

PRIVATE AND CONFIDENTIAL

MK FOOTWEAR LTD
Auditor's Report & Financial Statements As :
and for the year ended 30 June 2021



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

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MK FOOTWEAR LTD
Auditor's Report & Financial Statements As at
and for the year ended 30 June 2021



**Independent Auditors' Report
To the Shareholders of MK FOOTWEAR LTD.
Report on the Audit of the Financial Statements**

Qualified Opinion

We have audited the accompanying Financial Statements of **MK FOOTWEAR LTD.** (hereinafter referred to as the "Company") namely the Statement of Financial Position as at 30 June 2021 and the related Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, according to the best of our information and explanation given to us, the accompanying financial statements give true and fair view, in all material respects, the statements of Financial Position of the company as at 30 June 2021 and of its Financial Performance and Statement of Cash Flows for the year then ended and in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and comply with the Securities and Exchanges Rules 1987, The Companies Act 1994, and other applicable Laws and Regulations.

Basis for Qualified Opinion

(1). As disclosed in note # 14 the Company has reported an amount of BDT 301,972,000 as Share Money Deposit. As per FRC Circular 146/FRC/Admin/Gazette/2020/01 dated 11 February 2020, any amount shown as a share money deposit in the statements of financial position it should be converted into share capital within the six months. **MK FOOTWEAR LTD.** Has not converted this share money deposit and thus violated the said FRC circular.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and 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.

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

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, 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 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 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 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) 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;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received by us;
- c) The information and explanations required by us have been received and found satisfactory;
- d) The statement of Financial Position, Statement of profit or loss & other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns;
- e) The expenditure was incurred for the purpose of the Company's business.

Location: Dhaka

Date: 05 March 2022

Ref: GKC/21-22/A/291



Sultan Moheuddin, FCA

Partner, G. Kibria & Co.

Chartered Accountants

DVC: 2204171530AS231288



MK FOOTWEAR LTD
Statement of Financial Position
As at 30 June, 2021

Particulars	Notes	30-Jun-21 BDT	30-Jun-20 BDT
Assets			
Non-Current Assets:			
Property, Plant and Equipment	5	931,125,204	98,757,242
Capital Work In Progress	6	208,799,379	881,662,552
Right-of-use (ROU) assets	7	1,572,340	-
Total Non-Current Assets		1,141,496,923	980,419,794
Current Assets:			
Inventories	8	308,365,835	58,622,560
Accounts & Other Receivables	9	116,232,518	-
Advance Deposit & Prepayment	10	2,507,904	1,195,000
Advance Income Tax	11	2,870,576	62,131
Cash & Cash Equivalent	12	144,129,717	3,881,830
Total Current Assets		574,106,550	63,761,521
Total Assets		1,715,603,473	1,044,181,315
Equity and Liabilities			
Shareholders' Equity:			
Share Capital	13	10,000,000	10,000,000
Share Money Deposit	14	301,972,000	301,972,000
Retained Earnings	15	8,463,012	(2,341,579)
		320,435,012	309,630,421
Non-Current Liabilities:			
Long Term Loan-Non Current Maturity	16	755,134,910	543,444,871
Deferred Tax Liabilities/(Assets)	Annex-II	1,034,327	(402,264)
Lease liability (non-current portion)	19	857,618	-
Total Non-Current Liabilities		757,026,855	543,042,607
Current Liabilities:			
Trade and Other Payables	17	204,212,397	28,820,237
Lease liability (current portion)	19	784,068	-
Term Loan-Current Maturity	16	38,057,331	19,030,307
Short Term Loan	18	383,485,816	142,860,685
Liabilities for Expenses	20	8,731,394	734,903
Provision for Tax	21	2,870,600	62,155
Total Current Liabilities		638,141,606	191,508,287
Total Equity and Liabilities		1,715,603,473	1,044,181,315
Net Asset Value Per Share	31	102.71	99.25

The annexed notes (1 to 40.05) form an integral part of these Financial Statements.

Managing Director

Director

See annexed report of the date

This is the Statement of Financial Position referred to in our separate report of even date annexed.

Dhaka, Bangladesh
Dated, 05 March 2022
Ref:GKC/21-22/A/291

G. Kibria & Co.
Sultan Moheuddin FCA
Partner, G. Kibria & Co.
Chartered Accountants
DVC:2204171530AS231288



MK FOOTWEAR LTD
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June, 2021

Particulars	Notes	30-Jun-21 BDT	30-Jun-20 BDT
Turnover	22	435,505,568	-
Cost of Production	23	(360,255,098)	-
Gross Profit/(Loss)		75,250,470	-
Foreign Exchange Gain/(Loss)	24	5,108,965	(37,444)
Administrative Expenses	25	(4,198,030)	(643,413)
Distribution Expenses	26	(3,316,696)	-
Operating Profit/ (Loss)		72,844,709	(680,857)
Non-Operating Income	27	6,371,000	-
Profit/(Loss) before interest & Tax		79,215,709	(680,857)
Financial Expenses	28	(64,166,082)	(1,024,452)
Profit/(Loss) before Tax		15,049,627	(1,705,309)
Income Tax Expenses:		(4,245,036)	340,133
Current Tax	21	(2,808,445)	(62,131)
Deferred Tax (Expenses)/Income	Annex-II	(1,436,591)	402,264
Net Profit/(Loss) after Tax		10,804,591	(1,365,176)
 Basic Earnings Per Share (EPS)	 29	 108.05	 (13.65)
Diluted Earnings Per Share (DEPS)	29	3.46	(0.44)

The annexed notes (1 to 40.05) form an integral part of these Financial Statements.

