

ADN Telecom Limited

Financial Statements (Un-audited)

For the period ended 30 September, 2019

ADN TELECOM LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

Particulars	Notes	Amount in BDT	
		30-Sep-19	30-Jun-19
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	933,444,415	931,378,634
Intangible Assets	3	721,044	758,994
Investment	4	10,775,589	10,775,589
Total Non-Current Assets		944,941,048	942,913,217
Current Assets			
Trade and Other Receivables	5	356,376,468	348,621,452
Advance, Deposits and Prepayments	6	202,715,000	183,750,861
Cash and Cash Equivalents	7	31,966,950	41,303,724
Total Current Assets		591,058,418	573,676,037
Total Assets		1,535,999,466	1,516,589,254
EQUITY AND LIABILITIES			
Capital & Reserves			
Share Capital		448,600,000	448,600,000
Share Premium		83,005,464	83,005,464
Retained Earnings		440,296,196	411,842,173
Total Equity		971,901,660	943,447,637
LIABILITIES			
Non-Current Liabilities			
Term Loan	8	61,921,653	77,957,841
Lease Liabilities		12,958,055	8,744,898
Deferred Tax Liability	13	168,624,336	163,806,526
Total Non-Current liabilities		243,504,044	250,509,264
Current Liabilities			
Short Term Loan	9	20,118,633	11,775,905
Accrued Expenses	10	81,204,055	67,589,654
Provision for Workers' Profit Participation Fund (WPPF)	11	10,032,623	8,009,194
Trade and Other Payables	12	175,213,755	206,429,646
Provision for Tax Liability	13	34,024,696	28,827,953
Total Current Liabilities		320,593,762	322,632,353
Total Liabilities		564,097,806	573,141,618
Total Equity and Liabilities		1,535,999,466	1,516,589,254
: Asset Value (NAV) Per Share		21.67	21.03

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


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Date: November 05, 2019
Place: Dhaka

ADN TELECOM LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD OF SEPTEMBER 30, 2019

Particulars	Notes	Amount in BDT	
		30-Sep-19	30-Sep-18
Net Revenue	14	261,413,465	215,943,116
Cost of Goods Sold & Services	15	(150,582,314)	(122,170,764)
Gross Profit		110,831,151	93,772,352
Operating Expenses			
Administrative Expenses	16	(35,285,860)	(33,763,581)
Distribution and Marketing Expenses	17	(31,502,809)	(25,883,697)
		(66,788,669)	(59,647,278)
Operating Profit		44,042,482	34,125,074
Other Non-Operating Income		1,485,636	1,499,795
Financial Expense	18	(3,036,114)	(3,620,139)
		42,492,004	32,004,730
Workers Profit Participation Fund (WPPF)	11	(2,023,429)	(1,524,035)
		40,468,575	30,480,695
Profit before Income Tax		40,468,575	30,480,695
Provision for Tax			
Current Tax	19	(7,196,742)	(6,084,298)
Deferred Tax	19	(4,817,810)	(2,779,133)
		(12,014,552)	(8,863,431)
Net Profit After Tax		28,454,023	21,617,264
Other Comprehensive Income		-	-
Total Comprehensive Income		28,454,023	21,617,264
Basic Earnings Per Share (EPS)	20	0.63	0.48
Diluted Earnings Per Share (EPS)	20	0.63	0.48

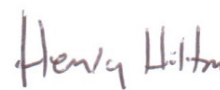
The annexed notes form an integral part of the financial statements.



Chairman



Director



Managing Director



Chief Financial Officer



Company Secretary

Date: November 05, 2019

Place: Dhaka

ADN TELECOM LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD OF SEPTEMBER 30, 2019

Particulars	Ordinary Share Capital	Share Premium	Retained Earnings	Amount in BDT
				Total
Balance as at 1 July 2018	448,600,000	83,005,464	311,830,850	843,436,314
Net Profit after tax	-	-	21,617,264	21,617,264
Balance as at 30 September 2018	448,600,000	83,005,464	333,448,114	865,053,578
Balance as at 1 July 2019	448,600,000	83,005,464	411,842,173	943,447,637
Net Profit after tax	-	-	28,454,023	28,454,023
Balance as at 30 September 2019	448,600,000	83,005,464	440,296,196	971,901,660


