

APEX FOODS LIMITED

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

UN-AUDITED FIRST QUARTERLY (Q1) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 30TH SEPTEMBER 2015

STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30TH SEPTEMBER, 2015

Value in Taka '000'

	As on 30.09.2015	As on 30.06.2015	Growth %
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	147,685	155,017	(5)
Investment	192,958	175,689	10
	340,643	330,706	3
Current Assets:			
Inventories	829,084	906,868	(9)
Advances, Deposits & Pre- Payments	146,411	139,966	5
Other Receivables	67,189	84,081	(20)
Cash & Cash Equivalents	328,422	318,325	3
	1,371,106	1,449,240	(5)
TOTAL ASSETS	1,711,749	1,779,946	
EQUITY AND LIABILITIES			
Shareholder's Equity:			
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	203,688	225,931	(10)
Fair Valuation Surplus of Investments	132,937	130,440	2
	602,737	622,483	(3)
Non-Current Liabilities:			
Deferred Tax Liabilities	14,961	200	7,380
Long Term Loan	52,500	52,500	0
	67,461	52,700	28
Current Liabilities:			
Working Capital Loan (Secured)	756,413	794,270	(5)
Long Term Loan-Current Maturity	31,523	30,000	5
Short Term Loan	22,984	52,627	(56)
Trade Creditors	51,166	61,894	(17)
Sundry Creditors	20,192	24,688	(18)
Income Tax Payable	142,637	136,052	5
Other Liabilities	16,636	5,232	218
	1,041,551	1,104,763	(6)
Total Liabilities	1,109,012	1,157,463	(4)
TOTAL EQUITY & LIABILITIES	1,711,749	1,779,946	
Net Asset Value Per Share	105.70	109.16	

STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2015

Value in Taka '000'

	01.07.2015 to 30.09.2015	01.07.2014 to 30.09.2014	Growth %
TURNOVER			
Cost of goods sold	444,810	1,107,027	(60)
	408,158	1,016,068	(60)
GROSS PROFIT	36,652	90,959	(60)
OPERATING EXPENSES:			
Administrative & selling overhead	27,733	60,628	(54)
Financial expenses	24,490	28,043	(13)
OPERATING PROFIT/(LOSS)	(15,571)	2,288	(781)
Other income	11,308	20,236	(44)
PROFIT BEFORE PPF & WF	(4,263)	22,524	(119)
Provision for contribution to PPF & WF	-	1,126	(100)
PROFIT/(LOSS) BEFORE TAX	(4,263)	21,398	(120)
Tax Expenses:			
Current tax	6,585	16,211	(59)
Deferred tax expenses/(income)	(10)	10	(197)
NET PROFIT/(LOSS) AFTER TAX	(10,838)	5,177	(309)
Other comprehensive income			
Fair valuation surplus/(deficit) of investments	17,268	(10,128)	271
Deferred tax (expenses)/income on share valuation surplus	(1,727)	1,013	271
TOTAL COMPREHENSIVE INCOME	4,703	(3,938)	219
EPS with fair valuation surplus/(deficit) of investments	0.82	(0.69)	219
EPS without fair valuation surplus/(deficit) of investments	0.91	0.91	(309)

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

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2015	57,024	209,088	51,163	174,161	607	130,440	622,483
Net Profit/(Loss) for the first quarter ended on 30th September 2015	-	-	-	(10,838)	-	-	(10,838)
Final dividend for the year 2014-15	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	15,541	15,541
Prior years adjustments of deferred tax	-	-	-	-	-	(13,044)	(13,044)
As at 30th September 2015	57,024	209,088	51,163	151,918	607	132,937	602,737

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2014

Value in Taka '000'

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2014	57,024	209,088	51,163	100,724	607	143,446	562,052
Net Profit for the first quarter ended on 30th September 2014	-	-	-	5,177	-	-	5,177
Final dividend for the year 2013-14	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	(9,115)	(9,115)
As at 30th September 2014	57,024	209,088	51,163	94,496	607	134,331	546,709

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 2015.
- (3) No diluted EPS is required to be calculated as there was no dilution during this period.
- (4) Last year's first quarterly figures have been re-arranged where considered necessary to conform to current quarter's presentation.
- (5) Figures were rounded-off to the nearest thousand Taka.

