabilities		4,688,001,417	4,647,796,044
Net Assets Value Per Share	32	25.12	25.58

 Chairman
  Managing Director
  Director
  CFO
  Company Secretary



KDS ACCESSORIES LIMITED

Statement of Profit or Loss and Other Comprehensive Income (Un-audited)

For the period from 01 July 2022 to 31 December 2022

Note(s)	Half Yearly Results		Quarterly Results	
	01 July 2022 to 31 Dec 2022	01 July 2021 to 31 Dec 2021	01 Oct 2022 to 31 Dec 2022	01 Oct 2021 to 31 Dec 2021
	Taka	Taka	Taka	Taka
Revenue	1,471,658,412	1,525,882,049	700,374,929	777,856,811
Cost of goods sold	(1,239,794,037)	(1,274,719,042)	(584,904,064)	(655,763,673)
Gross Profit	231,864,375	251,163,007	115,470,865	122,093,137
Operating expenses				
Administrative expenses	(83,755,172)	(89,354,813)	(38,621,746)	(45,611,208)
Selling and distribution expenses	(46,519,038)	(43,271,665)	(18,110,266)	(22,480,062)
Operating Profit	101,590,165	118,536,529	58,738,853	54,001,868
Finance cost	(28,300,680)	(36,206,113)	(15,866,909)	(16,163,824)
Finance income	29,130,608	21,634,511	(2,104,693)	19,642,309
Profit before other income	102,420,092	103,964,926	40,767,251	57,480,353
Other income	1,590,550	1,294,283	860,320	648,636
Profit before income tax and distribution of WPPF and WF	104,010,642	105,259,209	41,627,571	58,128,989
Workers' Profit Participation and Welfare Fund	(5,200,532)	(5,262,960)	(2,081,379)	(2,906,449)
Profit before income tax	98,810,110	99,996,248	39,546,192	55,222,540
Provision for income tax:				
-Current tax	(19,141,258)	(17,057,555)	(8,688,495)	(9,986,452)
-Deferred tax	1,638,924	1,176,387	813,022	(139,400)
Profit after Income Tax	81,307,776	84,115,080	31,670,719	45,096,688
Total Comprehensive Income	81,307,776	84,115,080	31,670,719	45,096,688
Earnings Per Share (Basic)	Note-33 1.14	1.18	0.44	0.63

Chairman
Managing Director
Director

CFO

Company Secretary



KDS ACCESSORIES LIMITED
Statement of Changes in Equity (Un-audited)
For the period from 01 July 2022 to 31 December 2022

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as on 01 July 2021	711,823,610	120,000,000	214,391,703	715,594,869	1,761,810,182
Cash dividend for the year 2020-2021	-	-	-	(106,773,542)	(106,773,542)
Net Profit after tax for the period	-	-	-	84,115,080	84,115,080
Balance as at 31 December 2021	711,823,610	120,000,000	214,391,703	692,936,407	1,739,151,719
Balance as on 01 July 2022	711,823,610	120,000,000	214,391,703	774,546,730	1,820,762,043
Cash dividend for the year 2021-2022	-	-	-	(113,891,778)	(113,891,778)
Net Profit after tax for the period	-	-	-	81,307,776	81,307,776
Balance as at 31 December 2022	711,823,610	120,000,000	214,391,703	741,962,728	1,788,178,041


Chairman

Managing Director


Director


CFO


Company Secretary



KDS ACCESSORIES LIMITED
Statement of Cash Flows (Un-audited)
For the period from 01 July 2022 to 31 December 2022

