

# APEX SPINNING & KNITTING MILLS LIMITED

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

In compliance with the Notification No:SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009 of the Bangladesh Securities and Exchange Commission, we are pleased to forward herewith the un-audited Nine Months (Q3) Financial Statements for the period ended on 31st December 2013 of the Company.

## STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2013

	Value in Taka '000'		Growth %
	As on 31.12.2013	As on 31.03.2013	
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	280,790	307,546	(9)
Investment	12,647	12,647	0
	<u>293,437</u>	<u>320,193</u>	(8)
<b>Current Assets:</b>			
Inventories	171,501	185,097	(7)
Trade Debtors	423,188	281,069	51
Advances, Deposits & Pre- Payments	111,502	91,467	22
Other Receivables	9,195	3,508	162
Cash & Cash Equivalents	136,211	300,258	(55)
	<u>851,597</u>	<u>861,399</u>	(1)
<b>TOTAL ASSETS</b>	<u>1,145,034</u>	<u>1,181,592</u>	
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>			
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	309,758	313,188	(1)
Fair Valuation Surplus of Investment	2,104	2,104	0
<b>Non-Current Liabilities:</b>	<u>410,862</u>	<u>414,292</u>	0
Deferred Tax Liability	1,208	1,208	0
	<u>1,208</u>	<u>1,208</u>	
<b>Current Liabilities:</b>			
Working Capital Loan (Secured)	3,594	35,631	(90)
Short Term Loan	35,123	79,523	(56)
Trade Creditors	543,246	553,551	(2)
Sundry Creditors	151,001	97,387	55
	<u>732,964</u>	<u>766,092</u>	(4)
<b>Total Liabilities</b>	<u>734,172</u>	<u>767,300</u>	(4)
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,145,034</u>	<u>1,181,592</u>	
<b>Net Asset Value Per Share</b>	<u>48.91</u>	<u>49.32</u>	

## STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2013

	Value in Taka '000'		Growth %
	01.04.2013 to 31.12.2013	01.04.2012 to 31.12.2012	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Collection from turnover	1,700,191	1,722,179	(1)
Other Income	6,873	3,947	74
Interest and financial charges paid	(49,264)	(53,051)	(7)
Income tax paid	(17,787)	(18,781)	(5)
Payment for costs and expenses	(1,699,324)	(1,623,196)	5
<b>Net cash generated from operating activities (a)</b>	<b>(59,311)</b>	<b>31,098</b>	<b>(291)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Property, Plant and Equipment acquired	(13,609)	(53,993)	(75)
Investment in Shares	-	(352)	(100)
<b>Net cash used in investing activities (b)</b>	<b>(13,609)</b>	<b>(54,345)</b>	<b>(75)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Working Capital Loan received/(repaid)	(32,037)	14,000	(329)
Term loan received/(repaid)	(44,400)	18,717	(337)
Dividend Paid	(14,690)	(14,699)	(0)
<b>Net cash generated from financing activities (c)</b>	<b>(91,127)</b>	<b>18,018</b>	<b>(606)</b>
<b>Net increase/(decrease) in cash and cash equivalents(a+b+c)</b>	<b>(164,047)</b>	<b>(5,230)</b>	<b>3,037</b>
Cash & cash equivalents on opening	300,258	189,300	59
<b>Cash &amp; cash equivalents on closing</b>	<b>136,211</b>	<b>184,070</b>	<b>(26)</b>
<b>Net Operating Cash Flow Per Share</b>	<b>(7.06)</b>	<b>3.70</b>	

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2013

	Value in Taka '000'		Growth %	Value in Taka '000'		Growth %
	01.04.2013 to 31.12.2013	01.04.2012 to 31.12.2012		01.10.2013 to 31.12.2013	01.10.2012 to 31.12.2012	
<b>TURNOVER</b>	<b>1,842,310</b>	<b>1,765,875</b>	<b>4</b>	<b>682,537</b>	<b>660,154</b>	<b>3</b>
Cost of Goods Sold	1,674,565	1,613,098	4	624,347	603,523	3
<b>GROSS PROFIT</b>	<b>167,745</b>	<b>152,777</b>	<b>10</b>	<b>58,190</b>	<b>56,631</b>	<b>3</b>
<b>OPERATING EXPENSES:</b>						
Administrative & Selling Overhead	139,679	123,369	13	48,743	45,001	8
Financial Expenses	5,237	7,587	(31)	2,142	3,720	(42)
	<u>144,916</u>	<u>130,956</u>	<u>11</u>	<u>50,885</u>	<u>48,721</u>	<u>4</u>
<b>OPERATING PROFIT</b>	<b>22,829</b>	<b>21,821</b>	<b>5</b>	<b>7,305</b>	<b>7,910</b>	<b>(8)</b>
Other Income	6,873	3,947	74	3,192	2,358	35
<b>PROFIT BEFORE PPF &amp; WF</b>	<b>29,702</b>	<b>25,768</b>	<b>15</b>	<b>10,497</b>	<b>10,268</b>	<b>2</b>
Provision for Contribution to PPF & WF	1,485	1,288	15	525	513	2
<b>PROFIT BEFORE TAX</b>	<b>28,217</b>	<b>24,480</b>	<b>15</b>	<b>9,972</b>	<b>9,755</b>	<b>2</b>
Provision for tax	16,527	13,654	21	5,142	4,772	8
<b>NET PROFIT AFTER TAX</b>	<b>11,690</b>	<b>10,826</b>	<b>8</b>	<b>4,830</b>	<b>4,983</b>	<b>(3)</b>
Other comprehensive income	-	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>11,690</b>	<b>10,826</b>	<b>8</b>	<b>4,830</b>	<b>4,983</b>	<b>(3)</b>
<b>Basic earning per share</b>	<b>1.39</b>	<b>1.29</b>	<b>8</b>	<b>0.57</b>	<b>0.59</b>	<b>(3)</b>

