

APEX SPINNING & KNITTING MILLS LIMITED

Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212.

Un-audited Nine Months (Q3) Financial Statements for the period ended on 31st December 2015

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2015

Value in Taka '000'

	Value in Taka '000'		Growth %
	As on 31.12.2015	As on 31.03.2015	
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	261,587	284,236	(8)
Investment	21,859	17,884	22
	283,446	302,120	(6)
Current Assets:			
Inventories	177,328	190,620	(7)
Trade Debtors	561,798	596,858	(6)
Advances, Deposits & Pre- Payments	68,016	51,904	31
Other Receivables	48,285	33,146	46
Cash & Cash Equivalents	269,509	199,624	35
	1,124,936	1,072,152	5
TOTAL ASSETS	1,408,382	1,374,272	2
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	313,917	313,838	0
Fair Valuation Surplus of Investment	10,185	7,341	39
	423,102	420,179	1
Non-Current Liabilities:			
Deferred Tax Liability	2,505	2,001	25
	2,505	2,001	25
Current Liabilities:			
Working Capital Loan (Secured)	43,425	81,131	(46)
Short Term Loan	43,499	36,735	18
Trade Creditors	797,989	755,636	6
Sundry Creditors	97,862	78,590	25
	982,775	952,092	3
Total Liabilities	985,280	954,093	3
TOTAL EQUITY AND LIABILITIES	1,408,382	1,374,272	2
Net Asset Value Per Share	50.37	50.02	

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2015

Value in Taka '000'

	Value in Taka '000'		Growth %
	01.04.2015 to 31.12.2015	01.04.2014 to 31.12.2014	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	2,581,578	2,055,687	26
Other Income	1,272	5,283	(76)
Interest and financial charges paid	(66,649)	(55,274)	21
Income tax paid	(14,973)	(9,685)	55
Payment for costs and expenses	(2,369,620)	(1,962,695)	21
Net cash generated from operating activities (a)	131,608	33,316	295
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(14,409)	(40,015)	(64)
Investment in Shares	-	-	-
Net cash used in investing activities (b)	(14,409)	(40,015)	(64)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(37,706)	(490)	7,591
Term loan received/(repaid)	6,764	(54,526)	(112)
Dividend Paid	(16,372)	(15,603)	5
Net cash used in financing activities (c)	(47,314)	(70,619)	(33)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	69,885	(77,318)	(190)
Cash & cash equivalents on opening	199,624	254,995	(22)
Cash & cash equivalents on closing	269,509	177,677	52
Net Operating Cash Flow Per Share	15.67	3.97	

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2015

Value in Taka '000'

	Value in Taka '000'		Growth %	Value in Taka '000'		Growth %
	01.04.2015 to 31.12.2015	01.04.2014 to 31.12.2014		01.10.2015 to 31.12.2015	01.10.2014 to 31.12.2014	
TURNOVER	2,546,518	2,121,512	20	933,787	785,247	19
Cost of Goods Sold	2,349,805	1,942,676	21	866,726	721,241	20
GROSS PROFIT	196,713	178,836	10	67,061	64,006	5
OPERATING EXPENSES:	168,592	159,259	6	55,911	58,231	(4)
Administrative & Selling Overhead	164,701	155,137	6	54,663	57,700	(5)
Financial Expenses	3,891	4,122	(6)	1,248	531	135
OPERATING PROFIT	28,121	19,577	44	11,150	5,775	93
Other Income	3,622	5,283	(31)	1,417	2,734	(48)
PROFIT BEFORE PPF & WF	31,743	24,860	28	12,567	8,509	48
Provision for Contribution to PPF & WF	1,587	1,243	28	628	425	48
PROFIT BEFORE TAX	30,156	23,617	28	11,939	8,084	48
Tax Expenses:	13,277	9,238	44	4,319	2,374	82
Provision for tax	13,905	9,494	46	4,559	2,541	79
Deferred Tax Expenses/(Income)	(628)	(256)	145	(240)	(167)	44
NET PROFIT AFTER TAX	16,879	14,379	17	7,620	5,710	33
OTHER COMPREHENSIVE INCOME:	3,578	(3,757)	195	(3,152)	(1,067)	195
Fair Valuation Surplus / (Deficit) of Investment	3,976	(4,174)	195	(3,502)	(1,185)	196
Deferred Tax (Exp./Income on share valuation Surplus)	(398)	417	(195)	350	118	197
TOTAL COMPREHENSIVE INCOME	20,457	10,622	93	4,468	4,643	(4)
EPS with fair valuation surplus/deficit	2.44	1.26	93	0.53	0.55	(4)
EPS without fair valuation surplus/deficit	2.01	1.71	17	0.91	0.68	33

