

**KUENSEL Corporation Limited**  
Statement of Financial Position as at 31 December 2017

Particulars	Schedule No.	Amount (Nu.)	
		As at 31st December 2017	As at 31st December 2016
<b>ASSETS</b>			
<b>Non- Current Assets</b>			
Property, plant and equipment	1	66,779,276.25	69,524,745.51
Intangible Assets	1A	1,340,708.63	1,322,415.32
Loans and Advances	2	10,325,614.06	10,064,124.76
Sundry Debtors	6	112,040,010.74	101,430,258.17
Deferred Tax Asset	3	-	-
<b>Total Non - Current Assets</b>		<b>190,485,609.68</b>	<b>182,341,543.76</b>
<b>Current Assets</b>			
Loans and Advances	7	6,417,929.92	13,828,242.63
Inventories	5	32,490,196.10	36,656,892.71
Sundry Debtors	6	10,846,887.12	26,725,749.71
Other Current Assets	8	12,206,297.64	12,983,427.49
Cash and Bank Balance	4	47,233,123.43	18,288,399.42
<b>Total Current Assets</b>		<b>109,194,434.21</b>	<b>108,482,711.96</b>
<b>TOTAL ASSETS</b>		<b>299,680,043.89</b>	<b>290,824,255.72</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholder's Equity</b>			
Share Capital		50,000,000.00	50,000,000.00
Retained Earnings		144,938,658.49	135,151,677.52
Capital Reserve		6,997,275.61	7,456,839.14
General Reserve		478,135.00	478,135.00
Specific Reserve - Training Fund		4,810,550.12	3,821,761.65
<b>Total Shareholders Equity</b>		<b>207,224,619.22</b>	<b>196,908,413.32</b>
<b>Non- Current Liabilities</b>			
Long- Term Borrowings	9	-	-
Long-Term Provisions	10	22,297,720.00	22,761,222.00
<b>Total Non Current Liabilities</b>		<b>22,297,720.00</b>	<b>22,761,222.00</b>
<b>Current Liabilities</b>			
Short - Term Borrowings	11	-	-
Short - Term Provisions	12	34,119,591.14	29,032,314.56
Other Current Liabilities	13	22,238,523.22	29,412,976.79
Deferred Tax Liabilities	3	13,799,590.31	12,709,329.05
<b>Total Current Liabilities</b>		<b>70,157,704.67</b>	<b>71,154,620.40</b>
<b>Total Liabilities</b>		<b>92,455,424.67</b>	<b>93,915,842.40</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>299,680,043.89</b>	<b>290,824,255.72</b>

Significant Accounting Policies & Notes on Accounts

24 & 25

This is the Statement of Financial Position referred to in our report of even date  
Schedule referred to above form an integral part of the Accounts

For Ghosh & Associates  
Chartered Accountants  
FRN: 322016E

CA. P. P. Ghosh  
Partner  
Membership No. 055752  
Date:  
Place:- Thimphu

(Chairperson)  
For and on behalf of Board

Managing Director

**KUENSEL Corporation Limited**  
**Statement of Comprehensive Income for the year ended 31 December 2017**

Particulars	Sch. No	Amount (Nu.)	
		For the year ended 31st December 2017	For the year ended 31st December 2016
<b>Income</b>			
Revenue	14	212,522,819.58	229,022,424.53
Interest Earned	15	923,708.50	980,298.31
Other Income	16	541,000.00	981,171.49
		<b>213,987,528.08</b>	<b>230,983,894.33</b>
<b>Expenditure</b>			
Cost of Sales	17	78,906,165.42	91,037,309.84
Employees' Remuneration and Benefits	18	77,014,115.65	77,004,813.01
Operating Expenses	19	21,929,267.55	19,603,628.27
Interest Expenses	20	-	12,667.69
Depreciation	2A	4,929,381.36	5,057,661.66
Other Expenses	21	681,882.92	907,229.53
		<b>183,460,812.90</b>	<b>193,623,310.00</b>
<b>Operating Profit</b>		<b>30,526,715.18</b>	<b>37,360,584.33</b>
<b>Less:</b>			
Prior Period Adjustments	22	266,132.10	47,686.50
<b>Profit Before Tax</b>		<b>30,260,583.08</b>	<b>37,312,897.83</b>
<b>Less:</b>			
Deferred Tax (Income)/Expense	23	1,090,261.26	1,150,929.53
Income Tax for earlier years		-	-
Provision for tax		9,394,552.39	10,805,869.65
<b>Profit After Tax</b>		<b>19,775,769.44</b>	<b>25,356,098.65</b>
<b>Appropriations</b>			
Transfer to Retained Earnings		18,786,980.97	24,088,293.72
Transfer to General Reserve		-	-
Transfer to Training Fund		988,788.47	1,267,804.93
Interim Dividend Paid		-	-
Proposed Dividend		-	-
		<b>19,775,769.44</b>	<b>25,356,098.65</b>