Managing Director

Director

See annexed report of the date

This is the Statement of Financial Position referred to in our separate report of even date annexed.

Dhaka, Bangladesh
Dated, 05 March 2022
Ref:GKC/21-22/A/291

C. Kibria & Co.
Sultan Moheuddin FCA
Partner, G. Kibria & Co.
Chartered Accountants
DVC:2204171530AS231288



MK FOOTWEAR LTD
Statement of Changes in Equity
For the year ended 30 June, 2021

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Amount in BDT
Balance as at 01 July, 2020	10,000,000	301,972,000	(2,341,579)	309,630,421
Profit/(Loss) for the Period	-	-	10,804,591	10,804,591
Addition During the Period	-	-	-	-
Balance as at 30 June, 2021	10,000,000	301,972,000	8,463,012	320,435,012

MK FOOTWEAR LTD
Statement of Changes in Equity
For the year ended 30 June, 2020

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Amount in BDT
Balance as at 01 July, 2019	10,000,000	289,244,000	(976,403)	298,267,597
Profit/(Loss) for the Period	-	-	(1,365,176)	(1,365,176)
Addition During the Period	-	12,728,000	-	12,728,000
Balance as at 30 June, 2020	10,000,000	301,972,000	(2,341,579)	309,630,421

The annexed notes (1 to 40.05) form an integral part of these Financial Statements.

Managing Director

Director

Dhaka, Bangladesh
Dated, 05 March 2022
Ref:GKC/21-22/A/291



MK FOOTWEAR LTD
Statement of Cash Flows
For the year ended 30 June, 2021

Particulars	Notes	30-Jun-21 BDT	30-Jun-20 BDT
Cash flows from operating activities:			
Cash Received from Customers and others income	32	447,807,634	24,914,372
Cash Paid to Suppliers, employees and others expenses	33	(480,037,332)	(54,883,325)
Income tax paid	34	(2,808,445)	(62,131)
Financial Expenses Paid		(63,143,876)	(1,024,452)
Net Cash (used in)/generated by operating activities (A)		(98,182,019)	(31,055,536)
Cash flows from investing activities:			
Property Plant and Equipment / Capital in Working Progress	35	(234,997,803)	(170,459,770)
Net Cash used (used in)/generated by investing activities (B)		(234,997,803)	(170,459,770)
Cash flows from financing activities:			
Long term Bank Loan Received		211,690,039	29,642,933.00
Short term Bank Loan Received		259,782,722	161,890,992
Share Capital/Share Money Deposit Received		-	12,728,000
Net cash flows from financing activities (C)		471,472,761	204,261,925
Net changes increase/(decrease) in cash and cash equivalents (A+B+C)		138,292,939	2,746,619.00
Unrealized Foreign Exchange Gain/(Loss)		1,954,948	-
Cash & cash equivalents at the beginning of the period		3,881,830	1,135,211.00
Cash & cash equivalents at the end of the period		144,129,717	3,881,830.00
Net Operating Cash Flow per share (NOCFPS)	30	(31.47)	(9.95)

The annexed notes (1 to 40.05) form an integral part of these Financial Statements.

Managing Director

Director

Dhaka, Bangladesh
Dated, 05 March 2022
Ref:GKC/21-22/A/291



MK FOOTWEAR LTD
Notes, Summary of Significant accounting policies and other explanatory information
For the year ended 30 June, 2021

1 REPORTING ENTITY

MK Foot Wear Ltd. was incorporated as a private limited company in Bangladesh on 12 November, 2015 under the Companies Act- 1994 and vide Registration No C-126912/2015. It is a 100% export oriented company. The company has started commercial operation on 02 July, 2020.

Address of registered office of the company and factory of the company

Corporate office: The Corporate office of the company is located at Apt-1B, House No-17/A, Road No-3, DOHS Banani, Dhaka-1206

Registered Address: 83, Lake Circus (3rd Floor), Kalabagan, Dhaka

Factory Address: The factory is situated at Chawkpara, Mawna, Sreepur, Gazipur-1740

Nature of business

The company is engaged in the production of all types of quality leather/synthetic footwear and export 100% of its produce to international market.

2.00 Basis of preparation

Significant Accounting Policy for the presentation of the financial Statements

The specific accounting policies selected and applied by the company's management for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

2.01 Corporate financial statements and reporting

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and other explanatory notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the International Accounting Standards (IASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at reporting date. Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.



2.02 Fundamental accounting concepts/ assumptions

The financial statements have been prepared based on Going concern assumption, Consistency concept, Accrual basis and such other convention as required by IAS-1 for fair presentation of financial statements.

