

APEX SPINNING & KNITTING MILLS LIMITED

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

UN-AUDITED FIRST QUARTER (Q1) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30TH SEPTEMBER 2016

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2016

	Value in Taka '000'		Growth %
	As at 30.09.2016	As at 30.06.2016	
ASSETS			
Non-Current Assets:	273,647	271,915	
Property, Plant and Equipment	244,356	250,630	(3)
Investment	29,291	21,285	38
Current Assets:	1,105,312	1,189,581	
Inventories	184,498	193,149	(4)
Trade Receivables	220,710	437,866	(50)
Advances, Deposits & Pre- Payments	116,651	148,874	(22)
Other Receivables	6,120	21,763	(72)
Cash & Cash Equivalents	577,333	387,929	49
TOTAL ASSETS	1,378,959	1,461,496	
EQUITY AND LIABILITIES			
Shareholders' Equity:	445,124	434,056	
Share Capital	84,000	84,000	0
Share Premium	15,000	15,000	0
Reserve and Surplus	329,251	325,388	1
Fair Valuation Surplus of Investment	16,873	9,668	75
Non-Current Liabilities:	4,583	3,902	
Deferred Tax Liability	4,583	3,902	17
Current Liabilities:	929,252	1,023,538	
Working Capital Loan (Secured)	-	83,790	(100)
Short Term Loan	45,269	54,616	(17)
Trade Payables	772,323	745,164	4
Other Payables	111,660	139,968	(20)
Total Liabilities	933,835	1,027,440	(9)
TOTAL EQUITY AND LIABILITIES	1,378,959	1,461,496	
Net Asset Value Per Share	52.99	51.67	

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2016

	Value in Taka '000'		Growth %
	01.07.2016 to 30.09.2016	01.07.2015 to 30.09.2015	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from revenue	933,578	812,825	15
Other Income	524	1,312	(60)
Interest and financial charges paid	(23,967)	(20,950)	14
Income tax paid	(7,610)	(5,146)	48
Payment for costs and expenses	(615,749)	(889,255)	(31)
Net cash generated from operating activities (a)	286,776	(101,214)	(383)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(4,211)	(8,998)	(53)
Net cash used in investing activities (b)	(4,211)	(8,998)	(53)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(83,790)	45,387	(285)
Term loan received/(repaid)	(9,347)	11,141	(184)
Dividend Paid	(24)	(12)	100
Net cash generated from financing activities (c)	(93,161)	56,516	(265)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	189,404	(53,696)	453
Cash & cash equivalents on opening	387,929	411,412	(6)
Cash & cash equivalents on closing	577,333	357,716	61
Net Operating Cash Flow Per Share	34.14	(12.05)	

	Value in Taka '000'		Growth %
	01.07.2016 to 30.09.2016	01.07.2015 to 30.09.2015	
REVENUE	716,422	679,661	5
Cost of Goods Sold	(646,989)	(617,911)	5
GROSS PROFIT	69,433	61,750	12
OPERATING EXPENSES:			
Administrative & Selling Overhead	(57,312)	(52,392)	9
Financial Expenses	(1,781)	(1,033)	72
	(59,093)	(53,425)	11
OPERATING PROFIT	10,340	8,325	24
Other Income	532	1,313	(59)
PROFIT BEFORE PPF & WF	10,872	9,638	13
Provision for Contribution to PPF & WF	-	(482)	(100)
PROFIT BEFORE TAX	10,872	9,156	19
TAX EXPENSES:			
Current Tax	(7,129)	(5,330)	34
Deferred Tax (Expenses)/Income	120	121	(1)
NET PROFIT AFTER TAX	3,863	3,947	(2)
OTHER COMPREHENSIVE INCOME:			
Fair Valuation Surplus / (Deficit) of Investment	8,006	6,833	17
Deferred Tax (Exp.)/Income on share valuation Surplus	(801)	(683)	17
TOTAL COMPREHENSIVE INCOME	11,068	10,097	10
Earnings Per Share (EPS)	0.46	0.47	(2)

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1ST QUARTER ENDED ON 30TH SEPTEMBER, 2016