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Date: November 05, 2019


Place: Dhaka

ADN TELECOM LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD OF SEPTEMBER 30, 2019

Particulars	Amount in BDT	
	30-Sep-19	30-Sep-18
Cash Flow from Operating Activities		
Cash Received from Customers	253,679,550	165,977,260
Cash Paid to Suppliers & Others	(164,529,639)	(90,819,531)
Paid for Operating Expenses	(69,835,290)	(55,910,216)
Cash generated from Operations	19,314,621	19,247,513
Finance Expenses Paid	(3,057,215)	(3,624,850)
Income Tax Paid	(2,000,000)	-
Net Cash Flow from Operating Activities	14,257,407	15,622,663
Cash Flow from Investing Activities		
Acquisition of Property, Plant & Equipments and Intangible Assets	(18,558,104)	(35,660,662)
Advance for Land (purchase)/adjustment	(900,000)	(900,000)
Net Cash Flows from / (used) for Investing activities	(19,458,104)	(36,560,662)
Cash Flow from Financing Activities		
Repayment of Long Term Borrowing	(16,036,188)	(8,426,996)
Repayment of Short Term Borrowing	(4,931,273)	(14,640,721)
Receipt of Short Term Borrowing	13,274,000	-
Dividend Paid	(655,775)	-
Repayment to Lease Finance	(586,841)	(635,661)
Fund Received from Lease Finance	4,800,000	-
Net Cash Flows from / (used) for Financing Activities	(4,136,077)	(23,703,377)
Net Cash Increase / (Decrease) during the year	(9,336,774)	(44,641,376)
Opening Cash and Cash Equivalents	41,303,724	58,496,216
Closing Cash and Cash Equivalents	31,966,950	13,854,842
Net Operating Cash Flow per share	0.32	0.35


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Date: November 05, 2019
Place: Dhaka

ADN Telecom Limited
Notes to the Financial Statements
For the period of 30 September, 2019

1.0 Company and its activities

a) Company Profile

ADN Telecom Ltd. (Formerly known as Advanced Data Networks System Limited) was incorporated on 22 September, 2003 under The Companies Act 1994 as a Private Limited Company. It commenced its commercial operation in 2003. ADN Telecom Ltd. was converted into Public Ltd Co. from Private Ltd on 25 July, 2012. The company has been awarded with the ISO 9001:2008 certification for serving its valued customers with the service of excellent quality.

The registered office of the company is located at Red Crescent Concord Tower, 17 Mohakhali C/A, (19th Floor) Dhaka- 1212, Bangladesh. The business office of the company is located at Red Crescent Concord Tower, 17 Mohakhali C/A, (19th Floor) Dhaka- 1212, Bangladesh.

b) Nature of Business

The principal activities of the company includes providing seamless, secured data & internet connectivity to various grades of customers using fiber, satellite and wireless solutions. ADN Telecom Ltd. has been providing services in the market with a high level of success since 2003. ADN Telecom Ltd. is the prime service provider for domestic and international connectivity services and solutions duly authorized by the Bangladesh Telecommunication Regulatory Commission (BTRC).

ADN Telecom is a first tier Telecom service provider as well as an IT Enabler Service provider. It's range of products allow it to deliver service to mostly corporate, B2B, government, financial institutions, etc. There are future plans to expand coverage to include B2C products and services.

c) Basis of Preparation

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of The Companies Act 1994. On the basis of these Regulations, Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) were applied with the applicable standards at the Financial Position date.

These condensed interim financial information are individual financial statements of ADN Telecom Ltd, and have been prepared in accordance with International Accounting Standard/Bangladesh Accounting Standard (IAS/BAS) 34: Interim Financial Reporting and relevant guidelines issued by the Bangladesh Securities and Exchange Commission and should be read in conjunction with the financial statements of ADN Telecom Ltd. as at and for the year ended 30 June 2019, the year for which the last full financial statements were prepared. These financial statements present the financial position and performance of ADN Telecom Ltd.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh. The requirements of IFRS and BFRS, to the extent relevant to these financial statements, do not vary from each other.