2.03 Going concern

The company has adequate resources to continue its operation for the foreseeable future. For this reasons, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.04 Compliance with IAS & IFRS

The following IAS is applicable to the financial statements for the year under review:

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 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provision , Contingent Liabilities and Contingent Assets

The following IFRS is applicable to the financial statements for the year under review:

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 15	Revenue From Contracts with Customers

2.05 Reporting period

The period of the financial statements covers from 01 July, 2020 to 30 June, 2021

2.06 Events after the reporting period.

In Compliance with the requirements of IAS 10 Events After the Reporting Period that Period that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes when material.



2.07 Functional and presentational (Reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.08 Comparative information and rearrangement thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.09 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are revised when there is material impact on the financial results of the company.

2.10 Regulatory Compliance

The financial Statements have been prepared in compliance with the following laws and regulations;

The Companies Act, 1994

The Bangladesh Securities and Exchange Rule 1987

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Act, 2012

2.10 Summary of significant accounting policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in prior periods.

For a proper understanding of the financial statements, these accounting policies are set out in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.



2.11 Recognition of Property, Plant & Equipments

Property, Plant & Equipments have been stated at cost less accumulated depreciation (Written down value). The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

2.12 Depreciation on Property, Plant & Equipments

Depreciation on all Property, Plant & Equipments is computed using the reducing balance method so as to write off the assets over their expected useful life from the date when the corresponding assets are available for use as per management intention. No depreciation have been charged after the date of retirement.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

<u>Category of fixed assets</u>	<u>Rate of depreciation</u>
Land and Land Development	0%
Building & Other Civil Constructions	5%
Plant & Machineries	10%
Electrical Equipments & Installations	10%
Furniture & Fixture	10%
Motor Vehicles	20%

2.13 Revenue recognition

The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.



2.14 Liabilities for expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.15 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the Average Cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was no significant risk of changes in value of the same.

2.17 Statements of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

2.18 Accounting Policies, Changes in Accounting Estimates and Errors:

Changes in accounting policies:

An entity shall change an accounting policy only if the change:

(a) is required by an IFRS; or

(b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, Financial performance or cash flows.

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.20 Income-tax expense

Current Tax:

Income tax is calculated and provision is made in compliance with the provisions of Finance Act 2021 and the Income Tax Ordinance 1984.

Deferred tax



Deferred tax arises due to temporary difference deductible or taxable for the events or transactions which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount, reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future periods recognized in the current year as per IAS 12- Income tax

2.21 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

3.00 Related party disclosures

IAS 24 *Related Party Disclosures* requires disclosures about transactions and outstanding balances with an entity's related parties. The standard defines various classes of entities and people as related parties and sets out the disclosures required in respect of those parties, including the compensation of key management personnel.

4.00 Financial Instruments

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Financial assets:

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and equity instrument of another entity. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.



Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities include payable for expense, liability for capital expenditure and other current liabilities.

4.01 Earnings Per Share

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share by dividing the net earnings attributable to the share holders by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents weighted average number of ordinary share outstanding

4.02 Impairment of Assets:

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indicates that a debtor or issuer will enter bankruptcy etc. No such impairment has been raised till the reporting date.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset shall be treated as a revaluation decrease. No such impairment has been raised till the reporting date.

4.03 Provision, Contingent Liabilities and Contingent Assets :

Contingent Liabilities and Contingent Assets are present or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability. In accordance with IAS-37.



4.04 Intangible Assets

In Compliance with the requirements of IAS, 38 Intangibles Assets '

The following terms are used in this Standard with the meanings pacified:

Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An asset is a resource:

- (a) controlled by an entity as a result as past events; and
- (b) From which future economic benefits are expected to flow to the entity.

An intangible asset shall be recognized if , and only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and
- (b) the cost of the asset can be measured reliably

4.05 Financial statements comprises:

- a) Statement of Financial Position As at 30 June, 2021
- b) Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June, 2021
- c) Statement of Cash Flows For the year ended 30 June, 2021
- d) Statement of Changes in Equity For the year ended 30 June, 2021
- e) Notes to the financial statements For the year ended 30 June, 2021



MK FOOTWEAR LTD
Note to the Financial Statement for the year end
For the year ended 30 June, 2021

	30-Jun-21	30-Jun-20
5 Property, Plant & Equipment		
Cost		
Opening Balance	98,800,742	97,930,742
Addition during the year	907,860,976	870,000
	<u>1,006,661,718</u>	<u>98,800,742</u>
Disposal during the year	-	-
	<u>1,006,661,718</u>	<u>98,800,742</u>
Accumulated Depreciation		
Opening Balance	43,500.00	-
Addition during the year	75,493,014	43,500
	<u>75,536,514.00</u>	<u>43,500.00</u>
Written Down Value (WDV)	<u>931,125,204</u>	<u>98,757,242</u>
Details are in Annex-I		
6 Capital Work In Progress		
Building & Other Civil Construction	48,247,798	306,822,477
Plant & Machineries	160,551,581	574,840,075
	<u>208,799,379</u>	<u>881,662,552</u>
6.01 Building & Other Civil Constructions		
Opening Balance	306,822,477	188,294,793
Addition During the year	49,739,998	118,527,684
	<u>356,562,475</u>	<u>306,822,477</u>
Transfer to Property Plant & Equivalent	308,314,677	-
Closing Balance	<u>48,247,798</u>	<u>306,822,477</u>
6.02 Plant & Machineries		
Opening Balance	574,840,075	523,777,989
Addition During the year	178,390,646	51,062,086
	<u>753,230,721</u>	<u>574,840,075</u>
Transfer to Property Plant & Equivalent	592,679,140	-
Closing Balance	<u>160,551,581</u>	<u>574,840,075</u>
Capital work in progress represents costs incurred for Building & Other Civil Constructions and Plant & Machineries which are not available for use as per managements' intention as on the reporting date.		
7 Right-of-use assets		
Opening balance	-	-
Addition during the year	2,358,510	-
	<u>2,358,510</u>	<u>-</u>
Depreciation during the year	(786,170)	-
Closing balance	<u>1,572,340</u>	<u>-</u>
Details are in Annex-III		



