

(MAKC)

MOHAMMAD ATA KARIM & CO.
CHARTERED ACCOUNTANTS

Confidential Financial Report

AUDITOR'S REPORT

ON

**SKYWAYS SLS FRUGAL (BD) PVT. LTD.
F. R TOWER (11TH FLOOR)
32, KEMAL ATATURK AVENUE
BANANI, DHAKA.**

FOR THE YEAR ENDED 30TH JUNE, 2020.



MOHAMMAD ATA KARIM & CO.

CHARTERED ACCOUNTANTS

(Established in 1998)

Ref: MAKC/SSPL/AK/20/1043

Date :

INDEPENDENT AUDITOR'S REPORT

SKYWAYS SLS FRUGAL (BD) PVT. LTD.

F. R TOWER (11TH FLOOR), 32, KEMAL ATATURK AVENUE, BANANI, DHAKA.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **SKYWAYS SLS FRUGAL (BD) PVT. LTD., F. R TOWER (11TH FLOOR), 32, KEMAL ATATURK AVENUE, BANANI, DHAKA.** Which comprise of the Statement of Financial Position, Statement of Comprehensive Income, Change in Equity as at **30th June, 2020** Statement of Cash Flow and Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements pre sent fairly, in all material respects (or give a true and fair view of) the financial position of the company as at **30th June, 2020** and (of) its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs)

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the International Accounting Education Standards Board (IAESB Code of Ethics) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statement

Management is responsible for the preparation of financial statement in accordance with the accounting policies of the Company, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.



Report on Other Legal and Regulatory Requirements

In accordance with applicable sections of the Companies Act, 1994 and other applicable laws and regulations we also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, the Company as required by law has kept proper books of accounts, so far as it appeared from our examination of those books;
- The financial statements dealt with by the report are in agreement with the books of accounts;
- The expenditure incurred was for the purpose of the Company's business.

Date: 12.09.2020
Dhaka, Bangladesh



MOHAMMAD ATA KARIM & CO.
CHARTERED ACCOUNTANTS



SKYWAYS SLS FRUGAL (BD) PVT. LTD.
F. R TOWER (11TH FLOOR)
32, KEMAL ATATURK AVENUE
BANANI, DHAKA.

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2020.

PARTICULARS	NOTES	30.06.2020	30.06.2019
ASSETS :			
Non-Current Assets :			
Property, Plant & Equipment	3.00	449,596.00	406,651.00
Preliminary Expenses	4.00	94,560.00	50,400.00
Un-allocated Revenue Expenses		10,935.00	12,150.00
		344,101.00	344,101.00
CURRENT ASSETS :			
Cash & Cash Equivalents	5.00	17,193,891.00	8,071,419.00
		17,193,891.00	8,071,419.00
TOTAL ASSETS :		17,643,487.00	8,478,070.00
EQUITY & LIABILITIES :			
Shareholder's Equity :			
Share Capital	6.01	5,443,269.00	741,785.00
Retained Earnings	7.00	5,000,000.00	500,000.00
		443,269.00	241,785.00
CURRENT LIABILITIES :			
	8.00	12,200,218.00	7,736,285.00
TOTAL EQUITY & LIABILITIES :		17,643,487.00	8,478,070.00

Approved
 For Skyways SLS Frugal (BD) Pvt. Ltd.



 Director


 Managing Director

Date : 12.09.2020

Signed in terms of our report of even date.




MOHAMMAD ATA KARIM & CO.
CHARTERED ACCOUNTANTS

SKYWAYS SLS FRUGAL (BD) PVT. LTD.
F. R TOWER (11TH FLOOR)
32, KEMAL ATATURK AVENUE
BANANI, DHAKA.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2020.

PARTICULARS	NOTES NO.	30.06.2020	30.06.2019
SALES / REVENUE :			
Ocean & Air Freight Received	9.00	146,169,817.00	63,586,816.00
Less : Cost of Service	10.00	140,326,406.00	60,143,500.00
GROSS PROFIT		5,843,411.00	3,443,316.00
<u>LESS : OTHER OPERATING EXPENSES</u>			
General Administrative Overhead	11.00	5,493,130.00	3,135,456.00
Financial Expenses	12.00	51,786.00	41,985.00
TOTAL OPERATING EXPENSES		5,544,916.00	3,177,441.00
NET PROFIT/(LOSS) BEFORE INCOME TAX		298,495.00	265,875.00
Less : Provision for Income Tax		97,011.00	93,056.00
NET PROFIT/(LOSS) AFTER INCOME TAX		201,484.00	172,819.00

Approved
 For Skyways SLS Frugal (BD) Pvt. Ltd.