These financial statements have been prepared on the historical cost and going concern basis. Measurement at revalued amounts or fair value does not have significant impact on these financial statements. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated. Because of these rounding off, in some instances the totals may not match the sum of individual balances.

d) Significant accounting policies

The same accounting policies and methods of computation have been followed in these condensed interim financial information as were applied in the preparation of the financial statements of ADN Telecom Ltd. as at and for the period ended 30 September 2019.

2 Schedule of Property, Plant & Equipment as on September 30, 2019

Particulars	Cost				Rate of Depreciation	Depreciation			Written Down Value 30 Sept 2019
	Opening Balance	Addition	Disposal/ Adjustment	Closing Balance		Charged during the year	Disposal/ Adjustment	Closing Balance	
Land and Land Development	54,876,546	-	-	54,876,546	0%	-	-	54,876,546	
Radio Link, Infrastructure & Backbone Equipments	625,024,118	361,200	-	625,385,318	5%	5,317,877	203,255,209	422,130,109	
Fiber Equipment	195,924,849	-	-	195,924,849	5%	1,783,692	54,416,969	141,507,880	
Computer & Computer Equipments	54,310,680	55,536	-	54,366,216	30%	1,430,731	36,217,535	18,148,881	
Office Equipments	55,759,828	213,247	-	55,973,075	20%	1,030,340	35,908,359	20,064,716	
Optical Fiber	73,958,244	1,327,616	-	75,285,860	30%	2,928,698	37,370,135	37,915,725	
Furniture & Fittings	23,374,074	-	-	23,374,074	10%	292,906	11,852,549	11,521,525	
IP TSP & Video Conference Equipment	20,860,457	-	-	20,860,457	20%	417,702	12,783,327	8,077,130	
Motor Vehicle	11,109,293	25,052	-	11,134,345	20%	235,509	6,563,737	4,570,608	
Support Equipment	220,476,567	11,045,328	-	231,521,895	5%	2,410,868	32,999,187	198,522,708	
Leasehold Motor Vehicle	22,649,810	5,530,125	-	28,179,935	20%	644,002	12,071,149	16,108,786	
Closing Balance as at 30 September 2019	1,358,324,466	18,558,104	-	1,376,882,570		16,492,323	443,438,156	933,444,415	
Closing Balance as at 30 June 2019	1,204,156,279	154,168,187	-	1,358,324,466		69,539,787	426,945,832	931,378,634	

Allocation of Depreciation

	2019-2020	2018-2019
Cost of Goods Sold & Services	14,882,931	64,118,756
Administration	1,609,392	5,421,031
Total Depreciation	16,492,323	69,539,787

Break Up of Administration Depreciation

	2019-2020	2018-2019
Office Equipment	1,030,340	3,698,232
Furniture & Fixtures	292,906	876,984
Computer & Computer Equipment (20% of total dep)	286,146	845,815
Total	1,609,392	5,421,031

3 Intangible Assets

Particulars	Cost				Rate of Amortization	Amortization			Written Down Value 30 September 2019
	Opening Balance	Addition	Disposal/ Adjustment	Closing Balance		Charged during the year	Disposal/ Adjustment	Closing Balance	
	Amount in BDT								
Quick Book Software	225,000	-	-	225,000	20%	1,459	-	197,275	27,725
Employee Performance Management Software	248,400	-	-	248,400	20%	6,359	-	127,578	120,822
Network Performance Software	1,697,610	-	-	1,697,610	20%	30,131	-	1,125,113	572,497
Closing Balance as at 30 September 2019	2,171,010	-	-	2,171,010		37,950	-	1,449,967	721,044
Closing Balance as at 30 June 2019	2,171,010	-	-	2,171,010		189,749	-	1,412,017	758,994

Amount in BDT	
30-Sep-19	30-Jun-19

4.0 Investment in Associates

This is made up as follows:

Opening Investment in Share
Share of profit/(loss) of associates
Total

10,775,589	9,946,385
-	829,204
10,775,589	10,775,589

5.0 Trade and Other Receivables

This is made up as follows:

Trade Receivable
Other Receivable

255,641,588	245,252,903
100,734,880	103,368,549
356,376,468	348,621,452

6.0 Advance, Deposits and Prepayments

This is made up as follows:

Particulars

Advance
Deposits
Prepayments

167,968,496	147,233,142
32,018,523	33,056,310
2,727,981	3,461,409
202,715,000	183,750,861

* All the above Advance, Deposits & Prepayments are considered secured by the management.

