

2021-2022

Auditor's Report of

SKYWAYS SLS FRUGAL (BD) PVT. LTD

For the year ended on 30th June, 2022

ISLAM QUAZI SHAFIQUE & CO.

CHARTERED ACCOUNTANTS

Head Office:

Al-Haj Shamsuddin Mansion (4th Floor), Room #C
17 New Eskaton Road
Moghbar, Dhaka-1000.

Branch Office:

ABC Sky Rise Tower (6th Floor)
Unit # 6B, Sector # 04
26 Shahjalal Avenue, Uttara
Dhaka-1230.



ISLAM GUAZI SHAFIQUE & CO.

Chartered Accountants

Attn: Mr. Shafique Islam

11, New Garden Road

Dhaka-1206, Bangladesh

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Website: www.igsc.com.bd

E-mail: info@igsc.com.bd

PARTNERS

Mr. Shafique Islam FCA, FCS

Mr. Shafique Islam FCA

Mr. Shafique Islam FCA

Mr. Shafique Islam FCA, MCA, LLB

Mr. Shafique Islam FCA

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To the Shareholders of
SKYWAYS 333 AIRWAYS (BD) PVT. LTD

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ISLAM QUAZI SHAFIQUE & CO.

Chartered Accountants

Al-Haj Shamsuddin Mansion

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PARTNERS:

Quazi Shafiqul Islam FCA, FCS

Biplab Hossain FCA

Abu Nasser FCA

Md. Abdur Rahman FCA, ACS, LL.B

Khan Tariqul Islam FCA

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 2022 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 2022, 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 2022, and of its financial performance and its cash flows for the year then ended 30 June 2022 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 qualified 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.

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.

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 communicated with those charged with governance, 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

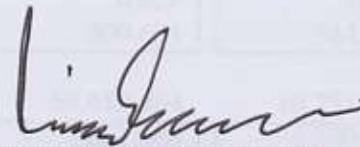
In accordance with the Companies Act, 1994, we also report that:

- (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: February 08, 2023

DVC:2302180165AS835555



Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants

EQUITY & LIABILITY

Capital & Reserves		1,287,245	1,287,245
Paid up capital	8	1,000,000	1,000,000
Reserves	9	287,245	287,245
Current & Non Current Liabilities		40,493,204	40,493,204
Provision, current & other payables	10	32,000	34,000
Provision for income tax	11	754,477	28,825
Accounts Payable	12	39,718,727	39,718,727
Total		41,780,490	41,780,490

The annexed notes form an integral part of these financial statements.

Managing Director

Thamara

Reported as per our report of 14th March 2023

Place: Dhaka

Dated: February 08, 2023

DVC: 2302180165AS835555

Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants



Skyways SLS Frugal (BD) Pvt. Ltd
Statement of Financial Position
As on June 30, 2022

PARTICULARS	Notes	Amount In Taka	
		June 30, 2022	June 30, 2021
ASSETS			
Non Current Assets		389,838	435,927
Property Plant & Equipment	2	71,290	81,984
Preliminary expenses	3	8,857	9,842
Un-allocated Revenue Expenses	4	309,691	344,101
Current Assets		68,619,484	10,291,291
Accounts Receivable	5	691,688	4,590,964
Advances, deposits & prepayments	6	225,000	-
Cash & cash equivalents	7	67,702,795	5,700,327
Total		69,009,321	10,727,217
EQUITY & LIABILITY			
Capital & Reserve		8,357,895	6,097,978
Paid up capital	8	5,000,000	5,000,000
Retained earnings	9	3,357,895	1,097,978
Current & Non Current Liabilities		60,651,426	4,629,239
Provision, accrued & other expenses	10	422,490	594,622
Provision for Income Tax	11	364,437	234,843
Accounts Payable	12	59,864,499	3,799,774
Total		69,009,321	10,727,217

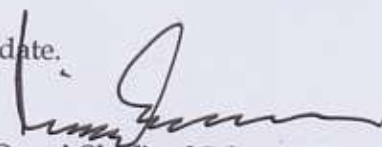
The annexed notes form an integral part of these financial statements.


Managing Director


Director

Signed as per our report of same date.

Place: Dhaka.
Date : February 08, 2023
DVC: 2302180165AS835555


Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants



Skyways SLS Frugal (BD) Pvt. Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the period ended June 30, 2022

PARTICULARS	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
A. Net commission	13.1	11,533,125	8,210,519
B Operating expenses		8,415,998	7,275,220
Administrative expenses	16	8,330,321	7,160,474
Financial expenses	17	85,677	114,746
Profit before tax (A-B)		3,117,128	935,299
Income tax expense		857,210	280,590
Net profit for the year		2,259,917	654,709


The annexed notes form an integral part of these financial statements.