Birir Sultan
 Director

AA
 Managing Director



SKYWAYS SLS FRUGAL (BD) PVT. LTD.
F. R TOWER (11TH FLOOR)
32, KEMAL ATATURK AVENUE
BANANI, DHAKA.

STATEMENT OF CHANGE IN EQUITY AS AT 30TH JUNE, 2020.

Particulars	Share capital	Share Money Deposit	Accumulated Profit	Total
Balance as at 1st July, 2019	500,000	-	241,785	741,785
<u>Add : This year</u>				
Net Profit / (Loss) after tax this year	-	-	201,484	201,484
Issued of Share Capital	4,500,000	-	-	4,500,000
Balance as at 30th June, 2020	5,000,000	-	443,269	5,443,269

STATEMENT OF CHANGE IN EQUITY AS AT 30TH JUNE, 2019.

Particulars	Share capital	Share Money Deposit	Accumulated Profit	Total
Balance as at 1st July, 2018	500,000	-	68,966	568,966
<u>Add : This year</u>				
Net Profit / (Loss) after tax this year	-	-	172,819	172,819
Issued of Share Capital	-	-	-	-
Balance as at 30th June, 2019	500,000	-	241,785	741,785

Approved
For Skyways SLS Frugal (BD) Pvt. Ltd.

Bina Sultana
Director

[Signature]
Managing Director



SKYWAYS SLS FRUGAL (BD) PVT. LTD.
F. R TOWER (11TH FLOOR)
32, KEMAL ATATURK AVENUE
BANANI, DHAKA.

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2020.
(UNDER INDIRECT METHOD)

SL. NO.	PARTICULARS	NOTE NO.	AMOUNT 30.06.2020	AMOUNT 30.06.2019
1	CASH FLOW FROM OPERATING ACTIVITIES :			
A.	Net Profit after tax		201,484.00	172,819.00
B.	Add : <u>Adjustment for non-cash items</u> :		16,055.00	6,950.00
i)	Depreciation of Fixed Assets for		14,840.00	5,600.00
ii)	Adjustment of Preliminary Exp.		1,215.00	1,350.00
C.	<u>Movement in Working Capital</u> :			
(a)	(Increase) /Decrease in Inventory		-	-
(b)	Increase/Decrease in Advance, Deposit & Pre-Payments		-	-
(c)	Increase/Decrease in Bills Receivable		-	-
(d)	Increase/Decrease in Current Liabilities		4,463,933.00	7,548,550.00
			4,463,933.00	7,548,550.00
D.	Net Cash after Adjustment (B + C)		4,479,988.00	7,555,500.00
	Net Cash generated /(used) from Operating Activities		4,681,472.00	7,728,319.00
2	<u>CASH FLOW FROM INVESTING ACTIVITIES :</u>			
	Purchase/Sale of Fixed Assets		(59,000.00)	-
	Other Investment (Preliminary Exp.)		-	-
	Other Investment (Un-allocated Revenue Exp.)		-	-
	Net cash generated (used) in Investing Activities		(59,000.00)	-
3	<u>CASH FLOW FROM FINANCING ACTIVITIES :</u>			
	Long term loan received		-	-
	Share Capital A/c.		4,500,000.00	-
			4,500,000.00	-
	Net cash & equivalents increased/(decreased) [1+2+3]		9,122,472.00	7,728,319.00
	Net cash & cash equivalents - opening		8,071,419.00	343,100.00
	Net cash & cash equivalents - closing		17,193,891.00	8,071,419.00

Approved
For Skyways SLS Frugal (BD) Pvt. Ltd.

Bive Sultana
Director


Managing Director



SKYWAYS SLS FRUGAL (BD) PVT. LTD.
F. R TOWER (11TH FLOOR)
32, KEMAL ATATURK AVENUE
BANANI, DHAKA.

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 2020.

1.00 ACCOUNTING POLICIES & OTHER MATERIAL INFORMATION :

1.01 Legal form of the Company :

Skyways SLS Frugal (BD) Pvt Ltd. was incorporated in vide Registration No. C-136323/2017, Dated : 01.03.2017 as a Private Limited Company under the Companies Act.1994.

2.00 SIGNIFICANT ACCOUNTING POLICIES :

The Accounting policies adopted by the Company are as follows :

2.01 Measurement bases and going concern :

The Financial statements have been prepared on historical cost convention under mercantile system, accounting for all accruals and pre-payments, on the assumption that the Company will function as a going concern in the foreseeable future.