7.0 Cash and Cash Equivalents

This is made up as follows:

Cash in Hand
Cash at Bank

478,569	482,264
31,488,381	40,821,460
31,966,950	41,303,724

* Bank balances are reconciled at regular intervals to keep the unreconciled balances within non-material level.

8.0 Term Loan

This is made up as follows:

IDLC
IIDFC
Total

30,147,576	42,104,676
31,774,077	35,853,165
61,921,653	77,957,841

The above balances has been confirmed by IIDFC & IDLC

9.0 Short Term Loan

This is made up as follows:

Loan Against Trust Receipts (LATR)

20,118,633	11,775,905
20,118,633	11,775,905

10.0 Accrued Expenses

This is made up as follows:

Salaries & Allowance	18,829,096	16,973,387
Director Remuneration	179,000	179,000
Bandwidth and Fiber Rent	17,453,784	4,953,249
IPTSP Interconnection Charges	2,232,254	1,916,981
Overtime, Holiday Allowance & Conveyance	1,194,327	1,153,108
Provision for Rent	-	474,698
Provision for Bad debts	1,748,614	1,748,614
Gratuity	35,976,617	36,400,117
Vehicle Expense	872,825	898,000
Mobile Bill	503,111	421,555
Dividend Payable to SEAF Venture	-	655,775
Provision for others	453,945	106,919
Utilities Expense	1,760,482	1,708,251
	81,204,055	67,589,654

11.0 Provision for Workers Profit Participation Funds (WPPF) :

This is made up as follows:

<u>Particulars</u>		
Opening Balance 1st July	8,009,194	9,085,811
Charge during the period	2,023,429	8,009,194
	10,032,623	17,095,005
Disbursement during the period	-	9,085,811
Closing Balance	10,032,623	8,009,194

12.0 Trade and Other Payables

This is made up as follows:

Trade Payables	149,088,625	170,159,034
Others Payables	26,125,130	36,270,611
Total	175,213,755	206,429,646

13.0 Provision for Income Tax

This is made up as follows:

For Current Tax	Note- 13.1	34,024,696	28,827,953
For Deferred Tax	Note- 13.2	168,624,336	163,806,525
		202,649,032	192,634,478

13.1 Provision for Current Tax

This is made up as follows:

Opening Balance 1st July		28,827,953	60,736,864
Add: Provision made during the period	Note -19	7,196,742	28,827,953
		36,024,696	89,564,817
Less: Adjustment & Paid during the period		2,000,000	60,736,864
Closing Balance		34,024,696	28,827,953

13.2 Provision for Deferred Tax

Opening Balance 1st July		163,806,526	158,731,426
Add: Provision made during the period	Note-19	4,817,810	5,075,100
		168,624,336	163,806,526
Less: Provision realised during the period		-	-
Closing Balance		168,624,336	163,806,526

13.2.1 Calculation of Deferred Tax:

	Carrying Amount	Tax Base	Temporary Difference
As on 30 June, 2019			
Property, Plant & Equipment	931,378,634	463,359,989	468,018,644
Applicable Tax Rate			35%
Deferred Tax Liability			<u><u>163,806,526</u></u>
As on 30 September, 2019			
Property, Plant & Equipment	933,444,415	451,660,599	481,783,816
Applicable Tax Rate			35%
Deferred Tax Liability			<u><u>168,624,336</u></u>