8 Inventories

Raw Material	104,758,321	58,622,560
Work-in-Process	25,380,529	-
Finished Goods	177,684,601	-
Stores & Spares	542,384	-
	308,365,835	58,622,560

a) Quantity reconciliation of products were done properly.

b) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.

c) The company has conducted a test (physical verification/stock taking) of above inventories as on 30 June, 2021

9 Accounts & Other Receivables:

Trade Receivables	116,232,518	-
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Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

I)	Debts considered good and in respect of which the company is fully secured.	114,785,698	-
II)	Debts considered good for which the company holds no security other than the debtors personal security and	-	-
III)	Debts considered doubtful or bad.	-	-
IV)	Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or Debts due by firms or private companies respectively in which any	-	-
V)	Debts due by companies under the same management to be disclosed with the names of the companies.	-	-
VI)	The maximum amount due by directors or other officers of the company at any time during the year to be shown by way of a note.	-	-

Aging of Accounts Receivable is given below:

Particulars

1-3 Months	116,232,518	-
More than 3 Months	-	-
	116,232,518	-

10 Advance Deposit & Prepayment

Security Deposit-REB	1,000,000	1,000,000
Advance for Office Rent	195,000	195,000
Advance Against L/C	771,033	-
Advance against purchase/service	541,871	-
	2,507,904	1,195,000



There is no amount of advances due for payment for a period of more than 12 months from the date of Statement of financial position.

There is no aggregate amount due from Directors.

All advance and deposit amount considered good and recoverable.

There is no agreement with director and officers of the company regarding advance or due amount.

There are no claims against the company, which can be acknowledged as bad debt.

11 Advance Income Tax

Opening Balance

Addition during the year (note 11.1)

Adjustment made during the year

Closing Balance

62,131	-
2,808,445	62,131
2,870,576	62,131
-	-
2,870,576	62,131

11.10 Tax paid during the year

Tax paid on Cash Incentive Income

Tax Paid on Export realization/Advance against Export

637,100	-
2,171,345	62,131
2,808,445	62,131

12 Cash and Cash Equivalents:

Cash in Hand

Sundry Margin

Rupali Bank Ltd, FC A/c No - 18027005037

Southeast Bank Ltd, CD A/c No - 211100048890

Rupali Bank Ltd, CD A/c No - 20009691

811,658	386,197
15,032,742	1,926,806
123,628,371	-
3,194,132	1,527,519
1,462,814	41,308
144,129,717	3,881,830

Cash in hand was physically verified by the management. Bank balances were reconciled & confirmed.

13 Share Capital:

Authorized Share Capital:

500,000 Ordinary shares @ of Tk. 100/- each

Issued, Subscribed and Paid-up Capital:

100,000 Ordinary shares @ of Tk. 100/- each fully paid in cash

50,000,000	50,000,000
50,000,000	50,000,000
10,000,000	10,000,000
10,000,000	10,000,000

Name of Shareholders

Mr Noor Mohammed

Mr. Md. Akteruzzaman

9,000,000	9,000,000
1,000,000	1,000,000
10,000,000	10,000,000



14 Share Money Deposit

301,972,000	301,972,000
301,972,000	301,972,000

The above amount has been re-arranged under the head shareholders' equity from Non-current liabilities as per FRC notification no. 186/FRC/admin/circular/2020/01, dated 11 February, 2020 in which it is stated that share money deposit should be considered as potential share capital.

15 Retained Earnings

Opening Balance	(2,341,579)	(976,403)
Net Profit/(Loss) during the year	10,804,591	(1,365,176)
	8,463,012	(2,341,579)

16 Long Term Loan-Non Current Maturity:

Project Loan, A/c No - 18067000284	586,923,812	536,249,257
Project Loan, A/c No - 18067000201	180,042,508	-
IDCP (Interest During Construction Period)	16,545,940	16,545,940
Block Interest	9,679,981	9,679,981
	793,192,241	562,475,178
Less: Transfer to Term Loan-Current Maturity	(38,057,331)	(19,030,307)
	755,134,910	543,444,871

Disclosure about long term loan -As per Schedule XI, Part I, Para-a (4) of the Company Act, 1994

Particulars	Project Loan (18067000284)	Project Loan (18067000201)
Purpose	Import Barnd New Machine	Import Barnd New Machine and Contruction of Factory Building
Tenure:	Ten Years from the date of disbursement	Ten Years from the date of disbursement
Repayment:	From proceed realization	From proceed realization
Rate of Interest:	9%	9%
Security:	Imported Machineries, Projects Land and Building	A) 350.88 decimal land and Building and Machineries of that Land located Dhonua (Muaza), Shrepur, Gazipur,

17 Trade and Other Payables:

Advance Against Export	145,155,440	24,914,372
Trade Payable	59,056,957	3,905,865
	204,212,397	28,820,237

Advance against Export represent, amount received in advance against sales contract during the year.

