

# 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 2014 of the Company.

## STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2014

## STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2014

	Value in Taka '000'				Value in Taka '000'				Value in Taka '000'		
	As on 31.12.2014	As on 31.03.2014	Growth %		01.04.2014 to 31.12.2014	01.04.2013 to 31.12.2013	Growth %		01.10.2014 to 31.12.2014	01.10.2013 to 31.12.2013	Growth %
<b>ASSETS</b>											
<b>Non-Current Assets:</b>	<b>294,431</b>	<b>295,082</b>									
Property, Plant and Equipment	276,585	273,062	1								
Investment	17,846	22,020	(19)								
<b>Current Assets:</b>	<b>852,608</b>	<b>841,181</b>									
Inventories	178,593	195,969	(9)								
Trade Debtors	402,758	336,933	20								
Advances, Deposits & Pre- Payments	58,396	43,695	34								
Other Receivables	35,184	9,589	267								
Cash & Cash Equivalents	177,677	254,995	(30)								
<b>TOTAL ASSETS</b>	<b>1,147,039</b>	<b>1,136,263</b>									
<b>EQUITY AND LIABILITIES</b>											
<b>Shareholders' Equity:</b>	<b>411,317</b>	<b>417,912</b>									
Share Capital	84,000	84,000	0								
Share Premium	15,000	15,000	0								
Reserve and Surplus	305,014	307,435	(1)								
Fair Valuation Surplus of Investment	7,303	11,477	(36)								
<b>Non-Current Liabilities:</b>	<b>962</b>	<b>1,218</b>									
Deferred Tax Liability	962	1,218	(21)								
<b>Current Liabilities:</b>	<b>734,760</b>	<b>717,133</b>									
Working Capital Loan (Secured)	3,162	3,652	(13)								
Short Term Loan	23,934	78,460	(69)								
Trade Creditors	610,261	574,250	6								
Sundry Creditors	97,403	60,771	60								
<b>Total Liabilities</b>	<b>735,722</b>	<b>718,351</b>									
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,147,039</b>	<b>1,136,263</b>									
<b>Net Asset Value Per Share</b>	<b>48.97</b>	<b>49.75</b>									

## STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2014

	Value in Taka '000'			
	01.04.2014 to 31.12.2014	01.04.2013 to 31.12.2013	Growth %	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Collection from turnover	2,055,687	1,700,191	21	
Other Income	5,283	6,873	(23)	
Interest and financial charges paid	(55,274)	(49,264)	12	
Income tax paid	(9,685)	(17,787)	(46)	
Payment for costs and expenses	(1,962,695)	(1,699,324)	15	
<b>Net cash generated from operating activities (a)</b>	<b>33,316</b>	<b>(59,311)</b>	<b>(156)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Property, Plant and Equipment acquired	(40,015)	(13,609)	194	
Investment in Shares	-	-	-	
<b>Net cash used in investing activities (b)</b>	<b>(40,015)</b>	<b>(13,609)</b>	<b>194</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Working Capital Loan received/(repaid)	(490)	(32,037)	(98)	
Term loan received/(repaid)	(54,526)	(44,400)	23	
Dividend Paid	(15,603)	(14,690)	6	
<b>Net cash generated from financing activities (c)</b>	<b>(70,619)</b>	<b>(91,127)</b>	<b>(23)</b>	
<b>Net increase/(decrease) in cash and cash equivalents(a+b+c)</b>	<b>(77,318)</b>	<b>(164,047)</b>	<b>(53)</b>	
Cash & cash equivalents on opening	254,995	300,258	(15)	
<b>Cash &amp; cash equivalents on closing</b>	<b>177,677</b>	<b>136,211</b>	<b>30</b>	
<b>Net Operating Cash Flow Per Share</b>	<b>3.97</b>	<b>(7.06)</b>		