Managing Director


Director

Signed as per our report of same date.

Place: Dhaka.
Date : February 08, 2023
DVC: 2302180165AS835555



Quazi Shafiqul Islam, FCA
Enrolment No. 0165
Islam Quazi Shafique & Co.
Chartered Accountants



Skyways SLS Frugal (BD) Pvt. Ltd
Statement of Change in Equity
For the period ended June 30, 2022

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 July, 2020	5,000,000	443,269	5,443,269
Profit /Loss during the Year		654,709	654,709
Balance as on 30.06.2021	5,000,000	1,097,978	6,097,978
Balance as on 01 July, 2021	5,000,000	1,097,978	6,097,978
Profit /Loss during the Year		2,259,917	2,259,917
Balance as on 30.06.2022	5,000,000	3,357,895	8,357,895

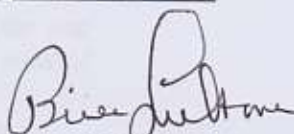

Managing Director


Director

Skyways SLS Frugal (BD) Pvt. Ltd
Statement of Cash Flows
For the period ended June 30, 2022

PARTICULARS	Amount In Taka	
	June 30, 2022	June 30, 2021
1. Cash flows from operating activities		
A. Net profit before tax	3,117,128	654,709
B. Add: Items not involved in movement of cash:	46,089	13,670
Depreciation on property, plant and equipment	10,694	12,576
Preliminary expenses written off @ 10%	34,410	-
Amortization of intangible assets	984	1,094
C. Changes in working capital		
(Increase)/decrease in accounts receivable	3,899,275	(4,590,964)
(Increase)/decrease in advances, deposits & pre-payments	(225,000)	-
Increase/(decrease) in provision, accrued & for expense	(172,132)	256,306
Increase/(decrease) in provision for income tax	-	137,832
Increase/(decrease) in account payable	56,064,725	(7,965,117)
	59,566,868	(12,161,943)
D. Net Cash after Adjustment (A+B+C)	62,730,084	(12,148,274)
Less: Tax paid during the year	(727,616)	-
Net cash generated from operating activities	62,002,468	(11,493,564)
2. Cash flows from investing activities		
Purchases/sales of fixed assets	-	-
Other investment	-	-
Net cash used in investing activities	-	-
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)	62,002,468	(11,493,564)
Cash and cash equivalents at the beginning of the year	5,700,327	17,193,891
Cash and cash equivalents at the end of the year	67,702,795	5,700,327


Managing Director


Director



Skyways SLS Frugal (BD) Pvt. Ltd
Notes to the Financial Statements
For the year ended June 30, 2022

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

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 2022.

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 will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient

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.

	Taka 2022	Taka 2021
2.00 Property, plant & equipment		
Opening balance	115,000	115,000
Add: Addition during the year	-	-
	<u>115,000</u>	<u>115,000</u>
Less: Accumulated depreciation	(43,710)	(33,016)
	<u>71,290</u>	<u>81,984</u>
For details see Annexure-A		
3.00 Preliminary expenses		
Opening balance	9,842	10,935
Less : Written off @ 10%	984	1,094
	<u>8,857</u>	<u>9,842</u>
4.00 Un-allocated revenue expenses		
Opening balance	344,101	344,101
Less : Written off @ 10%	34,410	-
	<u>309,691</u>	<u>344,101</u>
5.00 Accounts Receivable		
	691,688	4,590,964
	<u>691,688</u>	<u>4,590,964</u>
6.00 Advances, deposits & prepayments		
Advance to Staff	225,000	-
Advances Income Tax (AIT) [Ref. from 05.01]	-	-
	<u>225,000</u>	<u>-</u>
6.01 Advances income tax (AIT)		
Opening	-	-
Current year	447,026	142,758
	<u>447,026</u>	<u>142,758</u>
Adj. with Income Tax provision [Ref. to 10.00]	(447,026)	(142,758)
	<u>-</u>	<u>-</u>
7.00 Cash & cash equivalents		
Cash in hand	18,961	29,460
Cash at bank		
Current Account		
SBAC Bank Ltd. (A/C no. 0010111003055) - BDT	36,171,783	4,289,858
SBAC Bank Ltd. (A/C no. 0010140000093) - USD	1,122,512	977,412
Dhaka Bank Ltd. (A/C no. 0206-100 26789) - BDT	389,539	403,597
Term-Deposit A/c		
SBAC Bank Ltd. (A/C no. 0010242027569)	30,000,000	-
	<u>67,702,795</u>	<u>5,700,327</u>