18 Short Term Loan:

Cash Credit Hypothecation	74,314,698	71,801,293
Clean/Temporary Overdraft	26,657,774	30,259,275
COVID 19 Revolving Refinance Scheme	22,036,345	-
Export Development Fund (EDF)	189,650,381	28,106,666
Purchase Against Documents (PAD)	53,910,886	-
COVID 19 Stimulus Funds Workers Salary	16,915,732	12,693,451
	383,485,816	142,860,685



Particulars	Cash Credit Hypothecation	Clean/Temporary Overdraft	COVID 19 Revolving Refinance Scheme	COVID 19 Stimulus Funds Workers Salary
Purpose:	Import Raw Material	Working Capital	Working Capital	Working Capital
Tenure:	One year	One year	One year	One year
Repayment:	Export Bill Collection and Company's own fund	Export Bill Collection and Company's own fund	Export Collection and Fund	Export Collection and Fund
Rate of Interest:	9%	9%	9%	9%
Security:	Orginal Export Master Letter of Credit (L/C)	-	Stock Inventory	Stock Inventory

19 Lease liability

Opening balance	-	-
Addition during the year	2,358,510	-
Finance cost	183,176	-
	<u>2,541,686</u>	<u>-</u>
Rent paid	(900,000)	-
Closing balance	<u>1,641,686</u>	<u>-</u>
Allocated to:		
Non-current liabilities	857,618	-
Current liabilities	784,068	-
	<u>1,641,686</u>	<u>-</u>

Details are in Annex-IV

20 Liabilities for Expenses:

Audit Fee	115,000	20,000
Electricity Bill	1,273,249	714,903
Generator Rent	220,000	-
Office Rent	75,000	-
Salary & Allowances	7,048,145	-
	<u>8,731,394</u>	<u>734,903</u>

21 Provision for Income Tax

Opening Balance	62,155	24.00
Addition during the year		
Tax on Business income (note 21.1)	2,171,345	62,131
Tax on other income (note 21.2)	637,100	-
	<u>2,870,600</u>	<u>62,155</u>



21.10 Tax on Business Income

Net Profit before Tax	15,049,627	(1,705,309)
Less: Other income	(6,371,000)	-
Less: Unrealised Foreign Exchange gain/(Loss)	449,320	-
Add: Accounting Depreciation	75,493,014	43,500
Less: Tax Depreciation	(150,172,312)	(87,000)
Taxable Business Income	(65,551,351)	(1,748,809)
Tax on Business Income @ 15% (A)	-	-
TDS on Export received (B)	2,171,345	62,131
Tax on Gross receipt @ 0.30% (C)	1,325,630	-
Tax liabilities on business income (Higher of A, B,&C)	2,171,345	62,131
Un-used Tax Loss:		
Opening Balance	2,725,257	976,448
Addition during the year	65,551,351	1,748,809
Un-used Tax Loss	68,276,608	2,725,257

21.20 Tax on other Income

Tax on Cash Incentive Income @ 10%	637,100	-
Tax on Interest income @ 30%	-	-
	637,100	-



	30-Jun-21	30-Jun-20
22 Turnover:		
Export Sale	<u>435,505,568</u>	<u>-</u>
23 Cost of Goods Sold:		
Raw Material Consumed (note 23.1)	383,685,104	-
Manufacturing Overhead (note 23.2)	<u>179,635,124</u>	<u>-</u>
Opening Work in Process	563,320,228	-
	<u>-</u>	<u>-</u>
Closing Work in Process	563,320,228	-
	<u>(25,380,529)</u>	<u>-</u>
Opening Finished Goods	537,939,699	-
	<u>-</u>	<u>-</u>
Cost of Goods available for sale	537,939,699	-
Closing Finished Goods	<u>(177,684,601)</u>	<u>-</u>
Cost of Sales	<u>360,255,098</u>	<u>-</u>
23.10 Raw Material Consumed:		
Opening Stock	58,622,560	-
Add: Purchase during the year	429,820,865	58,622,560
Less: Closing Stock	<u>(104,758,321)</u>	<u>(58,622,560)</u>
	<u>383,685,104</u>	<u>-</u>
23.20 Manufacturing Overheads:		
Wages & Salary	84,806,178	-
Conveyance	168,738	-
Electricity Bill	9,170,436	-
Fuel & Lubricant	1,920,341	-
Generator Rent	2,640,000	-
Loading Unloading	1,392,420	-
Medical & Welfare	662,581	-
Repairs & Maintenance	1,680,724	-
Workers Tiffin	1,446,820	-
Others	423,422	-
Depreciation	75,323,464	-
	<u>179,635,124</u>	<u>-</u>
24 Foreign Exchange Gain/(Loss)		
Unrealised FC Gain/(Loss)	449,320	-
Realised FC Gain/(Loss)	<u>4,659,645</u>	<u>(37,444)</u>
	<u>5,108,965</u>	<u>(37,444)</u>