2.02 Reporting framework and Compliance thereof :

The Financial statements have been prepared and the disclosures of information were made in accordance with the requirements of the International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.03 Functional and presentation currency :

These financial statements are presented in Bangladeshi Taka (Taka / BDT) which is both functional currency and presentation currency of the company. The amounts in these financial statements have been rounded off to the nearest Taka.

2.04 Use of estimates and judgment :

The preparation of financial statements in conformity with IAS / IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



2.05 Property, plant and equipments :

Recognition and measurement

Items of property, plant and equipment are measured at cost including revaluation less accumulated depreciation less impairment loss, if any.

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

2.06 Advance, Deposit and Pre-Payments :

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges etc. Deposits are measured at payment value.

Pre-Payments are initially measured at cost. After initial recognition, pre-payments are carried at cost less charges etc.

2.07 Cash and Cash Equivalents :

Cash and Cash Equivalents comprise cash in hand and cash balances with the bank with original maturities of three months or less.

2.08 Income Tax Expenses :

Income Tax Expenses comprises of current and deferred tax. Income tax expenses is recognized in the Statement of comprehensive Income and accounted for in accordance with the requirements of IAS 12 : Income Tax.

2.09 Interest Income :

Interest income is recognized on accrual basis.

2.10 Inventories :

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimate costs of completion of sale and selling expenses.

2.11 Presentation of Financial Statement :

The presentation of these financial statements is in accordance with the guidelines provided by IAS : 1 Presentation of Financial Statements.

The financial Statements comprises of :

- (a) a Statement of Financial Position as at the end of the financial period 2019-2020;
- (b) a Statement of Comprehensive Income for the financial period 2019-2020;
- (c) a Statement of Changing Equity for the financial period 2019-2020;
- (d) a Statement of Cash Flow for the financial period 2019-2020;
- (e) notes, comprising summary of significant accounting policies and explanatory information.



2.12 Reporting Period :

The financial statements of accounting period from 1st July, 2019 to 30th June, 2020.

2.13 Retirements and Disposals :

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the income statements.

2.14 Provisions :

A Provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of balance sheet. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditure expected to be required to settle the obligation.

3.00 PROPERTY, PLANT & EQUIPMENTS :

Tk. 115,000.00 56,000.00

PARTICULARS	30.06.2020	30.06.2019
Balance as per last year	56,000.00	56,000.00
Add : This year	59,000.00	-
Less : Accumulated Depreciation Charge	115,000.00 20,440.00	56,000.00 5,600.00
Balance as on this year	94,560.00	50,400.00

Details shown in Annexure-A.

4.00 PRELIMINARY EXPENSES :

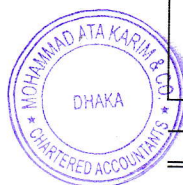
Tk. 10,935.00 12,150.00

PARTICULARS	30.06.2020	30.06.2019
As per last A/c.	12,150.00	13,500.00
Less : Written off @ 10%	1,215.00	1,350.00
Total Tk.	10,935.00	12,150.00

5.00 CASH & CASH EQUIVALENTS :

Tk. 17,193,891.00 8,071,419.00

PARTICULARS	30.06.2020	30.06.2019
Cash in hand	20,295.00	104,875.00
Cash at Bank :	17,173,596.00	7,966,544.00
South Bangla Agriculture & Commerce Bank Ltd.	16,794,187.00	7,827,561.00
A/c. No. 0010111003055		
Dhaka Bank Ltd.	379,409.00	138,983.00
A/c. No. 0206100000026789		
Total Tk.	17,193,891.00	8,071,419.00



6.00 AUTHORISED SHARE CAPITAL :

3,000,000 Ordinary Shares of Tk. 10/- each

30.06.2020	30.06.2019
30,000,000.00	30,000,000.00

6.01 ISSUED, SUBSCRIBED, CALLED AND PAID-UP SHARE CAPITAL :

500,000 Ordinary Shares of Tk.10/- each fully paid

5,000,000.00	500,000.00
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DETAILS OF SHARE HOLDERS :

NAME	NO. OF SHARE	PER EACH	TAKA
Md. Abrarul Alam	225,000	10	2,250,000.00
Mrs. Biva Sultana	75,000	10	750,000.00
Skyways Air Services Private Limited	200,000	10	2,000,000.00
	500,000		5,000,000.00

7.00 RETAINED EARNINGS :

Tk.	443,269.00	241,785.00
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PARTICULARS	30.06.2020	30.06.2019
Opening Balance	241,785.00	68,966.00
Add : Profit / Loss during the year	201,484.00	172,819.00
Total Tk.	443,269.00	241,785.00

8.00 CURRENT LIABILITIES :

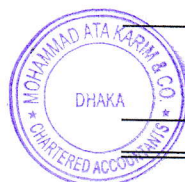
Tk.	12,200,218.00	7,736,285.00
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PARTICULARS	30.06.2020	30.06.2019
For Expenses :	12,103,207.00	7,643,229.00
Audit Fees	25,000.00	3,000.00
Salary & Allowances	278,063.00	111,225.00
Other Expenses	20,453.00	241,040.00
Payable to Skyways Air Services Private Limited	14,800.00	-
Accounts Payable	11,764,891.00	7,287,964.00
Provision for Tax	97,011.00	93,056.00
Total Tk.	12,200,218.00	7,736,285.00

8.01 Provision for Income Tax :

Tk.	97,011.00	93,056.00
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PARTICULARS	30.06.2020	30.06.2019
Opening Balance	93,056.00	37,135.00
Add : This year	97,011.00	93,056.00
Less : Adjusted	190,067.00	130,191.00
	93,056.00	37,135.00
Total Tk.	97,011.00	93,056.00



9.00 SALES / RECEIVED : Tk. 146,169,817.00 63,586,816.00

PARTICULARS	30.06.2020	30.06.2019
Ocean & Air Freight Received	146,169,817.00	63,582,816.00
NOC Received	-	4,000.00
Total Tk.	146,169,817.00	63,586,816.00

10.00 COST OF SERVICE : Tk. 140,326,406.00 60,143,500.00

PARTICULARS	30.06.2020	30.06.2019
Ocean & Air Freight Charge	140,326,406.00	60,143,500.00
Total Tk.	140,326,406.00	60,143,500.00

11.00 GENERAL ADMINISTRATIVE OVERHEAD : Tk. 5,493,130.00 3,135,456.00

PARTICULARS	30.06.2020	30.06.2019
Advertisement	3,300.00	15,000.00
Audit Fees	25,000.00	-
Business Promotion	443,046.00	-
Car Rent	14,850.00	-
Communication Expenses	89,600.00	48,500.00
Computer Accessories	26,968.00	-
Conveyance	198,686.00	31,575.00
Courier & Postage-DHL	119,196.00	109,474.00
Depreciation	14,840.00	5,600.00
Entertainment	40,928.00	20,750.00
Gas, Fuel, Toll & Parking	1,211.00	-
Govt. Excise Duty	12,000.00	-
Internet Service Charge Bill	6,300.00	-
Legal & Professional Fees	295,175.00	15,000.00
Licence Registration & Renewal Fees	15,836.00	16,502.00
Misc. Expenses	2,827.00	-
Office Rent	634,800.00	166,635.00
Office Supplies	3,870.00	-
Preliminary Expenses Wirten off @ 10%	1,215.00	1,350.00
Salary & Allowances	2,693,593.00	1,392,300.00
Stamp & Others	201,430.00	-
Office Stationery	344,770.00	71,267.00
Tours & Travels	166,485.00	-
Repair & Maintenance	78,132.00	-
Books & Periodicals	2,552.00	-
Utilities Bill	56,520.00	-
Container Stuffing Expenses	-	907,700.00
Trucking Bill/Pick up bill	-	61,800.00
Warehouse Storage Bill	-	272,003.00
TOTAL TK.	5,493,130.00	3,135,456.00



12.00 FINANCIAL EXPENSES :

Tk. 51,786.00 41,985.00

PARTICULARS	30.06.2020	30.06.2019
Bank Charge	51,786.00	41,985.00
TOTAL TK.	51,786.00	41,985.00



SKYWAYS SLS FRUGAL (BD) PVT. LTD.
F. R TOWER (11TH FLOOR)
32, KEMAL ATATURK AVENUE
BANANI, DHAKA.

Annexure - A

SCHEDULE OF FIXED ASSETS AS AT 30TH JUNE, 2020.

Particulars	COST		Rate	DEPRECIATION		W.D. Value as on 30.06.2020
	Balance as on 01.07.2019	Add: this year		Balance as on 01.07.2019	Charge of this year	
Furniture & Fixture	56,000.00	-	10%	5,600.00	10,640.00	45,360.00
Computer & Laptop	-	39,000.00	20%	-	7,800.00	31,200.00
Office Equipment	-	20,000.00	10%	-	2,000.00	18,000.00
Total Tk.	56,000.00	59,000.00		5,600.00	14,840.00	94,560.00