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2015

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 31st March 2015	84,000	15,000	129,701	181,386	7,341	2,752	420,179
Net Profit for the nine months ended on 31st December 2015	-	-	-	16,879	-	-	16,879
Final dividend for the year 2014-15	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	3,578	-	3,578
Previous year adjustment of deferred tax	-	-	-	-	(734)	-	(734)
As at 31st December 2015	84,000	15,000	129,701	181,465	10,185	2,752	423,102

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2014

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 31st March 2014	84,000	15,000	129,701	174,982	11,477	2,752	417,912
Net Profit for the nine months ended on 31st December 2014	-	-	-	14,379	-	-	14,379
Final dividend for the year 2013-14	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	(3,757)	-	(3,757)
As at 31st December 2014	84,000	15,000	129,701	172,561	7,720	2,752	411,734

Explanatory Notes:

- (1) These financial statements have been prepared under the historical cost convention and going concern basis.
- (2) No interim dividend paid during the interim period ended on 31st December 2015.
- (3) No diluted EPS is required to be calculated as there was no dilution during this period.
- (4) Last year's 3rd quarter figures have been re-arranged where considered necessary to confirm to current 3rd quarter presentation.
- (5) Figures were rounded-off to the nearest thousand Taka.

Note: The details with selected notes of the published nine months financial statements can be available in the web-site of the Company. The address of the web-site is www.apexknitting.com

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Kamrul Islam
Assistant Company Secretary

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED ON 31ST DECEMBER ,2015

	Value in Taka '000'	
	As on 31.12.2015	As on 31.03.2015

1. Property, Plant and Equipment (WDV):

	281,587	284,236
During the period, fixed assets have been increased by Tk. 1,44,08,559/- mainly for new Effluent treatment plant by Tk.60,11,359/- & Factory Building by Tk. 39,56,809/- but depreciation charged during the period is Tk. 3,70,58,127/-. Depreciation has been charged on additions made during the period from the month in which that assets are put into commercial operations as per BAS 16.		

2. Trade Debtors:

	561,798	596,858
Trade Debtors		
	561,798	596,858

During the period, trade debtors have been decreased due to prompt realization.

3. Advance, Deposits & Pre-payments:

	59,122	44,149
Advance Income Tax	7,241	6,208
Securities & Deposits	1,653	1,547
Advance against expenses	68,016	51,904

The growth of 31.04% mainly due to deduction of tax at source from export proceeds & tax from bank interest on FDRs & STD account & advanced against purchase.

4. Other Receivable:

	45,935	32,594
Cash Incentive Receivable	584	552
FDRs Interest Receivable	1,766	-
Dividend Receivable	48,285	33,146

The growth of 45.67% in other receivables due to increase in cash incentive receivable from the Bank which will be received from bank time to time depending on their availability of fund from Bangladesh Bank & for dividend receivable.

5. Cash and Bank Balances

	20	20
Cash in hand	14	15
CD Account with Eastern Bank Ltd., Dhaka	29	29
CD Account with DBL, Dhaka	185	168
CD Account with SCB,Dhaka	68	72
CD Account with Mutual Trust Bank, Chandora	87	86
CD Account with MTB, Dikusha, Dhaka	42	44
CD Account with AB Bank, Dhaka	130	445
CD Account with DBBL, Dhaka	0	0
CD Account with HSBC-Dividend, Dhaka	0	0
CD Account with EBL-Dividend, Dhaka	53,064	50,972
Fixed Deposit A/C with EBL	2,889	3,593
Foreign Currency Account with EBL, Dhaka-USD	312	602
Foreign Currency Account with HSBC-USD	738	738
STD Account with SCB,Dhaka	208	205
STD Account with EBL, Principal Branch, Dhaka	1	1
STD Account with HSBC, Dhaka	28	29
CC Accounts with EBL, Dhaka	211,694	142,605
Margin Account with EBL-USD	269,489	199,604
	269,509	199,624

The increase of cash & cash equivalents due to increase of margin balance -USD for payment of BTB Liabilities.

6. Working Capital Loan:

	39,632	69,953
Eastern Bank Ltd, Principal Br. Dhaka	3,793	11,178
HSBC, Dhaka	43,425	81,131

The working capital loan has been decreased to 46.48% due to repayment of the outstanding balance of the loan.