25 Administrative Expenses:

Salaries & Allowances	2,574,936	371,865
Electricity Bill	29,478	10,770
Depreciation on ROU assets	786,170	-
Conveyance	65,165	11,247
Telephone, Mobile and Internet	23,050	5,411
Stationery	58,120	8,076
Postage & Courier Service	45,100	-
Entertainment	64,044	5,421
Registration & Renewal	204,362	167,123
Vehicle Expenses	63,055	-
Audit Fees	115,000	20,000
Depreciation	169,550	43,500
	<u>4,198,030</u>	<u>643,413</u>

26 Distribution Expenses:

Conveyance	82,397	-
Entertainment	70,638	-
Export Expenses	2,497,834	-
Salaries & Allowances	620,700	-
Stationeries	45,127	-
	<u>3,316,696</u>	<u>-</u>

27 Non-Operating Income:

Cash Incentive	<u>6,371,000</u>	<u>-</u>
	<u>6,371,000</u>	<u>-</u>

28 Financial Expenses:

Export Bill Realization Expenses	839,030	-
Interest on Short Term Loan	12,127,238	378,094
Bank Charges & Commissions	342,083	646,358
Finance costs-lease liability	183,176	-
Interest on Long Term Loan	50,674,555	-
	<u>64,166,082</u>	<u>1,024,452</u>



29 Earning per share (EPS)**Basic earnings per share:**

	30-Jun-21 BDT	30-Jun-20 BDT
Profit after tax	10,804,591	(1,365,176)
Profit attributable to ordinary shareholders	10,804,591	(1,365,176)
Total weighted average number of shares	100,000	100,000
Basic earnings per share (Tk 100/= per Share)	108.05	(13.65)

Diluted earnings per share:

Profit attributable to ordinary shareholders	10,804,591	(1,365,176)
Weighted-average number of ordinary shares outstanding	100,000	100,000
Diluted potential number of ordinary shares	3,019,720	3,019,720
Total number of shares as dilutive potential ordinary shares	3,119,720	3,119,720
Diluted earnings per share (Tk 100/= per Share)	3.46	(0.44)

30 Net Operating Cash Flow per Share (NOCFPS)

Net Operating Cash Flow	(98,182,019)	(31,055,536)
No. of Share for Share Capital	100,000	100,000
Potential No. of Share for Share Money Deposit	3,019,720	3,019,720
Total No of Share to Calculate Net Asset Value Per Share	3,119,720	3,119,720
Net Operating Cash Flow per share	(31.47)	(9.95)

As per FRC Notification no. 186/FRC/admin/circular/2020/01, dated 11 February, 2020, potential no. of share for share money deposit also considered to calculate NOCFPS.

31 Net Asset Value Per Share (NAVPS)

Shareholders' Equity	320,435,012	309,630,421
No. of Share for Share Capital	100,000	100,000
Potential No. of Share for Share Money Deposit	3,019,720	3,019,720
Total No of Share to Calculate Net Asset Value Per Share	3,119,720	3,119,720
NAVPS (Net Asset Value Per Share)	102.71	99.25

As per FRC Notification no. 186/FRC/admin/circular/2020/01, dated 11 February, 2020, potential no. of share for share money deposit also considered to calculate NAVPS.



	30-Jun-21 BDT	30-Jun-20 BDT
32 Cash Received from Customers and others income		
Revenue	435,505,568	-
Foreign Exchange Gain/(Loss)	5,108,965	(37,444)
Other Income	6,371,000	-
Add: Accounts Receivables balance b/d	-	-
Less: Accounts Receivables balance c/d	(116,232,518)	-
Add: Advance Against Sale C/d	145,155,440	24,914,372
Less: Advance Against Sale b/d	(24,914,372)	-
Less: Export Bill Collection Charge	(839,030)	-
Adjustment for realized (gain)/losses of EDF and Accounts Payable included in Foreign Exchange Gain/(Loss)	(396,471)	37,444
Adjustment for Unrealized (gain)/losses of EDF and FC Account included in Foreign Exchange Gain/(Loss)	(1,950,948)	-
	447,807,634	24,914,372
33 Cash Paid to Suppliers, employees and others expenses		
Cost of Goods Sold	(360,255,098)	-
Administrative expenses	(4,198,030)	(643,413)
Rent paid	(900,000)	-
Selling and distribution Expenses	(3,316,696)	-
Adjustment for Depreciation	75,493,014	43,500
Depreciation on ROU assets	786,170	-
Increase/Decrease Trade Payables	55,151,092	3,905,865
Adjustment for realized (gain)/losses of Accounts Payable included in Foreign Exchange Gain/(Loss)	261,904	(37,444)
Increase/Decrease Liability for expenses	7,996,491	665,727
Increase/Decrease Inventory	(249,743,275)	(58,622,560)
Increase/Decrease Advance deposits and prepayments	(1,312,904)	(195,000)
	(480,037,332)	(54,883,325)
34 Income Tax paid		
Opening AIT	62,131	-
Closing AIT	(2,870,576)	(62,131)
Current year Provision	(2,808,445)	(62,131)
Opening Provision for Tax	(62,155)	(24)
Closing Provision for Tax	2,870,600	62,155
	(2,808,445)	(62,131)
35 Cash flow for Property Plant and Equipment / Capital in Working Progress		
Addition to Property Plant & Equipments	(907,860,976)	(870,000)
Addition to Capital Work In Progress	(228,130,644)	(169,589,770)
Adjustment for Transfer from CWIP to PPE	900,993,817	-
	(234,997,803)	(170,459,770)