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30 June, 2016	84,000	15,000	129,701	192,935	9,668	2,752	434,056
Net Profit for the three months ended on 30th September 2016	-	-	-	3,863	-	-	3,863
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	7,205	-	7,205
As at 30th September 2016	84,000	15,000	129,701	196,798	16,873	2,752	445,124

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE 1ST QUARTER ENDED 30TH SEPTEMBER, 2015

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 30th June 2015	84,000	15,000	129,701	186,698	7,985	2,752	426,136
Net Profit for the three months ended on 30th September 2015	-	-	-	3,947	-	-	3,947
Final dividend for the year 2014-15	-	-	-	(16,800)	-	-	(16,800)
Fair Valuation Surplus/(deficit) of Investment	-	-	-	-	6,150	-	6,150
Previous year adjustment of deferred tax	-	-	-	-	(798)	-	(798)
As at 30th September 2015	84,000	15,000	129,701	173,845	13,337	2,752	418,633

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 30th September, 2016
- (3) No diluted EPS is required to be calculated as there was no dilution during this period.
- (4) Figures were rounded-off to the nearest thousand Taka.
- (5) Last year's 1st quarter figures have been re-arranged where considered necessary to confirm to current first quarter presentation.
- (6) Figures were rounded-off to the nearest thousand Taka.

Note: The details with selective notes of the published first quarterly 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 1ST QUARTER ENDED ON SEPTEMBER 30, 2016