**Significant Accounting Policies & Notes on Accounts**

This is the Statement of Comprehensive Income referred to in our report of even date Schedule referred to above form an integral part of the Accounts

**For Ghosh & Associates**  
**Chartered Accountants**  
**FRN: 322016E**

**(Chairperson)**  
**For and on behalf of Board**

**CA. P. P. Ghosh**  
**Partner**  
**Membership No. 055752**  
**Date:**  
**Place:- Thimphu**

**Managing Director**

**KUENSEL Corporation Limited**  
**Statement of Cashflow for the year to 31 December 2017**

Particulars	Amount in Nu.	
	2017	2016
<b>Cashflow from operating activities</b>		
Profit before taxation	30,260,583.08	37,312,897.83
Adjustment for:		
Depreciation	539,655.90	2,567,547.78
Interest Expenses/Income	(923,708.50)	12,667.69
<b>Operating Profit before working capital changes</b>	<b>29,876,530.48</b>	<b>39,893,113.30</b>
(Increase)/Decrease in Current Assets	11,786,764.68	(11,396,668.07)
(increase)/Decrease in Inventories	4,166,696.61	(8,476,928.81)
Increase/(Decrease) in Current Liabilities	(3,485,536.97)	9,160,684.19
<b>Cash generated from operating activities before Income tax</b>	<b>42,344,454.80</b>	<b>29,180,200.61</b>
Income Tax Paid	(7,076,571.81)	(6,725,856.41)
<b>Net Cash generated from Operating Activities</b>	<b>35,267,882.99</b>	<b>22,454,344.20</b>
<b>Cash flow from investing activities</b>		
(Increase)/Decrease in Fixed Asset - Sale	5,515,498.83	4,241,031.24
(Increase)/Decrease in Fixed Asset - Purchase	(3,327,978.78)	(8,260,691.81)
<b>Net Cash used in investing activities</b>	<b>2,187,520.05</b>	<b>(4,019,660.57)</b>
<b>Cash flow from financing activities</b>		
Increase/(Decrease) in Reserve	(459,563.53)	(459,563.53)
Increase/(Decrease) in Long-Term Loan	-	(1,012,146.97)
Interest paid/received	923,708.50	(12,667.69)
Dividend Paid	(8,974,824.00)	(8,947,380.18)
<b>Net Cash used in financing activities</b>	<b>(8,510,679.03)</b>	<b>(10,431,758.37)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28,944,724.01</b>	<b>8,002,925.26</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>18,288,399.42</b>	<b>10,285,474.16</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>47,233,123.43</b>	<b>18,288,399.42</b>
<b>Component of cash and cash equivalents:-</b>		
<b>Cash in Hand</b>	<b>316,000.00</b>	<b>749,426.04</b>
<b>Balances in Current Accounts with Banks</b>	<b>46,917,123.43</b>	<b>17,538,973.38</b>
<b>Total</b>	<b>47,233,123.43</b>	<b>18,288,399.42</b>