	30-Jun-21 BDT	30-Jun-20 BDT
36 Reconciliation of Net profit before tax with Cash flow from operating activities		
Net profit before income tax	15,049,627	(1,705,309)
Rent paid	(900,000)	-
Add: Finance Cost	64,349,258	1,024,452
Adjustment for Depreciation	75,493,014	43,500
Depreciation on ROU assets	786,170	-
(Increase)/Decrease Inventory	(249,743,275)	(58,622,560)
(Increase)/Decrease Receivable	(116,232,518)	-
Increase/Decrease Advance deposits and prepayments	(1,312,904)	(195,000)
Increase/(Decrease) Accounts Payables	175,392,160	28,820,237
Increase/Decrease Liability for expenses	7,996,491	665,727
Unrealized Foreign Exchange Gain/(Loss)	(1,950,948)	-
Unrealized Foreign Exchange Gain/(Loss)	(134,567)	-
Financial Expenses Paid	(64,166,082)	(1,024,452)
Income tax paid	(2,808,445)	(62,131)
Net Cash (used in)/generated by operating activities	(98,182,019)	(31,055,536)



37.00 Related Party Disclosure:

During the year, The Company carried out a numbers of transactions with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provisions of IAS -24: "Related Party Disclosure".

Name of Party	Relationship	Nature of Transaction	Opening Balance as at 01 July, 2020 (Dr.)/Cr.	Transaction during the year		Closing Balance as at 30 June, 2021 (Dr.)/Cr.
				Dr.	Cr.	
Mr. Noor Mohammed	Managing Director & Sponsor	Share Money Deposit	169,672,000	-	-	169,672,000
Mir Mahfuza Mohammed	Chairman	Share Money Deposit	30,000,000	-	-	30,000,000
F.M Hasan Mahfuz Russell	Chief Executive Office (CEO) & Director	Share Money Deposit	15,000,000	-	-	15,000,000
Md. Akteruzzaman	Director	Share Money Deposit	20,000,000	-	-	20,000,000
Sifat Ahmed Chaudhuri	Shareholder	Share Money Deposit	5,000,000	-	-	5,000,000
Mohammed Tohidul Islam	Company Secretary	Share Money Deposit	500,000	-	-	500,000
Kazi Rejaul Kabir	Shareholder	Share Money Deposit	5,000,000	-	-	5,000,000
Sanwar Hossain	Shareholder	Share Money Deposit	2,300,000	-	-	2,300,000
Md Masud Rana	Shareholder	Share Money Deposit	500,000	-	-	500,000
Farah Zaman	Shareholder	Share Money Deposit	18,000,000	-	-	18,000,000
Nupur Zaman	Shareholder	Share Money Deposit	18,000,000	-	-	18,000,000
Mir Shoureen Shams	Shareholder	Share Money Deposit	18,000,000	-	-	18,000,000
			301,972,000	-	-	301,972,000

37.01 Disclosure as per requirement of schedule XI, Part II, Para 8 of Company Act 1994

a) During the period no import in respect of raw materials and capital machineries on CIF basis has been made. The company import raw materials and capital machineries on CFR basis.

b) No Expenditure in foreign currency during the financial year on account of royalty, know-how, processional consultation fee, interest and other matters.

c) Value of all imported raw materials, spare parts and components consumed during the period and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption are as under:

Item Names	Consumed	% of Consumption
Raw Materials	387,983,039	100%

d) The company has not remitted any amount during the period in foreign currencies on account of dividend.

e) The company has not earned in foreign exchange from royalty, know-how, professional and consultation fee, dividend and other income except exports for goods calculated on FOB basis. Details are given below:

Particulars	Amount in (USD)	Amount in (BDT)
FOB Value of Export	5,126,611	435,505,568

38.00 Employee position of M. K Foot Wear Limited. (as at June 30, 2021)

Disclosure as per requirement of schedule XI part II, Para 3 of the company Act 1994

All the employees receive salary/wages in excess of Tk. 8,200 per month.