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

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Fair Valuation Surplus	Capital Gain	Total
As at 1st April 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)	(4,174)	-	(20,974)
<b>As at 31st December 2014</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>172,561</b>	<b>7,303</b>	<b>2,752</b>	<b>411,317</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)
<b>As at 31st December 2013</b>	<b>84,000</b>	<b>15,000</b>	<b>129,701</b>	<b>177,305</b>	<b>2,104</b>	<b>2,752</b>	<b>410,862</b>

**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 2014.  
(3) No diluted EPS is required to be calculated as there was no dilution during this period.  
(4) Fair Valuation surplus/(deficit) of investment & deferred tax calculation have not been calculated in the 3rd quarter of last year  
(5) Last year's 3rd quarter figures have been re-arranged where considered necessary to confirm to current 3rd quarter presentation.  
(6) 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](http://www.apexknitting.com)

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

## SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED ON 31ST DECEMBER, 2014

	Value in Taka '000'	
	As on 31.12.2014	As on 31.03.2014
<b>1. Property, Plant and Equipment (WDV):</b>	<b>276,585</b>	<b>273,062</b>
During the period, fixed assets have been increased by Tk. 4,00,14,643/- mainly for new Effluent treatment plant by Tk. 3,75,22,160/- but depreciation charged during the period is Tk. 3,64,92,296/- . 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.		
<b>2. Trade Debtors:</b>		
Trade Debtors	402,758	336,933
	<b>402,758</b>	<b>336,933</b>
The growth of 19.54% in trade debtors due to increased of turnover during this period.		
<b>3. Advance, Deposits &amp; Pre-payments:</b>		
Advance Income Tax	41,399	31,714
Staff Advance	-	44
Securities & Deposits	6,512	7,260
Advance against expenses	10,485	4,677
	<b>58,396</b>	<b>43,695</b>

The growth of 33.65% mainly due to deduction of tax at source from export proceeds & tax from bank interest on FDRs & STD account & advanced against purchase.

<b>4. Other Receivable:</b>		
Cash Incentive Receivable	34,845	9,589
Dividend Receivable	339	-
	<b>35,184</b>	<b>9,589</b>

The growth of 266.96% 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 and Cash Equivalents:</b>		
<b>Cash in hand</b>	<b>20</b>	<b>20</b>
<b>Cash at Bank:</b>		
CD Account with EBL, Dhaka	15	16
CD Account with DBL, Dhaka	29	29
CD Account with S.C. B-Dhaka	170	153
CD Account with MTB, Chandora	72	76
CD Account with MTB, Dhaka	87	88
CD Account with AB Bank, Dhaka	44	45
CD Account with DBBL, Dhaka	164	171
CD Account with HSBC ( Dividend)	0	0
CD Account with EBL ( Dividend)	0	0
FCY Account with EBL, Dhaka-USD	4,209	4,335
FCY Account with HSBC, Dhaka-USD	462	369
STD Account with S.C. B, Dhaka	739	739
STD Account with EBL	205	198
STD Account with HSBC, Dhaka	1	1
Cash Credit A/C With EBL, Dhaka	29	30
Margin Account with EBL-USD	121,138	200,788
Margin Account with HSBC-USD	-	-
Fixed Deposits Accounts with EBL, Dhaka	50,293	47,937
	<b>177,657</b>	<b>254,975</b>
	<b>177,677</b>	<b>254,995</b>

Decrease of cash and cash equivalents due to deferred liabilities pay off.

<b>6. Working Capital Loan:</b>		
Eastern Bank Ltd, Principal Br. Dhaka	(8,550)	4,913
HSBC, Dhaka	11,712	(1,261)
	<b>3,162</b>	<b>3,652</b>

The working capital loan has been decreased to 13.42% due to repayment of the outstanding balance of the loan.

<b>7. Short Term Loan :</b>		
Time loan-EBL	6,133	7,168
Import loan-EBL	17,801	71,292
	<b>23,934</b>	<b>78,460</b>

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

<b>8. Sundry Creditors:</b>		
Sundry Creditors	97,403	60,771

The increase of 60.28% in sundry creditors mainly for provision of salary & wages and earn leave/2014 for the month of December'14 byTk. 5,02,91,664/ as compare to last period.