This is the Statement of Cashflow referred to in our report of even date

For Ghosh & Associates  
Chartered Accountants  
FRN: 322016E

CA. P. P. Ghosh  
Partner  
Membership No. 055752  
Date:  
Place:- Thimphu

(Chairperson)  
For and on behalf of Board

Managing Director

**KUENSEL CORPORATION LIMITED**

**Schedule forming part of Accounts**

Particulars	Amount (Nu.)	Amount (Nu.)
	As at 31 December 2017	As at 31 December 2016
<b><u>Schedule 1: Property, plant and equipment</u></b>		
<b><u>Gross Block</u></b>		
Printing Machinery	105,695,843.04	107,583,367.34
Computer & Accessories	14,445,445.57	14,724,079.02
Furniture & Fixtures	3,651,608.70	3,565,440.70
Office Buildings	23,622,765.37	23,521,075.37
Communication Equipment	739,241.93	762,298.05
KPV-Pool Vehicles	8,007,455.86	8,338,010.86
KPE-Photography Equipment	1,733,804.36	1,913,994.54
Audio & Video Equipment	121,962.70	124,062.70
Office Equipment	1,258,033.13	1,430,737.13
Electrical Equipment	1,462,369.32	1,202,984.32
	<b>160,738,529.98</b>	<b>163,166,050.03</b>
<b><u>Less : Accumulated Depreciations</u></b>		
Printing Machinery	59,325,115.84	59,654,535.04
Computer & Accessories	7,961,530.97	8,217,328.58
Furniture & Fixtures	3,240,157.60	3,120,824.70
Office Buildings	12,089,192.12	11,382,882.84
Communication Equipment	565,664.61	575,406.46
KPV-Pool Vehicles	7,113,243.45	6,929,967.68
KPE-Photography Equipment	1,356,164.63	1,304,083.33
Audio & Video Equipment	85,685.82	77,082.32
Office Equipment	1,121,194.47	1,318,628.28
Electrical Equipment	1,101,303.77	1,060,564.84
	<b>93,959,253.28</b>	<b>93,641,304.07</b>
<b>Total Assets Less Accumulated Depreciation</b>	<b>66,779,276.25</b>	<b>69,524,745.51</b>
Less: Impairment loss	-	-
<b>Net Fixed Assets</b>	<b>66,779,276.25</b>	<b>69,524,745.51</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b><u>Schedule 1A: Intangible Assets</u></b>		
Software	1,716,072.00	1,476,072.00
<b>Less : Accumulated Depreciation of Software</b>	<b>375,363.37</b>	<b>153,656.68</b>
	<b>1,340,708.63</b>	<b>1,322,415.32</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b><u>Schedule 2: Long-Term Loans and Advances</u></b>		
Vehicle Loans to Staff	9,407,038.60	9,069,898.11
Computer & Photo equipment loan to Staff	918,575.46	994,226.65
	<b>10,325,614.06</b>	<b>10,064,124.76</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b><u>Schedule 3: Deferred Tax Assets/Liabilities</u></b>		
Deferred Tax Assets	-	-
Deferred Tax Liabilities	13,799,590.31	12,709,329.05
	<b>13,799,590.31</b>	<b>12,709,329.05</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b><u>Schedule 4: Cash &amp; Bank Balances</u></b>		
Cash in Hand	316,000.00	749,426.04
<b>Balances with Banks in Current Accounts:</b>		
Bank of Bhutan	31,485,166.47	4,833,454.07
Bhutan National Bank (Old dues collection)	3,431,115.53	3,431,115.53
Bank of Bhutan (Gratuity A/c)	11,698,659.03	8,997,247.38
Bank Of Bhutan (Dividend A/c)	302,182.40	277,156.40
	<b>47,233,123.43</b>	<b>18,288,399.42</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 5: Inventories</b>		
Main Store (K & M)	3,884,815.95	8,199,878.11
Production Materials (L & O)	1,293,884.34	1,383,832.16
Town Shop Stationery (H)	20,660,425.60	22,254,877.36
Finished Good - Govt. Forms (G)	2,034,697.40	1,062,012.92
Maintenance Parts Store (Q)	321,237.08	325,576.59
Photo Materials Store (P)	147,303.49	271,564.96
Stationary Store (S)	1,229,669.93	1,144,704.85
Stock Balance In Kanglung Office	967,011.28	1,817,427.81
Work In Progress	1,897,244.00	134,908.00
IS Store	53,907.03	62,109.95
	<b>32,490,196.10</b>	<b>36,656,892.71</b>
<b>Less:</b>		
Provision for Obsolescence	-	-
	<b>32,490,196.10</b>	<b>36,656,892.71</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 6 : Sundry Debtors</b>		
Debtors (Receivables more than 6 months)	116,187,483.93	104,169,432.76
<b>Less:</b>		
Provision for Doubtful Debts	4,147,473.19	2,739,174.59
	<b>112,040,010.74</b>	<b>101,430,258.17</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 6 : Sundry Debtors</b>		
Debtors (unsecured, considered good and less than 6 months)	10,846,887.12	26,725,749.71