Number of permanent staff

Number of permanent workers

Total:

15

500

515



39.00 Disclosure as per requirement of schedule XI, Part II, Para 4 of Company Act 1994

As per Company Act , 1994 part-II , Schedule-XI (4) The profit and loss account will give by way of a note detailed information , showing separately the following payments provided or made during the financial period to the directors , including managing director , the managing agents or manager , if any ,by the company , subsidiaries of the company and any other person:-

No.	Particulars	30 June, 2020 to 30 June, 2021	30 June, 2019 to 30 June, 2020
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	-	-
(b)	Expenses reimbursed to Managing Agent	Nil	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	Nil	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil	Nil
(g)	Other allowances and commission including guarantee commission	Nil	Nil
(h)	Pensions etc.	Nil	Nil
	(i) Pensions	Nil	Nil
	(ii) Gratuities	Nil	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil	Nil
(i)	Share Based payments	Nil	Nil

40.00 General

40.01 Segment Reporting

As the company operates as a single business and geographic segment no segment reporting is felt necessary.

40.02 Contingent liability

There is no contingent liability as of the balance sheet date.

40.03 Receivable from Directors

Nothing is receivable from the director.

40.04 Last year's figures have been rearranged wherever it was found necessary.

40.05 Figures appearing in the financial statements have been rounded off to the nearest BDT.



MK FOOTWEAR LTD
Schedule of Property, Plant & Equipment
As at 30 June, 2021

Annex-I

As at 30 June, 2021									
Particular's	Cost			Depreciation			Written Down Value as on 30 June, 2021		
	Balance as on 01 July, 2020	Addition During the Period	Balance as on 30 June, 2021	Rate	Balance as on 01 July, 2020	Charged During the Period		Balance as on 30 June, 2021	
Land and Land Development	97,930,742	-	97,930,742	0%	-	15,415,734	-	97,930,742	
Building & Other Civil Constructions	-	308,314,677	308,314,677	5%	-	59,267,914	15,415,734	292,898,943	
Plant & Machineries	-	592,679,140	592,679,140	10%	-	639,816	59,267,914	533,411,226	
Electrical Equipments & Installations	-	6,398,159	6,398,159	10%	-	89,550	639,816	5,758,343	
Furniture & Fixture	870,000	69,000	939,000	10%	43,500	80,000	133,050	805,950	
Motor Vehicles	-	400,000	400,000	20%	-	80,000	80,000	320,000	
Balance at 30 June, 2021	98,800,742	907,860,976	1,006,661,718		43,500	75,493,014	75,536,514	931,125,204	

Particular's	Cost			Depreciation			Written Down Value as on 30 June, 2020	
	Balance as on 01 July, 2019	Addition During the Period	Balance as on 30 June, 2020	Rate	Balance as on 01 July, 2019	Charged During the Period		Balance as on 30 June, 2020
Land and Land Development	97,930,742	-	97,930,742	0%	-	-	-	97,930,742
Furniture & Fixture	-	870,000	870,000	10%	-	43,500	43,500	826,500
Balance as at 30 June, 2020	97,930,742	870,000	98,800,742		-	43,500	43,500	98,757,242



MK FOOTWEAR LTD
Calculation of Deferred tax
As at 30 June, 2021

Annex-II

Particulars	Amount in BDT	
	30-Jun-2021	30-Jun-2020
Carrying value (Accounting Base)		
Property , Plant and Equipment	931,125,204	98,757,242
Unrealized Foreign exchange Gain/(Loss)	449,320	-
Un-Used Tax Loss	-	-
	931,574,524	98,757,242
Carrying value (Tax Base)		
Property , Plant and Equipment	856,402,406	98,713,742
Unrealized Foreign exchange Gain/(Loss)	-	-
Un-Used Tax Loss	68,276,608	2,725,257
	924,679,014	101,438,999
Taxable /(Deductible)temporary difference	6,895,510	(2,681,757)
Income Tax rate of Operation	15%	15%
	1,034,327	(402,264)
Deferred Tax Liabilities/(Assets) at the end of the year		
Closing Deferred Tax Asset/(Liabilities)	(1,034,327)	402,264
Opening Deferred Tax Asset/(Liabilities)	402,264	-
Deferred Tax income /(Expenses):	(1,436,591)	402,264



MK FOOTWEAR LTD

Details of right-of-use assets As at 30 June, 2021

As at 30 June, 2021							Annex-III
Asset category	Cost			Months	Depreciation		Written down value as at 30 June BDT
	Balance at 01 July BDT	Addition during the year BDT	Adjustment during the year BDT		Charge for the year BDT	Total at 30 June BDT	
Dhaka Office Rent	-	2,358,510	-	0/36	786,170	786,170	1,572,340
Total 2021	-	2,358,510	-		786,170	786,170	1,572,340

Annex-III



MK FOOTWEAR LTD
Details of lease liability
As at 30 June, 2021

Annex-IV

Particulars	Date of commencement BDT	Date of ending BDT	Lease period (months) BDT	Total Lease value BDT	Discount rate (%)	PV of lease payment BDT	Interest for the year BDT	Lease payment during the year BDT	Net lease liabilities as at 30 June 2021 BDT
Dhaka Office rent	Jul-21	Jun-24	36	2,700,000	9%	2,358,510	183,176	(900,000)	1,641,686
Total 2021				2,700,000		2,358,510	183,176	(900,000)	1,641,686

Particulars	Lease		Total
	Lease current portion	Lease non-current portion	
Dhaka Office rent	784,068	857,618	1,641,686
	784,068	857,618	1,641,686