8.00 Authorized capital

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

Paid up capital

500,000 Shares of Tk.10/- each

Taka 2022	Taka 2021
30,000,000	30,000,000
30,000,000	30,000,000
5,000,000	5,000,000
5,000,000	5,000,000

Name of Shareholders	Value of Per Shares	Number of Share		2021-2022	2020-2021
		2021-2022	2020-2021		
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

9.00 Retained earnings

Opening balance

Add: Profit/ Loss during the year

1,097,978	443,269
2,259,917	654,709
3,357,895	1,097,978

10.00 Provision, accrued & other expenses

Audit fees
Business promotion
Communication expenses
Courier & postage
Internet bill
Office rent
Office stationery
Other expenses
Payable to Skyways Air Services Private Ltd.
Salary & allowance

38,333	50,000
25,000	157,600
14,000	8,521
7,139	13,489
4,800	2,100
-	58,800
4,500	1,230
28,128	44,832
-	14,800
300,590	243,250
422,490	594,622

11.00 Provision for income tax

Opening balance

Add: Addition during the year

Less:

Adjusted Advances Income Tax (AIT)
Payment of Income Tax - FY - 2020-21

234,843	97,011
857,210	280,590
1,092,053	377,601
(447,026)	(142,758)
(280,590)	-
364,437	234,843

12.00 Accounts Payable

Accounts payable

59,864,499	3,799,774
59,864,499	3,799,774

13.00 Net freight commission

11,533,125	8,210,519
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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.

	Taka 2022	Taka 2021
13.1 Gross freight charges		
Ocean & air freight	536,779,183	220,818,626
	<u>536,779,183</u>	<u>220,818,626</u>
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 customers.		
13.2 Freight paid to air and sea charterer		
Ocean & air freight charges	525,246,058	212,608,107
	<u>525,246,058</u>	<u>212,608,107</u>
14.20 Administrative expenses		
Audit fees	38,333	25,000
Books & periodicals	1,560	2,150
Business promotion	140,500	188,285
Communication expenses	124,000	111,000
Computer accessories	7,680	19,980
Conveyance	43,050	55,160
Courier & postage	156,401	129,515
Crockeries item	6,620	-
Depreciation expenses	10,694	12,576
Entertainment	59,044	12,800
Gift Items	15,500	-
Gas, fuel, toll & parking	24,340	31,311
Internet bill	56,000	25,200
Janitorial & cleaning	26,300	26,300
Legal & professional fees	-	153,000
License, registration & renewal fees	8,747	17,807
Membership & renewal fees	171,118	134,925
Miscellaneous expenses	34,840	1,950
Office rent	504,000	593,400
VAT on office rent	75,600	-
Office stationery	317,199	284,841
Office supplies	153,210	43,142
Preliminary expenses written off @ 10%	984	1,094
Un-allocated revenue expenses written off @ 10%	34,410	-
Repair & maintenance	116,140	80,495
Salary & allowance	6,149,100	5,022,693
Stamp & others	2,530	113,440
Tours & travels	17,900	22,100
Utilities bill	34,521	52,310
	<u>8,330,321</u>	<u>7,160,474</u>
15.20 Financial expenses		
Bank charges	85,677	114,746
	<u>85,677</u>	<u>114,746</u>



Skyways SLS Frugal (BD) Pvt. Ltd
Property Plant & Equipment
As on 30 June 2022

PARTICULARS	Cost Value				Rate of %	Depreciation			Annexure-A
	Balance as on 1st July 2021	Addition during the year	Disposal during the year	Balance as on 30th June 2022		Balance as on 1st July 2021	Depreciation during the year	Balance as on 30th June 2022	
Furniture & Fixture	56,000	-	-	56,000	10%	15,176	4,082	19,258	36,742
Computer & Laptop	39,000	-	-	39,000	20%	14,040	4,992	19,032	19,968
Office Equipment	20,000	-	-	20,000	10%	3,800	1,620	5,420	14,580
Total for FY: 2021-22	115,000	-	-	115,000		33,016	10,694	43,710	71,290
Total for FY: 2020-21	115,000	-	-	115,000		20,440	12,576	33,016	81,984

