

APEX FOODS 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, in addition to Rule 13 of the Securities & Exchange Rules 1987, we are pleased to forward herewith the un-audited Half Yearly (Q2) 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'		
	As on 31.12.2013	As on 30.06.2013	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	179,151	154,421	16
Machinery in Transit	-	32,033	(100)
Investment	151,280	151,280	0
Immovable Properties	12,040	12,040	0
Deferred Tax Assets	326	326	0
	342,797	350,100	(2)
Current Assets:			
Inventories	661,531	875,860	(24)
Trade Debtors	74,478	98,150	(24)
Advances, Deposits & Pre- Payments	79,773	55,735	43
Other Receivables	195,304	77,357	152
Cash & Cash Equivalents	279,981	301,451	(7)
	1,291,067	1,408,553	(8)
TOTAL ASSETS	1,633,864	1,758,653	
	=====	=====	
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	145,604	145,717	(0)
Fair Valuation Surplus of Investment	106,030	106,030	0
	517,746	517,859	(0)
Non-Current Liabilities:			
Long Term Loan	105,000	112,500	(7)
	105,000	112,500	(7)
Current Liabilities:			
Working Capital Loan (Secured)	774,560	778,328	(0)
Long Term Loan-Current Maturity	31,523	65,817	(52)
Short Term Loan	56,805	124,377	(54)
Trade Creditors	56,596	54,259	4
Sundry Creditors	9,482	53,741	(82)
Income Tax Payable	76,551	47,789	60
Other Liabilities	5,601	3,983	41
	1,011,118	1,128,294	(10)
Total Liabilities	1,116,118	1,240,794	(10)
TOTAL EQUITY & LIABILITIES	1,633,864	1,758,653	
	=====	=====	
Net Asset Value Per Share	90.79	90.81	

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

	01.07.2013			01.07.2012		
	to 31.12.2013	to 31.12.2012	Growth %	to 31.12.2013	to 31.12.2012	Growth %
TURNOVER	2,412,985	1,816,377	33	1,181,041	937,151	26
Cost of Goods Sold	2,247,821	1,652,783	36	1,096,037	849,524	29
GROSS PROFIT	165,164	163,594	1	85,004	87,627	(3)
OPERATING EXPENSES:	150,908	158,710	(5)	72,241	83,447	(13)
Administrative & Selling Overhead	95,169	104,205	(9)	44,968	53,898	(17)
Financial Expenses	55,739	54,505	2	27,273	29,549	(8)
OPERATING PROFIT	14,256	4,884	192	12,763	4,180	205
Other Income	26,705	29,932	(11)	6,224	12,914	(52)
PROFIT BEFORE PPF & WF	40,961	34,816	18	18,987	17,094	11
Provision for Contribution to PPF & WF	2,048	1,741	18	949	855	11
PROFIT BEFORE TAX	38,913	33,075	18	18,038	16,239	11
Provision for tax	28,762	23,075	25	13,518	11,228	20
NET PROFIT AFTER TAX	10,151	10,000	2	4,520	5,011	(10)
TOTAL COMPREHENSIVE INCOME	10,151	10,000	2	4,520	5,011	(10)
Basic earning per share	1.78	1.75	2	0.79	0.88	(10)

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

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
As at 1st July 2013	57,024	209,088	51,163	93,947	607	106,030	517,859
Net Profit for the six months ended on 31st December 2013	-	-	-	10,151	-	-	10,151
Dividend for the year 2012-13	-	-	-	(10,264)	-	-	(10,264)
As at 31st December 2013	57,024	209,088	51,163	93,834	607	106,030	517,746

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

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
As at 1st July 2012	57,024	209,088	51,163	89,622	607	143,937	551,441
Net Profit for the six months ended on 31st December 2012	-	-	-	10,000	-	-	10,000
Dividend for the year 2011-12	-	-	-	(10,264)	-	-	(10,264)
As at 31st December 2012	57,024	209,088	51,163	89,358	607	143,937	551,177