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 7: Short Term Loans and Advances</b>		
Vehicle Loans to Staff	4,621,600.08	4,469,130.84
Computer & Photo equipment loan to Staff	558,083.04	555,689.68
Advance to Supplier	587,167.87	8,150,187.47
Other advance	1,240,566.23	1,242,721.94
<b>Less:</b>		
Provision for Doubtful Advance	589,487.30	589,487.30
	<b>6,417,929.92</b>	<b>13,828,242.63</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 8: Other Current Assets</b>		
Prepaid Expenses & Insurance	13,968.37	13,733.18
Deposits- Miscellaneous	4,401,443.50	5,945,853.50
TDS - Tax Deducted at Source	7,790,885.77	7,023,840.81
	<b>12,206,297.64</b>	<b>12,983,427.49</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 9: Long - Term Borrowing (Unsecured)</b>		
NPPF	-	-
	<b>-</b>	<b>-</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 10: Long Term Provisions</b>		
Provision for Gratuity	22,297,720.00	22,761,222.00
	<b>22,297,720.00</b>	<b>22,761,222.00</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 11: Short - Term Borrowing*</b>		
NPPF	-	-
*Repayment due within one year	-	-

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 12: Short - Term Provisions</b>		
Provision for Corporate Income Tax	27,432,344.74	25,114,364.16
Proposed Dividend & Unclaimed Dividend of previous year	299,832.40	274,656.40
Proposed Dividend	-	-
Gratuity Payable	6,387,414.00	3,643,294.00
	<b>34,119,591.14</b>	<b>29,032,314.56</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 13: Other Current Liabilities</b>		
Sundry Creditors	6,356,734.14	14,380,975.25
Provision for Author Royalty	3,453,343.21	4,684,924.50
Security Deposit & EMD received	1,142,058.86	1,060,961.86
Leave Encashment Payable	3,538,515.00	3,384,761.00
Advance Sales	3,507,498.48	-
Sundry Liabilities	4,240,373.53	5,901,354.18
	<b>22,238,523.22</b>	<b>29,412,976.79</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 14: Revenue</b>		
Circulation	11,956,514.01	15,732,903.00
Printing	83,228,920.22	85,106,774.79
Advertisement	77,538,757.00	77,306,677.81
Photo	2,365,408.00	3,062,150.00
Dzongkha Translation & Book Publication	2,628,776.00	858,490.00
Stationery	34,218,897.36	45,434,684.46
Retail sales to outsiders	1,446,780.83	1,506,003.66
Sales from IS dept.	822,691.51	2,563,500.52
Sales Return/cancelled	(1,683,925.35)	(2,548,759.71)
	<b>212,522,819.58</b>	<b>229,022,424.53</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 15: Interest Earned</b>		
Interest on Vehicle Loan to staff	923,708.50	980,298.31
	<b>923,708.50</b>	<b>980,298.31</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 16: Other Income</b>		
House Rent Recovered- Employee & Canteen	292,200.00	159,500.00
Other Income	248,800.00	821,671.49
Profit on sale of Asset	-	-
	<b>541,000.00</b>	<b>981,171.49</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 17: Cost of Sales</b>		
Material Consumed	54,922,037.64	59,509,132.09
Outsource to outside party	7,399,894.25	12,499,999.05
Discount	12,180,509.53	14,202,903.51
Commissions	1,458,498.00	2,002,677.00
Transport incoming	2,945,226.00	2,822,598.19
	<b>78,906,165.42</b>	<b>91,037,309.84</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 18: Employees Remuneration &amp; Benefits</b>		
Salaries & Wages	43,545,688.80	44,075,964.25
Employer s contribution to PF	4,311,344.50	4,482,240.10
Leave Encashment	3,356,231.43	2,585,313.44
LTC & Bonus	7,428,091.00	7,610,064.00
Corporate & Contract Allowance	11,922,177.13	11,957,616.20
Other Allowance	2,086,078.00	2,118,488.00
Retirement Benefits	2,083,886.79	2,987,185.02
Gratuity expenses	2,280,618.00	1,187,942.00
	<b>77,014,115.65</b>	<b>77,004,813.01</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 19: Operating Expenses</b>		
Sales & Distribution	1,077,444.00	1,167,003.50
Internet Expenses	1,088,026.18	1,101,987.84
Other charges for newspaper	172,962.00	188,656.51
Training	2,004,951.34	2,529,893.79
Seminar & Workshop	397,266.87	265,950.12
Travel & conveyance	1,696,805.00	1,580,482.50
Other Personnel cost	2,111,504.85	1,927,608.10
Insurance	335,867.81	186,787.23
Printing & Stationery	2,208,674.70	2,103,741.20
Postage & Telephone	774,371.99	804,699.50
Gift & Presentation	21,140.00	34,950.00
Guest Entertainment	7,138.00	8,388.00
Audit Fees & Expenses	378,326.00	175,281.50
Rent, Rates ,Taxes & Utility	1,865,938.60	2,110,361.89
Lisiting & Legal and other fees	432,596.00	146,000.00
Fuel & Lubricants	1,467,431.74	1,174,581.58
Provision for Doubtful Debts	1,408,298.60	
Maintenance Expenses	4,267,691.87	3,815,592.01
Board Meeting Expenses	212,832.00	281,663.00
	<b>21,929,267.55</b>	<b>19,603,628.27</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 20: Interest Expenses</b>		
Interest to NPPF	-	12,667.69
	-	<b>12,667.69</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 21: Other Expenses</b>		
Donation & Contribution	-	2,000.00
Miscellaneous Expenditure	6,950.00	25,957.00
Purchase of Tender Forms	8,500.00	9,600.00
Bank charges	127,295.81	177,063.45
Write off/ loss	-	-
Fines & Penalties	32,938.17	5,299.06
SIM Card/Car Tracking Card	1,150.00	-
Other Expenses	500.00	-
Loss on sale of Asset	504,548.94	687,310.02
Exchange Loss	-	-
	<b>681,882.92</b>	<b>907,229.53</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 22: Prior Period Adjustment</b>		
Prior Period Income	-	-
Prior Period Expenses	266,132.10	47,686.50
	<b>(266,132.10)</b>	<b>(47,686.50)</b>