		Amount in BDT	
		30-Sep-19	30-Sep-18
14.0 Revenue			
	<i>This is made up as follows:</i>		
	Export Services	141,668,902	114,886,088
	Local Services	119,744,564	101,057,028
	Total	261,413,465	215,943,116
15.0 Cost of Goods Sold & Services			
	<i>This is made up as follows:</i>		
	Bandwidth Cost	52,402,027	35,897,778
	Infrastructure, Optical Fiber & Network Equipment Cost	5,753,582	4,719,220
	Salary & Allowances	35,698,518	30,238,298
	Cost of Equipment	5,506,820	100,275
	Fiber Lease Rent	16,888,940	17,241,374
	IP Telephony Inter Connectivity Expenses	1,881,754	2,290,821
	BTRC License Fees	-	115,000
	Consumable Items	1,297,225	1,049,311
	Entertainment	41,208	90,808
	Fire and Burglary Insurance Expenses	403,219	-
	POP Expenses and Rent	8,111,546	5,943,362
	IPTSP Revenue Sharing with BTRC	247,995	250,321
	Equipment Repair & Maintenance	404,097	492,766
	Telephone, Fax, Internet & Courier	726,172	832,205
	Training & Development	-	198,564
	Travelling & Conveyance	129,708	348,864
	Vehicle Expenses	2,221,515	2,226,175
	Utilities	2,365,392	2,128,918
	Digital Marketing Business	1,619,666	1,235,583
	Depreciation	14,882,931	16,771,121
		150,582,314	122,170,764
16.0 Administrative Expenses			
	<i>This is made up as follows:</i>		
	Salary & Allowances	19,804,111	19,823,514
	Director Remuneration	600,000	600,000
	Group Life Insurance Premium	-	21,780
	Professional & Technical Fees	-	182,711
	Telephone, Fax, Internet & Courier Expenses	836,446	621,460
	Office Maintenance	1,202,359	973,974
	Travelling and Conveyance	430,485	112,837
	Entertainment Expenses	363,495	461,688
	IPO Expenses	2,291,435	62,841
	Medical Expenses	78,542	49,144
	Legal Fees	172,750	-
	Stationeries	286,395	212,191
	Newspaper, Books & Journals	34,758	38,086
	License & Regulatory Fee	177,868	568,605
	Office Rent	3,310,641	3,516,154
	Repairs & Maintenance	194,369	871,396
	Vehicle Expenses	1,644,826	1,488,768
	Training & Development Expenses	122,316	448,135
	Utilities Expenses	2,087,722	1,931,567
	Amortization Expenses	37,950	47,437
	Depreciation	1,609,392	1,731,293
		35,285,860	33,763,581

		Amount in BDT	
		30-Sep-19	30-Sep-18
17.0	Distribution and Marketing Expenses		
	<i>This is made up as follows:</i>		
	Salary & Allowances	19,851,774	18,382,435
	Advertisement Expense	1,272,502	1,460,213
	Business Promotion Expenses	7,649,995	2,503,617
	Travelling and Conveyance	720,407	1,074,516
	Entertainment Expense	127,154	84,576
	Misc. AD HOC	-	120,000
	Printing	60,500	4,252
	Telephone, Fax, Internet & Courier	317,051	280,062
	Vehicle Expenses	868,924	883,054
	Training	-	2,200
	Tender Participant Expenses	29,736	123,772
	Bad Debts Collection Charges	34,946	-
	Bad Debts	569,820	965,000
		31,502,809	25,883,697
18.0	Financial Expenses		
	<i>This is made up as follows:</i>		
	Interest on Term Loan	2,533,483	3,260,095
	Interest on Finance Lease	362,457	97,777
	Bank Service Charges	161,274	266,978
	Exchange (Gain)/Loss	(21,101)	(4,711)
		3,036,114	3,620,139
19.0	Income Tax Expenses		
	<i>This is made up as follows:</i>		
	Current Tax Expenses	7,196,742	6,084,298
	Deferred Tax Expenses/(Income)	4,817,810	2,779,133
		12,014,552	8,863,431
20.0	Earnings Per Share (EPS):		
20.1	Basic Earnings Per Share (EPS):		
	<i>This is made up as follows:</i>		
	Profit Attributable to Ordinary Shareholder	28,454,023	21,617,264
	Weighted Average Number of Ordinary Shares Outstanding during the Year	44,860,000	44,860,000
	Basic Earnings Per Share	0.63	0.48
20.2	Diluted Earning per Share:		
	<i>This is made up as follows:</i>		
	Profit Attributable to Ordinary Shareholder	28,454,023	21,617,264
	Total number of Existing share	44,860,000	44,860,000
	Diluted Earning Per Share	0.63	0.48

* EPS has been calculated as per IAS 33.