7. Short Term Loan :

	15,424	14,468
Time loan-EBL	28,075	22,267
Import loan-EBL	43,499	36,735

The increase of short term loan due more utilization of import loan.

8. Trade Creditors:

	797,989	755,636
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The increase of trade creditors due to purchase of raw materials under BTB L/C to support export requirement.

9. Sundry Creditors:

	97,862	78,590
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The increase of 24.52% in sundry creditors mainly for income tax payable as compare to last period.

10. Turnover:

	April to December 2015	April to December 2014
	2,546,518	2,121,512

Turnover has been increased by 20.03% as compared to the turnover of same period of 2014-15 due to increase of quantity sold during this period.

	Value in Taka '000'	
	April to December 2015	April to December 2014

11. Cost of Goods Sold:

	31,968	2,494
Opening Stock of Finished Goods	2,347,931	1,966,742
Add: Cost of Production (note # 11.a)	(30,094)	(26,560)
Less: Closing Stock of Finished Goods	2,349,805	1,942,676

11.a. Cost of Production:

	158,652	193,475
Opening Raw Materials & WIP	1,562,152	1,231,920
Add: Raw Materials purchase during the year	774,361	693,381
Add: Factory Overhead (Note # 11.a.a)	(147,234)	(152,033)
Less: Closing Raw Materials & WIP	2,347,931	1,966,742

11.a.a Factory Overhead:

	611,046	574,342
Wages & Salaries	23	48
Telephone Charges	8,490	5,705
Carriage	837	923
Electricity	41,127	31,814
Gas, Fuel & Lubricant	5,335	5,913
Insurance	56,648	34,914
Repairs & Maintenance	1,739	2,098
Vehicle Maintenance	85	200
Tent Rent	49	26
Uniform & Liveries	368	265
Fire fighting Expenses	10,338	1,652
Testing Bill	35,675	34,963
Depreciation	2601	516
VAT Expenses	774,361	693,381

12. Administration & Selling Overhead:

	10,582	9,973
Bank Charges & Commission	11	13
Board Meeting Fees	1,383	1,529
Depreciation	2,700	2,700
Directors Remuneration	1,167	1,360
Entertainment	3,727	2,918
Export Processing & Handling Expenses	52,176	41,180
F.C. Charges	14,003	12,458
Freight & Forwarding Expenses	579	584
Insurance Premium	423	473
Legal & Professional Fees	10	31
Newspapers & Periodicals	66	36
Couner, Postage & Stamp	195	-
Power & Fuel	3,010	3,394
Printing & Stationery	297	275
Publicity & Advertisement	2,966	3,225
Renewal & Fees	3,721	4,888
Rent & Rates	2,291	1,818
Repairs & Maintenance	53,860	56,970
Salary & Allowances	3,947	2,906
Sales Promotional Expenses	1,191	18
Subscription & Donation	1,087	999
T. A & Conveyance	483	527
Telephone, Fax and Radio Link	3,896	5,410
Transportation	930	1,453
Vehicles Maintenance	164,701	155,137

13. Financial Expenses:

	2,788	3,160
Interest on Term Loan	1,103	962
Interest on Overdraft	3,891	4,122

The decrease of financial expenses due to repayment of short term loan.

14. Other Income:

	26	31
Interest earned on STD Account	2,357	2,618
Interest earned on FDRs Account	1,766	1,766
Dividend Income	(527)	868
Foreign Exchange Gain/(Loss)	3,622	5,283

The decrease of 31.44% is mainly for decrease of lower bank interest rate on time deposits.

15. Provision for Tax:

	13,905	9,494
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The increased 46.46% for provision for tax is mainly for TDS on export proceeds from .30% to .60% as compare to last period with effect from 01st July, 2015.

16. Related Party Transactions:

Apex Spinning & Knitting Mills Limited has few transactions with Apex Yarn Dyeing Limited and Matex Bangladesh Limited . These transactions are considered as related party transactions as per BAS 24 "Related Party Transaction". The transactions are occurred during the period with an arm length transaction as per other normal buying & selling of dyes & chemical and yarn dyeing cost.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Zahur Ahmed PhD
Managing Director

Sd/-
Shahriar Ahmed
Director

Sd/-
Kamruzzaman FCA
Chief Financial Officer

Sd/-
Kamrul Islam
Assistant Company Secretary