

# 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 1st Quarter (Q1) Financial Statements for the period ended on 30th June, 2015 of the Company.

## STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT 30TH JUNE 2015

Value in Taka '000'

	As on 30.06.2015	As on 31.03.2015	Growth %
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
Property, Plant and Equipment	277,399	284,237	(2)
Investment	18,528	17,883	4
	<u>295,927</u>	<u>302,120</u>	
<b>Current Assets:</b>			
Inventories	181,134	190,620	(5)
Trade Debtors	493,277	596,858	(17)
Advance, Deposits & Prepayments	58,339	51,904	12
Other Receivable	7,741	33,146	(77)
Cash & Cash Equivalents	411,412	199,624	106
	<u>1,151,903</u>	<u>1,072,152</u>	7
<b>TOTAL ASSETS</b>	<u>1,447,830</u>	<u>1,374,272</u>	
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity</b>			
Share Capital	84,000	84,000	-
Share Premium	15,000	15,000	-
Reserve and Surplus	319,151	313,838	2
Fair Valuation Surplus of Investment	7,985	7,341	9
	<u>426,136</u>	<u>420,179</u>	
<b>Non Current Liabilities</b>			
Deferred Tax Liability	1,735	2,001	(13)
	<u>1,735</u>	<u>2,001</u>	
<b>Current Liabilities</b>			
Working Capital Loan	(5,564)	81,131	(107)
Short Term Loan	26,165	36,735	(29)
Trade Creditors	906,805	755,636	20
Sundry Creditors	92,553	78,590	18
	<u>1,019,959</u>	<u>952,092</u>	
<b>Total Liabilities</b>	<u>1,021,694</u>	<u>954,093</u>	7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<u>1,447,830</u>	<u>1,374,272</u>	
<b>Net Assets Value Per Share</b>	50.73	50.02	

## STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2015

Value in Taka '000'

	01.04.2015 to 30.06.2015	01.04.2014 to 30.06.2014	Growth %
<b>TURNOVER</b>	933,070	641,262	46
Cost of Goods Sold	865,167	586,492	48
<b>GROSS PROFIT</b>	67,903	54,770	24
<b>OPERATING EXPENSES:</b>			
Administrative & Selling Overhead	57,646	45,747	26
Financial Expenses	1,610	1,661	(3)
	<u>59,256</u>	<u>47,408</u>	
<b>OPERATING PROFIT</b>	8,647	7,362	17
Other Income	892	1,350	(34)
<b>PROFIT BEFORE PPF &amp; WF</b>	9,539	8,712	9
Provision for Contribution to PPF & WF	477	436	9
<b>PROFIT BEFORE TAX</b>	9,062	8,276	10
<b>Tax Expenses:</b>			
Current Tax	4,016	3,240	24
Deferred Tax expenses/(Income)	(267)	(62)	331
<b>NET PROFIT AFTER TAX</b>	5,313	5,098	4
<b>Other comprehensive income:</b>			
Fair Valuation Surplus / ( Deficit ) of Investment	644	(2,811)	123
<b>TOTAL COMPREHENSIVE INCOME</b>	5,957	2,287	160
<b>EPS with fair valuation surplus/deficit</b>	<u>0.71</u>	<u>0.27</u>	160
<b>EPS without fair valuation surplus/deficit</b>	<u>0.63</u>	<u>0.61</u>	4

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2015

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 1st April 2015</b>	84,000	15,000	129,701	181,385	2,752	7,341	420,179
Net Profit for the 1st quarter ended on 30th June 2015	-	-	-	5,313	-	644	5,957
<b>As at 30th June 2015</b>	84,000	15,000	129,701	186,698	2,752	7,985	426,136

## STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2015

Value in Taka '000'