	01 July 2022 to 31 Dec 2022	01 July 2021 to 30 Dec 2021
	Taka	Taka
A. Operating activities		
Received from customers	1,915,409,891	1,254,132,003
Received from other sources	810,550	880,857
Paid to suppliers	(1,733,078,046)	(939,757,276)
Paid for operating expenses	(106,729,692)	(127,976,426)
Cash generated by operations	76,412,703	187,279,158
Interest paid (net)	(546,067)	(13,475,665)
Income Tax Paid	(19,135,090)	(6,593,124)
Net cash flows from operating activities	56,731,546	167,210,369
B. Investing activities		
Acquisition of property, plant and equipment	(9,583,970)	(22,726,807)
Proceed from sale of non-current assets	-	32,165
Increase in investments	(49,588)	(483,354)
Net cash flows from investing activities	(9,633,558)	(23,177,996)
C. Financing activities		
Dividend Paid	(109,398,366)	(82,992,026)
Receipt / (Repayment) of long term borrowings	(7,879,540)	(9,232,368)
Receipt/(Repayment) of short term borrowings	222,307,475	(28,760,640)
Short term loan Receipt/ (Repayment) from/to affiliated companies	(322,291,798)	(11,310,147)
Net cash flows from financing activities	(217,262,229)	(132,295,180)
D. Net changes of cash and cash equivalents (A+B+C)	(170,164,242)	11,737,192
E. Cash and cash equivalents at the beginning of the period	270,139,607	232,483,367
F. Effect of foreign exchange rate changes on cash and cash equivalents	280,655	547,523
G. Cash and cash equivalents at the end of the period (D+E+F)	100,256,020	244,768,082
Net Operating Cash Flows Per Share (NOCFPS)	0.80	2.35

Note-34


Chairman

Managing Director


Director


CFO


Company Secretary



Selected Explanatory Notes to the Interim Financial Statements (Un-audited) As at and for the period ended 31 December 2022

1 Formation and Legal Status

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 which was amended in 2020) 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 2022, 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 2022.

5 Statement of compliance

The financial statements of the company under reporting have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

6 Application of Accounting Standards

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs and IFRSs are applied to preparation of the financial statements for the year under report:

Accounting Standards

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rate





IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-26	Accounting and Reporting by Retirement Benefit Plans
IAS-28	Investments in Associates and Joint Ventures
IAS-33	Earnings Per Share
IAS-34	Interim Financial Reporting
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contract with Customers
IFRS-16	Leases

7 Earnings Per Share

Earnings Per Share (EPS) has been calculated based on number of shares outstanding for the period ended 31 December 2022 and profit for the same period. The number of shares outstanding for the period was 71,182,361. Earnings per share for the same period of preceding year has also been calculated based on same number of shares.

8 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.

9 Impairment of assets

With reference to the paragraph 9 of BAS-36, there was no such indication of impairment observed relating to property plant and equipment till the end of 31 December 2022.

10 General

10.01 Wherever considered necessary, prior period's figures and phrases have been re-arranged to conform to this period's presentation.

10.02 The amounts in these financial statements have been rounded off to the nearest taka.

10.03 Bracket figures denotes negative balance.





	31 Dec 2022	30 June 2022
	Taka	Taka
11.00 Property, plant & equipment (at cost less accumulated depreciation)		
Land and Land Development	431,214,704	431,214,704
Plant and Machineries	451,764,811	457,609,635
Administrative Building	26,639,046	27,473,014
Factory Building	257,261,763	269,341,466
Office Equipment	4,198,719	4,429,352
Electric Installation	25,046,434	27,889,471
Furniture & Fixture	1,608,097	1,899,722
Computer Equipment	3,628,590	3,994,658
Motor Vehicle	5,790,206	6,901,518
	1,207,152,370	1,230,753,541
12.00 Intangible assets (at cost less accumulated amortization)		
Software	31,631	94,880
	31,631	94,880
13.00 Capital Work In Progress		
Factory building	3,894,848	3,727,898
Plant & machinery	-	18,033,662
Land & Development	10,000	-
Electric equipment and installations	3,385,225	3,385,225
	7,290,073	25,146,785
14.00 Investment in SKYS Securities Limited	30,377,066	30,377,066
<p>KDS Accessories Limited ("KDSAL") currently hold only 15.59% shares in SKYS Securities Limited and "KDSAL" has no representation in the Board of Directors of SKYS Securities Limited ("SKYS"). As per IAS-28, Investments in Associates and Joint Ventures has to be treated as associate, if it has got significant influence over the investee i.e. SKYS Securities Limited. On the other hand, an investor is considered to have significant influence, if it has 20% or more voting power, representation in Board, participation in policy making, material transactions between the investor and investee etc. As criteria for considering an investment as "Investment in Associate" no longer exists, investment in SKYS Securities Limited is no longer required to report as investment in associate under IAS-28. Hence, as stipulated in IAS-28, recognition of investment under equity method is discontinued and the fair value of the investment in "SKYS" is recognized on initial recognition as a financial asset in accordance with IFRS 9.</p>		
15.00 Other investment		
Investment in Fixed Deposit (1 to 3 years)	4,922,480	4,880,832
	4,922,480	4,880,832
16.00 Inventories		
Raw materials	930,513,118	665,996,119
Work-in-process	31,066,066	30,519,075
Finished goods	7,790,279	13,860,659
Stores & spares	78,624,998	82,471,375
Goods in transit	6,511,131	73,434,136
	1,054,505,592	866,281,364
17.00 Trade receivables	1,339,456,380	1,614,767,904
18.00 Other receivables		
Rent receivable	780,000	-
Accrued interest income on FDR	424,278	298,495
	1,204,278	298,495
19.00 Advances, deposits and prepayments		
Advances	89,101,610	70,786,349
Security deposits	13,280,652	13,718,249
Prepayments	1,302,554	3,730,000
	103,684,816	88,234,598
20.00 Due from affiliated companies		
KDS Poly Industries Limited	124,886,288	58,844,458
KDS Thread Limited	711,926,483	455,676,515
	836,812,771	514,520,973
21.00 Short term investment		
Investment in Fixed Deposit (less than 1 year)	2,307,941	2,300,000
	2,307,941	2,300,000
22.00 Cash and cash equivalents		
Cash in hand	650,841	727,429
Cash at bank	99,605,179	269,412,178
	100,256,020	270,139,607





Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 December 2022

	<u>31 Dec 2021</u>	<u>30 June 2022</u>
	Taka	Taka
23.00 Share capital		
Authorized Capital		
200,000,000 Ordinary Shares of Tk. 10 each	2,000,000,000	2,000,000,000
	<u>2,000,000,000</u>	<u>2,000,000,000</u>
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	30,030,000
3,153,150 Ordinary Shares of Tk. 10 each as at 13 November 2019 (Bonus share)	31,531,500	31,531,500
4,966,211 Ordinary Shares of Tk. 10 each as at 30 November 2020 (Bonus share)	49,662,110	49,662,110
<u>71,182,361</u> Ordinary Shares of Tk. 10 each	<u>711,823,610</u>	<u>711,823,610</u>
24.00 Long term borrowings		
Due within one year	16,956,612	33,870,307
Due after one year	110,710,699	101,676,544
	<u>127,667,311</u>	<u>135,546,851</u>
25.00 Defined benefit obligation- gratuity	<u>123,997,635</u>	<u>119,456,593</u>

26.00 Deferred tax liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment and intangible assets as per financial statements and tax written down value and financial position method for gratuity obligation and investment in SKYS Securities Limited.

	<u>31 Dec 2022</u>	<u>30 June 2022</u>
	Taka	Taka
Opening balance	23,656,041	29,610,661
Provided during the year		
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	(1,184,820)	(5,635,044)
Provision for Gratuity	(454,104)	(319,576)
	<u>(1,638,924)</u>	<u>(5,954,620)</u>
Closing balance	<u>22,017,117</u>	<u>23,656,041</u>

Reconciliation of deferred tax liabilities /(assets) are as follows :

	Carrying Amount	Tax Base	Tax Rate	Taxable /(Deductible) Temporary Difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Percentage	Taka	Taka
Property, plant & equipment (excluding land)	775,969,297	442,789,147	10.00%	333,180,150	33,318,015
Gratuity	(123,997,635)		10.00%	(123,997,635)	(12,399,764)
Investment in associates	30,377,066		15% - 20%	6,972,066	1,098,865
Net taxable temporary difference				<u>216,154,581</u>	<u>22,017,117</u>





Selected Explanatory Notes to the Interim Financial Statements (Un-audited) As at and for the period ended 31 December 2022