	April to December 2014	April to December 2013
<b>9. Turnover:</b>	<b>2,121,512</b>	<b>1,842,310</b>

Turnover has been increased by 15.15% as compared to the turnover of same period of 2013-14 due to increase of unit sales.

Sd/-  
Zahur Ahmed PhD  
Managing Director

Sd/-  
Shahriar Ahmed  
Director

Sd/-  
Kamruzzaman FCA  
Chief Financial Officer

	Value in Taka '000'	
	April to December 2014	April to December 2013
<b>10. Cost of Goods Sold:</b>		
Opening Stock of Finished Goods	2,494	3,511
Add: Cost of Production ( note # 10.a)	1,966,742	1,681,418
Less: Closing Stock of Finished Goods	(26,560)	(10,364)
	<b>1,942,676</b>	<b>1,674,565</b>
<b>10.a. Cost of Production:</b>		
Opening Raw Materials & WIP	193,475	181,585
Add: Raw Materials purchase during the year	1,231,920	1,147,414
Add: Factory Overhead (Note # 10.a.a)	693,381	513,556
Less: Closing Raw Materials & WIP	(152,033)	(161,137)
	<b>1,966,742</b>	<b>1,681,418</b>

<b>10.a.a Factory Overhead:</b>		
Wages & Salaries	574,342	405,263
Telephone Charges	48	60
Carriage	5,706	3,376
Electricity	923	1,513
Gas, Fuel & Lubricant	31,814	29,021
Insurance	5,913	5,233
Repairs & Maintenance	34,914	23,598
Vehicle Maintenance	2,099	1,872
Tent Rent	200	480
Uniform & Liveries	26	22
Fire fighting Expenses	265	881
Testing Bill	1,652	832
Depreciation	34,963	38,637
VAT Expenses	516	2,768
	<b>693,381</b>	<b>513,556</b>

<b>11. Administration &amp; Selling Overhead:</b>		
Bank Charges & Commission	9,972	9,897
Board Meeting Fees	13	8
Depreciation	1,529	1,728
Directors Remuneration	2,700	2,700
Entertainment	1,360	1,088
Export Processing & Handling Expenses	2,918	3,655
F.C. Charges	41,180	34,129
Freight & Forwarding Expenses	12,458	11,646
Insurance Premium	584	698
Legal & Professional Fees	473	489
Newspapers & Periodicals	31	42
Courier, Postage & Stamp	36	58
Printing & Stationery	3,394	2,328
Publicity & Advertisement	275	222
Renewal & Fees	3,225	2,474
Rent & Rates	4,888	2,824
Repairs & Maintenance	1,818	3,759
Salary & Allowances	56,970	50,018
Sales Promotional Expenses	2,906	4,808
Subscription & Donation	18	233
T. A & Conveyance	999	840
Telephone, Fax and Radio Link	527	614
Transportation	5,410	3,838
Vehicles Maintenance	1,453	1,584
	<b>155,137</b>	<b>139,679</b>

<b>12. Financial Expenses:</b>		
Interest on Term Loan	3,160	2,934
Interest on Overdraft	962	2,303
	<b>4,122</b>	<b>5,237</b>

The decrease of financial expenses due to repayment of short term loan & proper working capital management.

<b>13. Other Income:</b>		
Interest earned on STD Account	31	24
Interest earned on FDRs Account	2,618	3,733
Dividend Income	1,766	1,733
Foreign Exchange Gain/(Loss)	868	1,384
	<b>5,283</b>	<b>6,873</b>

The decrease of 23.13% is mainly for decrease of lower bank interest rate on time deposits.

<b>14. Provision for Tax:</b>	<b>9,494</b>	<b>16,527</b>
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The decreased 42.55% for provision for tax is mainly for reduction of TDS on export proceeds from .80% to .30% as compare to last period with effect from 22th April, 2014.

**15. 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.