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

	Value in Taka '000'		
	01.07.2013 to 31.12.2013	01.07.2012 to 31.12.2012	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	2,436,657	1,805,049	35
Other Income	26,705	29,932	(11)
Interest and other financial charges paid	(55,739)	(54,505)	2
Income tax paid	(25,141)	(21,148)	19
Payment for costs and expenses	(2,270,655)	(1,866,598)	22
Net cash generated from operating activities (a)	111,827	(107,270)	(204)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(11,516)	(17,143)	(33)
Net cash used in investing activities (b)	(11,516)	(17,143)	(33)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(3,768)	27,442	(114)
Long Term loan received/(repaid)	(41,794)	8,012	(622)
Short Term Loan received/(repaid)	(67,572)	95,081	(171)
Dividend paid	(8,647)	(8,538)	1
Net cash generated from financing activities (c)	(121,781)	121,997	(200)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	(21,470)	(2,416)	789
Cash & cash equivalents on opening	301,451	332,017	(9)
Cash & cash equivalents on closing	279,981	329,601	(15)
Net Operating Cash Flow Per Share	19.61	(18.81)	

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 2013.
- (3) Last years six month's figures were rearranged where considered necessary to conform to current six months presentation.
- (4) Figures were rounded-off to the nearest thousand Taka.
- (5) Notes to the financial statements are given where considered necessary.
- (6) Revaluation surplus/deficit of investments and deferred tax have not been considered because it will be calculated and shown in the yearly financial statements.

Note: The details of the published half yearly financial statements can be available in the web-site of the Company .
The address of the web-site is www.apexfoods.com

Sd/-
Zafar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 31.12.2013

	Value in Taka '000'	
	As on	As on
	<u>31.12.2013</u>	<u>30.06.2013</u>
1. PROPERTY, PLANT & EQUIPMENT:	179,151	154,421
During the period an amount of Tk. 32,033,037 has been added in plant & Machinery for Gas Generator which was shown machinery in transit in the Statement of Financial Position of 2012-13.		
2. INVENTORIES:		
Shrimps	643,869	860,755
Stock of Packing Materials	14,050	10,036
Stock of Chemical & Ingredients	3,612	5,069
	<u>661,531</u>	<u>875,860</u>

3. TRADE DEBTORS	74,478	98,150
Trade debtors are considered good and subsequently realized in full.		

4. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance to Expenses	-	1,473
Deposits & Prepayments	7,943	7,341
Advance Income Tax	71,830	46,689
L/C Margin with Agrani Bank Ltd.	-	232
	<u>79,773</u>	<u>55,735</u>

The growth of 43.13% mainly in Advance Income tax due to increase in Tax deduction at Source. The rate was 0.80% on realised value of export.

5. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Cash incentive Receivable	179,049	61,102
	<u>195,304</u>	<u>77,357</u>

The growth of 152.47% 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.

6. CASH AND CASH EQUIVALENTS:

Cash in Hand:		
Head Office	107	88
Factory Office	142	106
	<u>249</u>	<u>194</u>

Cash at Bank with:

Agrani Bank, Agrabad Corporate Br. Chittagong.	22,522	22,003
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	629	631
Eastern Bank Ltd., Principal Branch, Dhaka	23	30
The Hongkong & Shanghai Banking Corporation, Dhaka	2,517	1,175
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	8	10
FDR with HSBC, Dhaka	86,944	82,555
FDR with Eastern Bank Limited, Dhaka	11,701	52,837
FDR with Dhaka Bank Limited, Dhaka	155,388	142,016
	<u>279,732</u>	<u>301,257</u>
	<u>279,981</u>	<u>301,451</u>

7. WORKING CAPITAL LOAN:		
Against Hypothecation	158,403	161,887
Against Pledge of Finished Goods	616,157	616,441
	<u>774,560</u>	<u>778,328</u>

The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.

8. LONG TERM LOAN-CURRENT MATURITY:	31,523	65,817
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Decrease of 52.11% is due to less amount of term loan payable in next twelve months as per schedule of re-payment.

9. SHORT TERM LOAN:

Dhaka Bank Limited	26,919	92,978
Liability for Machinery with HSBC	29,886	31,399
	<u>56,805</u>	<u>124,377</u>

Decrease of 54.33% is due to payment of Loan from Dhaka Bank Limited.

10. TRADE CREDITORS:	56,596	54,259
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11. OTHER LIABILITIES:

Unclaimed Dividend	5,601	3,983
	<u>5,601</u>	<u>3,983</u>

The growth of 40.61% due to dividend payable for 2012-13 which were not presented to the bank within 31.12.13.