	31 Dec 2022	30 June 2022
	Taka	Taka
27.00 Trade and other payables		
Trade payable	1,979,281,351	2,157,704,215
For revenue expenses	201,226,933	200,065,673
For other finance	1,711,630	1,665,935
	2,182,219,914	2,359,435,822
28.00 Unclaimed Dividend		
Opening Balance	861,655	870,788
Add: Cash dividend declared during the year	113,891,778	106,773,541
Less: Paid/adjusted during the year	(109,398,366)	(106,782,674)
	5,355,067	861,655
29.00 Current tax liability	58,235,665	39,094,407
30.00 Short term bank loan		
Bank Overdraft	80,501,293	-
Local Documentary Bill Purchase (LDBP)	-	76,098,255
Demand and Time Loan	217,904,437	-
	298,405,731	76,098,256
31.00 Provision for WPPF and Welfare Fund	81,924,937	72,884,376
32.00 Calculation of Net Asset Value (NAV) per ordinary share of Tk 10 each:		
A. Total equity of the company	1,788,178,041	1,820,762,043
B. Total number of outstanding ordinary shares at the end of the period	71,182,361	71,182,361
C. Net Asset Value (NAV) per ordinary share (A/B) rounded off upto two decimal places	25.12	25.58





Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 December 2022

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

	01 July 2022 to 31 Dec 2022	01 July 2021 to 31 Dec 2021
	Taka	Taka
A. Net profit after tax	81,307,776	84,115,080
B. Total number of outstanding ordinary shares at the end of the period	71,182,361	71,182,361
C. Basic Earnings Per Share (EPS)	1.14	1.18

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

	01 July 2022 to 31 Dec 2022	01 July 2021 to 31 Dec 2021
	Taka	Taka
A. Net cash (used in)/generated from operating activities	56,731,546	167,210,369
B. Total number of outstanding ordinary shares at the end of the period	71,182,361	71,182,361
C. Net Operating Cash Flows Per Share (NOCFPS)	0.80	2.35

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

Profit before income tax	98,810,110	99,996,248
Depreciation charged	51,041,852	49,431,953
Amortization charged	63,249	162,058
(Gain)/loss on sale of property, plant and equipment	-	(23,426)
Finance Income	(29,130,608)	(21,634,511)
Finance Cost	28,300,680	36,206,113
Increase/(Decrease) in Inventory	(188,224,228)	(360,935,275)
(Increase)/ Decrease in Trade Receivables (after adjusting foreign currency fluctuation gain)	443,751,479	(271,750,046)
(Increase)/ Decrease in other receivables	(780,000)	(390,000)
(Increase) / Decrease in Advances, Deposits and Pre-payments	3,684,872	(9,556,115)
Increase/ (Decrease) in Trade and Other payables (after adjusting foreign currency fluctuation loss)	(344,686,308)	655,954,193
Increase in provision of WPPF and WF	9,040,561	8,043,560
Increase in provision of gratuity	4,541,042	1,774,404
Cash (used in)/generated from operations	76,412,703	187,279,157
Interest paid (net)	(546,067)	(13,475,665)
Income tax paid (net)	(19,135,090)	(6,593,124)
Reconciled net income	56,731,546	167,210,368
Net cash (used in)/generated from operating activities as per direct method	56,731,546	167,210,368
Difference		





Selected Explanatory Notes to the Interim Financial Statements (Un-audited)
As at and for the period ended 31 December 2022

37.00 Reconciliation of effective tax rate

	01 Jul 2022 to 31 Dec 2022	01 Jul 2021 to 31 Dec 2021
Profit before tax	98,810,110	99,996,248
Total income tax expense	(19,141,258)	(17,057,555)
Factors affecting the tax charge:		
Tax using the applicable rate	20.00% 19,762,022	22.50% 22,499,156
Difference between accounting and fiscal depreciation	2.40% 2,369,638	4.25% 4,247,933
Inadmissible expenses	0.78% 768,006	0.63% 625,635
Difference between WPPF & WF provision and payment	1.05% 1,040,106	1.18% 1,184,166
Difference between gratuity provision and payment	0.92% 908,208	0.40% 399,241
Rebate on income generated from export sales	-9.46% (9,351,875)	-11.90% (11,898,576)
	15.68% 15,496,106	17.06% 17,057,555

**** Income tax expenses was higher than effective Tax rate due to Tax deducted from export Sales proceed was higher.**

38.00 Note on decrease of Earnings Per Share (EPS):

- 1) Due to decreased of Sales, profitability also decreased.

39.00 Note on decrease of Net Operating Cash Flows Per Share (NOCFPS):

The reason of decrease of Net Operating Cash Flows Per Share (NOCFPS) is as follows:

- 1) Due to increase of payment to suppliers.

40.00 Note on decrease of Net Asset Value (NAV):

- 1) Due to decrease of Net profit.