	01.04.2015 to 30.06.2015	01.04.2014 to 30.06.2014	Growth %
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Collection from turnover	1,036,651	627,975	65
Other income	332	1,350	(75)
Interest & other financial charges paid	(26,494)	(17,201)	54
Income tax paid	(4,146)	(3,320)	25
Payment for costs and expenses	(691,610)	(621,438)	11
<b>Net cash generated from operating activities (a)</b>	<u>314,733</u>	<u>(12,634)</u>	2,591
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Property, Plant and Equipment acquired	(5,232)	(12,429)	(58)
<b>Net cash used in investing activities (b)</b>	<u>(5,232)</u>	<u>(12,429)</u>	(58)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Working capital loan received/(repaid)	(86,695)	19,548	(543)
Short term loan received/(repaid)	(10,570)	(41,186)	(74)
Dividend paid	(448)	(2)	22,300
<b>Net cash generated from financing activities (c)</b>	<u>(97,713)</u>	<u>(21,640)</u>	352
<b>Net increase/(decrease) in cash and cash equivalents (a+b+c)</b>	<u>211,788</u>	<u>(46,703)</u>	553
Cash and cash equivalents on opening	199,624	254,996	(22)
Cash and cash equivalents on closing	411,412	208,293	98
<b>Net Operating Cash Flow Per Share</b>	37.47	(1.50)	

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE 1ST QUARTER ENDED ON 30TH JUNE 2014

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 1st April 2014</b>	84,000	15,000	129,701	174,982	2,752	11,477	417,912
Net Profit for the 1st quarter ended on 30th June 2014	-	-	-	5,098	-	(2,811)	2,287
<b>As at 30th June 2014</b>	84,000	15,000	129,701	180,080	2,752	8,666	420,199

### 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 June 2015.
- (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 first quarter figures have been re-arranged where considered necessary to conform 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](http://www.apexknitting.com)

Sd/-  
Zafar Ahmed  
Chairman

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

Sd/-  
Jesmin Sultana  
Assistant Company Secretary

**SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED ON JUNE 30, 2015**

Value in Taka '000'

	As on 30.06.2015	As on 31.03.2015
<b>1. Property, Plant and Equipment (WDV):</b>	<b>277,399</b>	<b>284,237</b>

During the period, fixed assets have been increased by Tk. 52,31,829/- mainly for construction of new Effluent Treatment Plant for Tk. 42,24,829/- but depreciation charged during the period is Tk. 1,20,69,523/-. 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.

	493,277	596,858
<b>2. Trade Debtors:</b>		
Trade Debtors	493,277	596,858

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

	48,295	44,149
<b>3. Advance, Deposits &amp; Pre-payments:</b>		
Advance Income Tax	48,295	44,149
Securities & Deposits	6,058	6,208
Advance against expenses	3,986	1,547
	<b>58,339</b>	<b>51,904</b>

The growth of 12.40% mainly due to deduction of tax at source from export proceeds & tax from bank interest on FDRs & STD account.

	7,181	32,594
<b>4. Other Receivable:</b>		
Cash Incentive Receivable	7,181	32,594
FDRs Interest Receivable	560	552
	<b>7,741</b>	<b>33,146</b>

During the period, cash incentive receivable has been decreased due to realize as per govt. payment schedule.

	20	20
<b>5. Cash and Cash Equivalents:</b>		
Cash in hand	20	20

	14	15
<b>Cash at bank :</b>		
CD Account with Eastern Bank Ltd., Dhaka	14	15
CD Account with DBL, Dhaka	29	29
CD Account with SCB, Dhaka	175	168
CD Account with Mutual Trust Bank, Chandra	71	72
CD Account with Mutual Trust Bank, Dikusha, Dh	87	86
CD Account with AB Bank, Dhaka	43	44
CD Account with DBBL, Dhaka	444	445
CD Account with HSBC-Dividend, Dhaka	0	0
CD Account with EBL-Dividend, Dhaka	0	0
Fixed Deposit A/C with EBL	51,660	50,972
Foreign Currency Account with EBL, Dhaka-USD	9,045	3,593
Foreign Currency Account with HSBC, Dhaka-US	177	602
STD Account with SCB, Dhaka	738	738
STD Account with EBL, Principal Branch, Dhaka	207	205
STD Account with HSBC, Dhaka	1	1
CC Accounts with EBL, Dhaka	28	29
Margin Account with EBL-USD	348,673	142,605
	<b>411,392</b>	<b>199,604</b>
	<b>411,412</b>	<b>199,624</b>

Increase of cash and cash equivalent due to build up margin balance for payment of BTB liabilities.

	(10,720)	69,953
<b>6. Working Capital Loan:</b>		
Eastern Bank Ltd, Principal Br. Dhaka	(10,720)	69,953
HSBC, Dhaka	5,156	11,178
	<b>(5,564)</b>	<b>81,131</b>

The working capital loan decreased to 106.86% due to repayment of the outstanding balance of the loan and positive fund raised from export proceeds realization.

	13,478	14,468
<b>7. Short Term Loan :</b>		
Time loan-EBL	13,478	14,468
Import loan-EBL	12,687	22,267
	<b>26,165</b>	<b>36,735</b>

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

	906,805	755,636
<b>8. Trade Creditors:</b>		
	906,805	755,636

The increase of 20.01% in trade creditors for support of the export.

	92,553	78,590
<b>9. Sundry Creditors:</b>		
	92,553	78,590

The increase of 17.77% in sundry creditors mainly for provision of salary & wages for the month of June'15 as compare to last period.

	April to June 2015	April to June 2014
<b>10. Turnover:</b>		
	933,070	641,262

Turnover has been increased by 45.51% as compared to the turnover of same period of 2014-15 due to increase of sales quantity.

Value in Taka '000'

	April to June 2015	April to June 2014
<b>11. Cost of Goods Sold:</b>		
Opening Stock of Finished Goods	31,968	2,494
Add: Cost of Production ( note # 11.a)	864,379	630,778
Less: Closing Stock of Finished Goods	<u>(31,180)</u>	<u>(46,780)</u>
	<b>865,167</b>	<b>586,492</b>
<b>11.a. Cost of Production:</b>		
Opening Raw Materials & WIP	158,652	193,475
Add: Raw Materials purchase during the year	595,729	390,727
Add: Factory Overhead (Note # 11.a.a)	259,952	196,741
Less: Closing Raw Materials & WIP	<u>(149,954)</u>	<u>(150,165)</u>
	<b>864,379</b>	<b>630,778</b>
<b>11.a.a Factory Overhead:</b>		
Wages & Salaries	200,156	157,974
Telephone Charges	7	14
Carriage	3,979	1,789
Electricity	245	389
Gas, Fuel & Lubricant	16,288	10,240
Insurance	591	1,012
Repairs & Maintenance	20,898	12,469
Vehicle Maintenance	850	509
Tent Rent	60	200
Uniform & Liveries	13	3
Fire fighting Expenses	12	85
Testing Bill	4,294	480
Depreciation	11,608	11,282
VAT Expenses	951	295
	<b>259,952</b>	<b>196,741</b>
<b>12. Administration &amp; Selling Overhead:</b>		
Bank Charges & Commission	3,727	3,087
Depreciation	461	507
Directors Remuneration	900	900
Entertainment	607	508
Export Processing & Handling Expenses	1,110	697
F.C. Charges	21,157	12,453
Freight & Forwarding Expenses	5,456	3,960
Insurance Premium	40	67
Legal & Professional Fees	214	96
Newspapers & Periodicals	3	6
Courier, Postage & Stamp	4	6
Printing & Stationery	216	1,258
Renewal & Fees	201	159
Rent & Rates	1,243	828
Repairs & Maintenance	453	982
Salary & Allowances	17,196	15,134
Sales Promotional Expenses	1,978	2,088
Subscription & Donation	1,017	6
T. A & Conveyance	344	321
Telephone, Fax and Radio Link	107	195
Transportation	899	1,437
Vehicles Maintenance	313	1,052
	<b>57,646</b>	<b>45,747</b>

	985	1,607
<b>13. Financial Expenses:</b>		
Interest on Short Term Loan	985	1,607
Interest on Overdraft	625	54
	<b>1,610</b>	<b>1,661</b>
The decrease of financial expenses due to less utilization of short term loan.		
<b>14. Other Income:</b>		
Interest earned on STD Account	11	17
Foreign Exchange Gain	109	315
FDRs Interest	772	1,018
	<b>892</b>	<b>1,350</b>
The decrease of 33.95% is mainly for decrease of lower bank interest rate on time deposits.		
<b>15. Provision for Tax:</b>	<b>4,016</b>	<b>3,240</b>
The increased 23.95% for provision for tax is mainly for more export proceeds realization during the period as compare to last period.		
<b>16. Related Party Transactions:</b>		
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/-  
Jesmin Sultana  
Assistant Company Secretary