	01.07.2013	01.07.2012
	to	to
	<u>31.12.2013</u>	<u>31.12.2012</u>
12. TURNOVER:	2,412,985	1,816,377

Turnover has been Increased 32.85% (i.e. From 1,816.38 million to 2,412.99 million) as compared to the turnover of same period of 2012-13 because of more quantity of sale.

13. COST OF GOODS SOLD:

Opening Stock of Finished Goods	860,755	696,035
Add. Cost of Production-Note-14	2,030,935	1,692,491
	<u>2,891,690</u>	<u>2,388,526</u>
Less: Closing Stock of Finished Goods	643,869	735,743
	<u>2,247,821</u>	<u>1,652,783</u>

Sd/-
Zafar Ahmed
Managing Director

14. COST OF PRODUCTION:		
Raw Materials	1,911,687	1,571,189
Packing Material & Chemicals-Note-15	51,786	56,356
Direct Labour	19,707	27,467
Factory Overhead-Note-16	29,629	22,351
Depreciation	18,126	15,128
	<u>2,030,935</u>	<u>1,692,491</u>

The increase of cost of goods sold due to the increase of turnover.

15. PACKING MATERIALS, CHEMICALS & ICE CONSUMED:

Opening balance (Packing Materials)	10,036	19,837
Add: Packing Materials Purchase	44,886	45,121
	<u>54,922</u>	<u>64,958</u>
Less: Packing Materials in hand	14,050	17,925
	<u>40,872</u>	<u>47,033</u>
Opening balance (Chemical & Ingredients)	5,069	-
Add: Chemical, Ingredients & Ice Purchase	9,457	9,323
	<u>55,398</u>	<u>56,356</u>
Less: Chemical, Ingredients in hand	3,612	-
	<u>51,786</u>	<u>56,356</u>

16. FACTORY OVERHEAD:

Wages & Salaries	13,669	7,042
Bonus to Workers'	557	562
Power, Fuel & Water	9,996	10,045
Consumable Stores & Spares	1014	833
Repair & Maintenance	4,336	3,827
Carriage Inward	57	42
	<u>29,629</u>	<u>22,351</u>

The growth of 94.11% in wages & salaries is due to higher contractual labour rate, more productions and yearly increment.

17. ADMINISTRATIVE AND SELLING OVERHEAD:

Advertisement	230	232
AGM Expenses	362	332
Board meeting fees	9	8
Bonus to Staff	2,950	2,222
Contribution to Provident Fund	722	665
Depreciation	692	734
Directors Remuneration	4,500	4,500
Donation & Subscription	26	24
Electricity & WASA Charges	46	58
Entertainment	364	358
Freight & Forwarding	46,033	57,106
General Fees & Charges	44	72
Guest House Expenses	329	307
Insurance Premium	2,752	165
Laboratory Expenses	124	214
Laboratory Testing Fees	5,205	6,932
Legal & Professional Fees	150	26
License & renewals	387	280
Medical Expenses	6	8
Membership Subscription	1	1
Newspaper & Periodicals	23	17
Office Maintenance	92	250
Postage & Stamp	312	333
Printing & Stationery	484	451
Rejection Insurance Premium	2,049	1,937
Rent, Rates & Taxes	1,442	1,426
Salary & Allowances	12,791	11,665
Sales Commission	5,199	2,536
Sales Promotion Expenses	4,097	7,253
Sanitation Expenses	194	213
Staff fooding	649	553
Staff Welfare Expenses	91	100
T.A & Conveyance	1,557	1,378
Telephone, Telex & Fax	385	445
Uniform & Liveries	282	382
Vehicles Maintenance	590	1,022
	<u>95,169</u>	<u>104,205</u>

18. FINANCIAL EXPENSES:

Interest	47,074	46,189
Charges	8,665	8,316
	<u>55,739</u>	<u>54,505</u>

19. OTHER INCOME:

Dividend income	5,502	4,074
Interest earned	21,203	25,858
	<u>26,705</u>	<u>29,932</u>

Decrease in interest earned is mainly due to less earnings of interest on FDRs as the FDR rate was lower during the period.

20. PROVISION FOR TAX:

The growth of 24.65% is mainly due to more tax deduction at source on export as the export has been increased during the period.

21. RELATED PARTY TRANSACTIONS:

There was no transaction with the Associated Companies during the period. Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer