



MR HOSAIN & CO.
CHARTERED ACCOUNTANTS



Independent Auditor's Report and
Audited Financial Statements of
**SKYWAYS SLS FRUGAL (BD)
PVT LTD.**

As at and for the Year Ended June 30, 2023

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SKYWAYS SLS FRUGAL (BD)
PVT LTD.

As at and for the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT
To the shareholders of
SKYWAYS SLS FRUGAL (BD) PVT LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SKYWAYS SLS FRUGAL (BD) PVT LTD.** (the company) which comprise the Statement of Financial Position as at 30 June 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements of the Company present fairly of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended 30 June 2023 in accordance with International Financial Reporting Standards (IFRSs), the company Act 1994 and other applicable laws and regulations.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws.

Emphasis of Matter

- The company has submitted its monthly vat return to the vat authority in time, but doesn't mention the sales amount during the period in the monthly vat return. Though, the sales of this company are vat exempted, we are highlighting the issue to the readers of the report as the vat return was not filled in accordance with vat and supplementary duty act 2012.
- As disclosed in note no 08 Cash and Cash Equivalent: The company maintains a foreign currency account but no exchange gain or loss has reported during the period.
- As disclosed in note no 13 Accounts Payable: During the period the company has reported as accounts payable amount in BDT 8,66,18,149/-, we have sent balance confirmation letter to major parties of payable but no such confirmation received from client side.

Information Other than the Financial Statement and Auditors Report Thereon

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.



13/06/23



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs) and the company Act 1994 and other applicable laws and regulations for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 ISAs will always detect a material misstatement when it exists. Misstatements 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company'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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicates with those charged with governess, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report 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 the Company so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

Place: Dhaka

Dated: January 06, 2024

DVC: 2401061975AS992492

Md. Rubel Hosain ACA

Enrolment No. 1975

M R HOSAIN & CO.

Chartered Accountants



SKYWAYS SLS FRUGAL (BD) PVT LTD.

Statement of Financial Position

As at June 30, 2023

PARTICULARS	Notes	Amount In BDT	
		June 30, 2023	June 30, 2022
ASSETS:			
Non Current Assets		382,498	389,838
Property Plant & Equipment	3.00	95,804	71,290
Preliminary expenses	4.00	7,972	8,857
Un-allocated Revenue Expenses	5.00	278,722	309,691
Current Assets		97,759,314	68,619,484
Accounts Receivable	6.00	675,046	691,688
Advances, deposits & prepayments	7.00	235,000	225,000
Cash & cash equivalents	8.00	96,849,268	67,702,795
TOTAL ASSETS		98,141,812	69,009,321
SHAREHOLDER EQUITY AND LIABILITIES:			
Shareholder's Equity		10,842,604	8,357,895
Paid up capital	9.00	5,000,000	5,000,000
Retained earnings	10.00	5,842,604	3,357,895
Current Liabilities		87,299,209	60,651,426
Provision, accrued & other expenses	11.00	441,277	422,490
Provision for Income Tax	12.00	239,782	364,437
Accounts Payable	13.00	86,618,149	59,864,499
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		98,141,812	69,009,321


The accompanying notes are an integral part of this financial statement and are to be read in conjunction therewith.


Managing Director

As per our annexed report of same date.


Director

Place: Dhaka.
Dated: 06 January, 2024
DVC: 2401061975AS992492


Md. Rubel Hosain, ACA
Enrollment No- 1975
MR HOSAIN & CO.
Chartered Accountants





SKYWAYS SLS FRUGAL (BD) PVT LTD.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30th, 2023

PARTICULARS	Notes	Amount In BDT	
		June 30, 2023	June 30, 2022
A. Net freight revenue			
Service revenue	14.00	10,357,266	11,533,125
B. Operating Expenses		8,321,033	8,415,998
Administrative expenses	15.00	8,217,024	8,330,321
Financial expenses	16.00	104,009	85,677
Profit from operation (A-B)		2,036,233	3,117,128
Other income	17.00	1,410,183	-
Profit before tax		3,446,416	3,117,128
Income tax expense		947,764	857,210
Net profit for the year		2,498,652	2,259,917


The accompanying notes are an integral part of this financial statement and are to be read in conjunction therewith.


Managing Director


Director

As per our annexed report of same date.

Place: Dhaka.
Dated: 06 January, 2024
DVC: 2401061975AS992492


Md. Rubel Hosain, ACA
Enrollment No- 1975
M R HOSAIN & CO.
Chartered Accountants





SKYWAYS SLS FRUGAL (BD) PVT LTD.

Statement of Changes in Equity

For the year ended June 30th, 2023

Amount In BDT

PARTICULARS	Share Capital	Retained Earnings	Total
Balance as on July 01, 2022	5,000,000	3,357,895	8,357,895
Profit /Loss during the Year	-	2,498,652	2,498,652
Payment of assessed tax for 2019-20	-	(13,943)	(13,943)
Balance as on June 30, 2023	5,000,000	5,842,604	10,842,604

For the year ended June 30th, 2022

Amount In BDT

PARTICULARS	Share Capital	Retained Earnings	Total
Balance as on July 01, 2021	5,000,000	1,097,978	6,097,978
Profit /Loss during the Year	-	2,259,917	2,259,917
Balance as on June 30, 2022	5,000,000	3,357,895	8,357,895

Managing Director

Director





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SKYWAYS SLS FRUGAL (BD) PVT LTD.

Statement of Cash Flows

For the year ended June 30th, 2023

PARTICILARS	Amount In BDT	
	June 30, 2023	June 30, 2022
1. Cash flows from operating activities		
A. Net profit before tax	3,446,416	3,117,128
B. Add: Items not involved in movement of cash:	49,391	46,089
Depreciation on property, plant and equipment	17,536	10,694
Preliminary Expenses Written off @ 10%	30,969	34,410
Amortization of intangible assets	886	984
C. Changes in working capital	26,779,079	59,566,868
(Increase)/ decrease in accounts receivable	16,642	3,899,275
(Increase)/ decrease in advances, deposits & pre-payme	(10,000)	(225,000)
Increase/(decrease) in provision, accrued & for expense	18,787	(172,132)
Increase/(decrease) in provision for income tax	-	-
Increase/(decrease) in account payable	26,753,650	56,064,725
D. Net Cash after Adjustment (A+B+C)	30,274,885	62,730,084
Less: Tax paid during the year	(1,086,362)	(727,616)
Net cash generated from operating activities	29,188,523	62,002,468
2. Cash flows from investing activities		
Purchases/sales of fixed assets	(42,050)	-
Other investment	-	-
Net cash used in investing activities	(42,050)	-
3. Cash flows from financing activities		
Issuance of paid up capital	-	-
Share money deposit	-	-
Net cash from financing activities	-	-
Net cash flows (1+2+3)	29,146,473	62,002,468
Cash and cash equivalents at the beginning of the year	67,702,795	5,700,327
Cash and cash equivalents at the end of the year	96,849,268	67,702,795


Managing Director


Director





SKYWAYS SLS FRUGAL (BD) PVT LTD.

Notes to the Financial Statements

For the year ended June 30th, 2023

1 Legal Status and Nature of the Company

1.01 Legal Status of the Company

Skyways SLS Frugal (BD) Pvt. Ltd. is a private limited company incorporated under Bangladesh Companies Act 1994 on 1st day of March Two Hundred and Seventeen bearing registration no. C-136323/17. The registered office of the company is situated at Dhaka, Bangladesh.

1.02 Principal Activities and Nature of Operation

The main activities of the company is Freight Forwarding.

2 Summary of significant accounting policies

2.01 Basis and convention of accounting

The financial statements of the company have been prepared in compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) under historical cost convention and accrual basis of accounting.

The applicable IASs and IFRSs are as follows:

IAS-1 Presentation of Financial Statements

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-18 Revenue

IAS-19 Employee Benefits

IAS-24 Related Party Disclosures

IAS-36 Impairment of Assets

IAS-37 Provisions, Contingent Liabilities and Contingent Assets

2.02 Use of estimates and judgements

The preparation of financial statements 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.03 Property, Plant and Equipment:

Property, plant and equipment have been stated at cost as reduced by accumulated depreciation. Assets costing less than BDT 10,000 are recognized as expenditure irrespective of their useful lives.





2.04 Depreciation

Depreciation is provided on all fixed assets, at various rates on a reducing balance method over their estimated useful lives. Depreciation on additions to fixed assets are charged for the full year in the year of acquisition while no depreciation is charged in the year of retirement/disposal. The rates of depreciation and useful lives are stated below:

<u>Name of Fixed Assets</u>	<u>Rates of Depreciation (%)</u>
Furniture & Fixture	10%
Computer & Laptop	20%
Office Equipment	10%

2.05 Inventories

Inventories are valued at lower of cost and net realizable value. Inventories comprise of yarn and accessories and other raw materials. Cost is determined on First In First Out (FIFO) basis in the case of yarn and accessories and other raw materials. Cost of finished goods includes total cost of materials, all direct expenditures and an attributable proportion of overheads.

2.06 Revenue recognition

Revenue from sales of good is recognized while invoices are raised upon delivery of goods and when all the significant risks and rewards of the ownership transferred to the customer.

2.07 Taxation:

Provision for current income tax has been made in the financial statements in accordance with latest Finance Act 2023

2.08 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed when material as per IAS-10 "Events after the reporting Period".

2.09 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence

2.10 Foreign currency transactions

- Foreign currency transactions have been converted into Bangladesh Taka at the ruling rate on the date of transaction.
- The imported plant & equipment has been converted at historical rates.

2.11 General

- Figures appearing in the financial statements have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged, whenever considered necessary to conform to the current year's presentation.





SL No.	PARTICULARS	Amount In BDT	
		June 30, 2023	June 30, 2022
3.00	Property, plant & equipment (Annexure-A)		
	Opening balance	115,000	115,000
	Add: Addition during the year	42,050	-
		157,050	115,000
	Less: Accumulated depreciation	(61,246)	(43,710)
		95,804	71,290
4.00	Preliminary expenses		
	Opening balance	8,857	9,842
	Less : Written off @ 10%	886	984
		7,972	8,857
5.00	Un-allocated revenue expenses		
	Opening balance	309,691	344,101
	Less : Written off @ 10%	30,969	34,410
		278,722	309,691
6.00	Accounts Receivable		
		675,046	691,688
		675,046	691,688
7.00	Advances, deposits & prepayments		
	Advance to Staff	235,000	225,000
	Advances Income Tax (AIT) [Ref. from 06.01]	-	-
		235,000	225,000
6.01	Advances income tax (AIT)		
	Opening	-	-
	Tax paid by airline	239,180	447,026
	Tax on FDR interest	423,055	-
		662,235	447,026
	Adj. with Income Tax provision [Ref. to 10.00]	(662,235)	(447,026)
		-	-
8.00	Cash & cash equivalents		
	Cash in hand	15,620	18,961
	Cash at bank		
	Current Account		
	SBAC Bank Ltd. (A/C no. 0010111003055) - BDT	13,756,462	36,171,783
	SBAC Bank Ltd. (A/C no. 0010140000093) - USD	50,434,203	1,122,512
	Dhaka Bank Ltd. (A/C no. 0206-100 26789) - BDT	1,670,855	389,539
	Term-Deposit A/c		
	SBAC Bank Ltd. (A/C no. 0010242027569) ,	30,972,128	30,000,000
		96,849,268	67,702,795





SL No.	PARTICULARS	Amount In BDT	
		June 30, 2023	June 30, 2022

9.00 Authorized capital

3,000,000 Ordinary Shares of Tk.10/- each	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>

Paid up capital

500,000 Shares of Tk.10/- each	<u>5,000,000</u>	<u>5,000,000</u>
	<u>5,000,000</u>	<u>5,000,000</u>

Name of Shareholders	Value of Per Shares	Number of Share		2023-2022	2022-2021
		2023-2022	2022-2021		
Md. Abrarul Alam	10	225,000	225,000	2,250,000	2,250,000
Mrs. Biva Sultana	10	75,000	75,000	750,000	750,000
Skyways Air Services Private Limited	10	200,000	200,000	2,000,000	2,000,000
Total		500,000	500,000	5,000,000	5,000,000

10.00 Retained earnings

Opening balance	3,357,895	1,097,978
Add: Profit/ Loss during the year	2,498,652	2,259,917
Payment of assessed tax for 2019-20	(13,943)	-
	<u>5,842,604</u>	<u>3,357,895</u>

11.00 Provision, accrued & other expenses

Audit fees	42,000	38,333
Business promotion	30,000	25,000
Communication expenses	13,200	14,000
Courier & postage	7,139	7,139
Internet bill	4,800	4,800
Office rent	15,120	-
Office stationery	4,530	4,500
Other expenses	25,380	28,128
Payable to Skyways Air Services Private Ltd.	-	-
Salary & allowance	299,108	300,590
	<u>441,277</u>	<u>422,490</u>

12.00 Provision for income tax

Opening balance.	364,437	234,843
Add: Addition during the year	947,764	857,210
Additional assessed tax 2019-2020	13,943	-
	<u>1,326,144</u>	<u>1,092,053</u>
Less:		
Adjusted Advances Income Tax (AIT)	(662,235)	(447,026)
Payment of Income Tax - FY - 2020-21	(410,184)	(280,590)
Payment of assessed tax for 2019-20	(13,943)	-
	<u>239,782</u>	<u>364,437</u>

13.00 Accounts Payable

Accounts payable	86,618,149	59,864,499
	<u>86,618,149</u>	<u>59,864,499</u>



SL No.	PARTICULARS	Amount In BDT	
		June 30, 2023	June 30, 2022
14.00	Net freight revenue	10,357,266	11,533,125
	The company derived commission service fees as agent freight forwarder and carries by air & sea operation handling. Revenue is recognized as the net commission income. I.e Commission accrued after deducting the freight charges to air & sea charter.		
13.10	Gross freight charges		
	Ocean & air freight	258,616,689	536,779,183
		258,616,689	536,779,183
	The company derived commission, service fees as agent freight forwarder and carries by air operation and sea operation handling. The proceeds are deposited in to the Company's bank account through account transfer or instrument issued by the		
13.20	Freight paid to air and sea charterer		
	Ocean & air freight charges	248,259,423	525,246,058
		248,259,423	525,246,058
15.00	Administrative expenses		
	Audit fees	42,000	38,333
	Books & Periodicals	1,560	1,560
	Business Promotion	140,500	140,500
	Communication Expenses	124,000	124,000
	Computer Accessories	7,680	7,680
	Conveyance	57,687	43,050
	Courier & Postage	155,501	156,401
	Crockeries Item	6,620	6,620
	Depreciation Expenses	17,536	10,694
	Entertainment	72,624	59,044
	Gift Items	19,375	15,500
	Gas, Fuel, Toll & Parking	24,340	24,340
	Internet Bill	96,000	56,000
	Janitorial & Cleaning	26,300	26,300
	License, registration & renewal fees	9,547	8,747
	Membership & renewal fees	163,500	171,118
	Miscellaneous Expenses	-	34,840
	Office Rent	554,400	504,000
	VAT on Office Rent	78,120	75,600
	Office Stationery	76,833	317,199
	Office supplies	206,834	153,210
	Preliminary Expenses Written off @ 10%	886	984
	Un-allocated Revenue Expenses Written off @ 10%	30,969	34,410
	Repair & Maintenance	130,077	116,140
	Salary & Allowance	6,090,100	6,149,100
	Stamp & Others	3,650	2,530
	Software & Maintence	15,000	-
	Tours & Travels	23,270	17,900
	Utilities Bill	42,116	34,521
		8,217,024	8,330,321





SL No.	PARTICULARS	Amount In BDT	
		June 30, 2023	June 30, 2022
16.00	Financial expenses		
	Bank charges	104,009	85,677
		<u>104,009</u>	<u>85,677</u>
17.00	Other income		
	Interest on FDR	1,410,183	-
		<u>1,410,183</u>	<u>-</u>





SKYWAYS SLS FRUGAL (BD) PVT LTD.
Schedule of Property, Plant & Equipment

As at June 30, 2023

PARTICULARS	C O S T				D E P R E C I A T I O N			Annexure-A Written down value as at 30th June 2023
	Balance as on 1st July 2022	Addition during the year	Disposal during the year	Balance as on 30th June 2023	Rate (%)	Balance as on 1st July 2022	Depreciation during the year	Balance as on 30th June 2023
Furniture & Fixture	56,000	-	-	56,000	10%	19,258	3,674	22,933
Computer & Laptop	39,000	42,050	-	81,050	20%	19,032	12,404	31,436
Office Equipment	20,000	-	-	20,000	10%	5,420	1,458	6,878
Balance as at June 30, 2023	115,000	42,050	-	157,050		43,710	17,536	61,246
Balance as at June 30, 2022	115,000	-	-	115,000		33,016	10,694	43,710
								71,290



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