Value in Taka '000'		Value in Taka '000'		
	As at 30.09.2016	As at 30.06.2016	July to Sep' 2016	July to Sep' 2015
1. Property, Plant and Equipment (WDV):	244,356	250,630		
During the period, fixed assets have been increased by Tk. 4,210,605/- mainly for Plant & Machinery for Tk. 3,896,893/- but depreciation charged during the period is Tk. 10,484,669/-. Depreciation has been charged on additions made during the period from the month in which that assets are ready for used as per BAS 16.				
2. Investment:	29,291	21,285		
During the period, investment have been increased due to fair valuation of share.				
3. Trade Receivables:	220,710	437,866		
During the period, trade receivables have been decreased due to prompt realization				
4. Advance, Deposits & Pre-payments:				
Advance Income Tax	81,494	73,885		
Securities & Deposits	8,792	5,642		
Advance against expenses	26,365	69,347		
	116,651	148,874		
The decrease of 21.64% due to decrease of advance against expenses.				
5. Other Receivables:				
Cash Incentive Receivable	5,765	21,416		
FDRs Interest Receivable	355	347		
	6,120	21,763		
The decrease of 71.88% in Other receivables due to realised of cash incentive. Cash incentive receivable from the Bank which will be received from bank time to time depending on their availability of fund from Bangladesh Bank.				
6. Cash and Cash Equivalents:				
Cash in hand	20	20		
Cash at Banks:				
CD Account with Eastern Bank Ltd., Dhaka	13	13		
CD Account with DBL, Dhaka	28	29		
CD Account with SCB, Dhaka	181	181		
CD Account with Mutual Trust Bank, Chandora	66	67		
CD Account with MTB, Dilkusha, Dhaka	87	87		
CD Account with AB Bank, Dhaka	42	42		
CD Account with DBBL, Dhaka	1,336	295		
Fixed Deposit A/C with EBL	54,571	54,144		
Foreign Currency Account with EBL, Dhaka-USD	42,436	15,885		
Foreign Currency Account with HSBC-USD	372	489		
STD Account with SCB, Dhaka	738	738		
STD Account with EBL, Principal Branch, Dhaka	209	209		
STD Account with HSBC, Dhaka	1	1		
CC Accounts with EBL, Dhaka	27	27		
OD Eastern Bank Ltd, Principal Br. Dhaka	38,100	-		
OD HSBC, Dhaka	29,411	-		
Margin Account with EBL-USD	409,695	315,702		
	577,313	387,909		
	577,333	387,929		
The increase of cash & cash equivalents due to increase of FCY EBL balance, positive fund in OD accounts & margin balance -USD for payment of BTB Liabilities.				
7. Working Capital Loan:				
Eastern Bank Ltd, Principal Br. Dhaka	-	69,446		
HSBC, Dhaka	-	14,344		
	-	83,790		
The working capital loan decreased to 100% due to repayment of the outstanding balance of the loan.				
8. Short Term Loan :				
Time loan-EBL	16,616	24,164		
Import loan-EBL	28,653	30,452		
	45,269	54,616		
The decrease of short term loan due to repayment of loans on due date as per schedule.				
9. Trade Payables:	772,323	745,164		
The increase of trade Payables due to purchase of raw materials under BTB L/C to support export requirement.				
10. Other Payables:	111,660	139,968		
The decrease of 20.22% in other payables mainly for provision for salary & wages as compare to last period.				
	July to	July to		
	Sep' 2016	Sep' 2015		
11. Revenue:	716,422	679,661		
Revenue has been increased by 5.41% as compared to the revenue of same period of 2015-16 due to increase of quantity sold during this period.				
12. Cost of Goods Sold:				
Opening Stock of Finished Goods	47,678	31,180		
Add: Cost of Production (note # 12.a)	638,383	604,438		
Less: Closing Stock of Finished Goods	(39,072)	(17,707)		
	646,989	617,911		
12.a. Cost of Production:				
Opening Raw Materials & WIP	145,471	149,954		
Add: Raw Materials purchase during the year	373,661	406,839		
Add: Factory Overhead (Note # 12.a.a)	264,677	253,608		
Less: Closing Raw Materials & WIP	(145,426)	(205,963)		
	638,383	604,438		
12.a.a Factory Overhead:				
Wages & Salaries	215,688	202,321		
Central Fund- RMG Sector	272	-		
Telephone Charges	6	8		
Carriage	258	1,522		
Electricity	241	346		
Gas, Fuel & Lubricant	14,680	10,870		
Insurance	4,566	3,933		
Repairs & Maintenance	12,770	17,903		
Vehicle Maintenance	681	782		
ETP Chemical	1,924	-		
Uniform & Liveries	32	12		
Fire fighting Expenses	112	116		
Testing Bill	2,741	3,130		
Depreciation	10,089	11,815		
VAT Expenses	617	850		
	264,677	253,608		
13. Administration & Selling Overhead:				
AGM Expenses	36	110		
Audit Fees	-	13		
Bank Charges & Commission	4,402	3,671		
Board Meeting Fees	-	6		
Depreciation	396	461		
Directors Remuneration	900	900		
Entertainment	533	503		
Export Processing & Handling Expenses	992	544		
F.C. Charges	17,784	16,246		
Freight & Forwarding Expenses	3,661	3,557		
Insurance Premium	549	442		
Legal & Professional Fees	139	129		
Newspapers & Periodicals	3	5		
Courier ,Postage & Stamp	7	19		
Power & Fuel	214	-		
Printing & Stationery	789	596		
Publicity & Advertisement	-	176		
Renewal & Fees	525	981		
Rent & Rates	1,283	1,229		
Repairs & Maintenance	969	1,178		
Salary & Allowances	20,593	17,473		
Sales Promotional Expenses	1,116	1,458		
Subscription & Donation	24	18		
T. A & Conveyance	345	338		
Telephone, Fax and Radio Link	162	180		
Transportation	1,602	1,855		
Vehicles Maintenance	287	304		
	57,312	52,392		
14. Financial Expenses:				
Interest on Time Loan	1,179	650		
Interest on Overdraft	602	383		
	1,781	1,033		
The increase of financial expenses due to more utilization time loan & Working capital for the period.				
15. Other Income:				
Interest earned on FDR Account	482	791		
Dividend Income	-	339		
Foreign Exchange Gain/(Loss)	50	183		
	532	1,313		
The decrease of 59.48% is mainly for decrease of lower bank interest rate on time deposits.				
16. Provision for Tax:	7,129	5,330		
The increased 33.75% for provision for tax is mainly for deduction of TDS on export proceeds from .60% to .70% as compare to last period with effect from 01st July, 2016.				
17. 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