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2013

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 1st April 2013	84,000	15,000	129,701	180,735	2,104	2,752	414,292
Net Profit for the nine months ended on 31st December 2013	-	-	-	11,690	-	-	11,690
Final dividend for the year 2012-13	-	-	-	(15,120)	-	-	(15,120)
As at 31st December 2013	84,000	15,000	129,701	177,305	2,104	2,752	410,862

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2012

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 1st April 2012	84,000	15,000	129,701	177,368	3,722	2,752	412,543
Net Profit for the nine months ended on 31st December 2012	-	-	-	10,826	-	-	10,826
Final dividend for the year 2011-12	-	-	-	(15,120)	-	-	(15,120)
As at 31st December 2012	84,000	15,000	129,701	173,074	3,722	2,752	408,249

### Explanatory Notes:

- These financial statements have been prepared under the historical cost convention and going concern basis.
- No interim dividend paid during the interim period ended on 31st December 2013.
- Last years nine month's figures were rearranged where considered necessary to conform to current nine months presentation.
- Figures were rounded-off to the nearest thousand Taka.
- Revaluation surplus/deficit of investment & deferred tax calculation have not been considered because it will be shown in the yearly financial statements.

**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](http://www.apexknitting.com)

# SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED ON 31ST DECEMBER ,2013

	Value in Taka '000'	
	As on 31.12.2013	As on 31.03.2013
<b>1. Property, Plant and Equipment (WDV):</b>	<u>280,790</u>	<u>307,546</u>
During the period, fixed assets have been increased by Tk. 13,609,142/- mainly for machineries Tk. 6,272,581/- & factory building Tk. 3,669,256/- for extension of store building & dormitory building but depreciation charged during the period Tk. 40,365,014/-		
<b>2. Trade Debtors:</b>		
Trade Debtors	423,188	281,069
	<u>423,188</u>	<u>281,069</u>
The growth of 50.56% in trade debtors due to increased of turnover during this period.		
<b>3. Advance, Deposits &amp; Pre-payments:</b>		
Advance Income Tax	97,776	79,990
Staff Advance	979	1,068
Securities & Deposits	10,383	6,534
Advance against expenses	2,364	3,875
	<u>111,502</u>	<u>91,467</u>

The growth of 21.90% mainly due to deduction of tax at source from export proceeds & from bank interest on FDRs & STD account & advance against security deposit for import of chemical & spare parts.

<b>4. Other Receivable:</b>		
Cash Incentive Receivable	9,195	3,508
	<u>9,195</u>	<u>3,508</u>

The growth of 162.11% 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.

<b>5. Cash &amp; Cash Equivalents:</b>		
Cash & Cash Equivalents	136,211	300,258
	<u>136,211</u>	<u>300,258</u>

The balance of cash & cash equivalents has been decreased by 54.64% mainly for decrease of BTB margin balance for BTB liability payments and decrease of FCY balance for payment of machinery import.

<b>6. Working Capital Loan:</b>		
Eastern Bank Ltd, Principal Br. Dhaka	26,801	50,449
HSBC, Dhaka	(23,207)	(14,818)
	<u>3,594</u>	<u>35,631</u>

The working capital loan has been decreased to 89.91% due to repayment of the outstanding balance of the loan.

<b>7. Short Term Loan :</b>		
Time loan-EBL	8,016	9,030
Import loan-EBL	27,107	25,025
Time loan-HSBC	-	45,468
	<u>35,123</u>	<u>79,523</u>

The decrease of short term loan due to repayment of loans on due date as per schedule.

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

	Value in Taka '000'	
	As on 31.12.2013	As on 31.03.2013
<b>8. Sundry Creditors:</b>		
Sundry Creditors	151,001	97,387
	<u>151,001</u>	<u>97,387</u>
The increase of 55.05% in sundry creditors mainly for provision of salary & wages for the month of December'13 byTk. 52,210,766/- and provision for income tax by Tk. 16,526,569/- during the period.		
	<u>April to</u> December 2013	<u>April to</u> December 2012
<b>9. Turnover:</b>	<u>1,842,310</u>	<u>1,765,875</u>
Turnover has been increased by 4.33% as compared to the turnover of same period of 2012-13 due to increase of unit sales.		
<b>10. Cost of Goods Sold:</b>	<u>1,674,565</u>	<u>1,613,098</u>
The increase of cost of goods sold due to the increased of Turnover.		
<b>11. Financial Expenses:</b>		
Interest on Term Loan	2,934	5,015
Interest on Overdraft	2,303	2,572
	<u>5,237</u>	<u>7,587</u>
The decrease of financial expenses due to repayment of short term loan & proper working capital management.		
<b>12. Other Income:</b>		
Interest earned on STD Account	24	160
Interest earned on FDRs Account	3,733	2,535
Dividend Income	2,037	305
Foreign Exchange Gain/(Loss)	1,079	947
	<u>6,873</u>	<u>3,947</u>

The growth of 74.13% is mainly for interest earned on FDRs & Dividend income.

<b>13. Provision for Tax:</b>	<u>16,527</u>	<u>13,654</u>
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The increase of 21.04% for provision for tax is mainly for tax on bank interest earned, on dividend income & on cash incentive during this period.

#### 14. Related Party Transactions:

Apex Spinning & Knitting Mills Limited has few transactions with Apex Textile Printing Mills Limited, Apex Yam 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.