	Amount (Nu.)	Amount (Nu.)
	As at 31st December 2017	As at 31st December 2016
<b>Schedule 23: Deferred tax</b>		
Deferred Tax Income	-	-
Deferred Tax Expenses	1,090,261.26	1,150,929.53
	<b>1,090,261.26</b>	<b>1,150,929.53</b>

**KUENSEL Corporation Limited**  
Statement of Changes in Equity for the year ended 31 December 2017

Particulars	Amount (Nu.)						Total Equity
	Equity Share Capital	Additional paid in capital	General Reserve	Capital Reserve	Training Fund Reserve	Retained Earnings	
<b>Balance as at 31 December 2016</b>	50,000,000	-	478,135	7,456,839	3,821,762	135,151,678	196,908,413
<b>Net profit for the year</b>							-
Net Profit/ (Loss) for the year						19,775,769.44	19,775,769.44
<b>Transfer to reserves</b>							-
Transfer To General Reserve							-
Adjustment on a/c of restatement from retained earnings							-
Transfer To Training Fund Reserve					988,788.47	(988,788.47)	-
Capital Reserve				(459,563.53)			(459,563.53)
Payment of Dividends for 2016						(9,000,000.00)	(9,000,000.00)
<b>Balance as at 31 December 2017</b>	50,000,000.00	-	478,135.00	6,997,275.61	4,810,550.12	144,938,658.49	207,224,619.22
<b>Statement of Changes in Equity for the year ended 31 December 2016</b>							
Particulars	Equity Share Capital	Additional paid in capital	General Reserve	Capital Reserve	Training Fund Reserve	Retained Earnings	Total Equity
<b>Balance as at 31 December 2015</b>	50,000,000.00	-	478,135.00	7,916,402.25	2,553,956.72	118,848,610.36	179,797,104.33
<b>Net profit for the year</b>							
Net Profit/ (Loss) for the year	-	-	-			25,356,098.65	25,356,098.65
<b>Transfer to reserves</b>							
Transfer To General Reserve	-	-					
Provision for Gratuity reversed as per BAS							
Adjustment on a/c of restatement from retained earnings						1,214,773.45	1,214,773.45
Transfer To Training Fund Reserve					1,267,804.93	(1,267,804.93)	-
Capital Reserve				(459,563.11)			(459,563.11)
Payment of Dividends for 2015	-	-	-			(9,000,000.00)	(9,000,000.00)
<b>Balance as at 31 December 2016</b>	50,000,000.00	-	478,135.00	7,456,839.14	3,821,761.65	135,151,677.52	196,908,413.32

This is the Statement of Changes in Equity referred to in our report of even date  
Schedule referred to above form an integral part of the Accounts

Significant Accounting Policies & Notes on Accounts

24 & 25

For Ghosh & Associates  
Chartered Accountants  
FRN: 322016E

CA. P. P. Ghosh  
Partner  
Membership No. 055752  
Date:  
Place:- Thimphu

Managing Director

(Chairperson)  
For and on behalf of Board