Note: The details with selected 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.apexfoods.com

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED ON 30TH SEPTEMBER, 2015

Value in Taka '000'

	01.07.2015 to 30.09.2015	01.07.2014 to 30.09.2014	Growth %
CASH FLOWS FROM OPERATING ACTIVITIES:			
Collection from turnover	444,810	1,021,653	(56)
Other Income	799	15,710	(95)
Interest and other financial charges paid	(22,967)	(28,043)	(18)
Income tax paid	(5,008)	(13,520)	(63)
Payment for costs and expenses	(339,646)	(1,032,737)	(67)
Net cash generated from operating activities (a)	77,988	(36,937)	(311)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property, Plant and Equipment acquired	(390)	(5,547)	(93)
Net cash used in investing activities (b)	(390)	(5,547)	(93)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Working Capital Loan received/(repaid)	(37,857)	41,537	(191)
Long Term loan received/(repaid)	-	(5,977)	100
Short Term loan received/(repaid)	(29,643)	1,596	(1,957)
Dividend paid	(1)	(22)	(94)
Net cash generated from financing activities (c)	(67,501)	37,134	(282)
Net increase/(decrease) in cash and cash equivalents(a+b+c)	10,097	(5,350)	289
Cash & cash equivalents on opening	318,325	242,050	32
Cash & cash equivalents on closing	328,422	236,700	39
Net Operating Cash Flow Per Share	13.68	(6.48)	

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

Sd/-
Jesmin Sultana
Assistant Company Secretary

SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED ON 30.09.2015

Value in Taka '000'

	As on <u>30.09.2015</u>	As on <u>30.06.2015</u>
1. PROPERTY, PLANT & EQUIPMENT:	147,685	155,017
During the period addition has been made for Tk. 1,16,247/- and depreciation has been calculated as per BAS 16.		
2. INVENTORIES:		
Shrimps	814,305	895,527
Packing Materials	10,247	8,662
Chemical & Ingredients	4,532	2,679
	<u>829,084</u>	<u>906,868</u>
3. ADVANCES, DEPOSITS AND PREPAYMENTS:		
Advance against expenses	107	48
Deposits & Prepayments	8,206	6,639
Advance Income Tax	138,098	133,090
L/C margin with Agrani Bank Limited	-	189
	<u>146,411</u>	<u>139,966</u>

The growth of 5% in Advance, deposits and pre-payments mainly due to advance tax deduction at Source on Cash incentive and realised value of export.

	As on <u>30.09.2015</u>	As on <u>30.06.2015</u>
4. OTHER RECEIVABLES:		
Insurance Claim Receivable	16,255	16,255
Dividend receivable	4,526	-
Cash incentive Receivable	39,463	57,439
FDR's Interest Receivable	6,945	10,387
	<u>67,189</u>	<u>84,081</u>

Cash incentive receivable from the Bank which will be received through Agrani Bank Limited time to time depending on their availability of fund from Bangladesh Bank.

5. CASH AND CASH EQUIVALENTS:

Cash in Hand:		
Head Office	33	112
Factory Office	198	32
	<u>231</u>	<u>144</u>

Cash at Bank with:		
Agrani Bank, Agrabad Corporate Br. Chittagong.	22,614	21,345
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	623	623
Eastern Bank Ltd., Principal Branch, Dhaka	11	86
The Hongkong & Shanghai Banking Corporation, Dhaka	2,181	2,116
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	4	4
FDR with Dhaka Bank Limited, Dhaka	302,758	294,007
	<u>328,191</u>	<u>318,181</u>
	<u>328,422</u>	<u>318,325</u>

6. Fair Valuation Surplus of Investments 132,937 130,440

This represents the difference of market value and the cost of the investment.

7. DEFERRED TAX LIABILITIES: 14,961 200

This increased due to implementation of BAS 12 on fair valuation surplus of investments.

8. WORKING CAPITAL LOAN:		
Against Hypothecation	140,126	176,478
Against Pledge of Finished Goods	616,287	617,792
	<u>756,413</u>	<u>794,270</u>

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

9. LONG TERM LOAN-CURRENT MATURITY: 31,523 30,000

This represents the term loan and Interest payable in next twelve months as per schedule of re-payment.

10. SHORT TERM LOAN:		
Dhaka Bank Limited	22,984	52,627
	<u>22,984</u>	<u>52,627</u>

Short term loan with Dhaka Bank Limited represents the utilization of limit for procurement of Raw Materials. The Limit is 100 million.

11. TRADE CREDITORS: 51,166 61,894

Trade creditors represents the amount payable to the gher owners of Shrimps from whom we procure the shrimps.

12. OTHER LIABILITIES:		
Unclaimed Dividend	16,636	5,232
	<u>16,636</u>	<u>5,232</u>

The growth of 218% due to dividend payable for 2014-15 which has been approved in

AGM but not paid within this period.

	01.07.2015 to <u>30.09.2015</u>	01.07.2014 to <u>30.09.2014</u>
13. TURNOVER:	444,810	1,107,027

Turnover has been decreased 60% as compared to the turnover of same period of last year due to price fall in the international market.

Value in Taka '000'

01.07.2015 to
30.09.2015 01.07.2014 to
30.09.2014

14. COST OF GOODS SOLD:		
Opening Stock of Finished Goods	895,527	795,189
Add. Cost of Production-Note 15	326,936	1,042,476
	<u>1,222,463</u>	<u>1,837,665</u>
Less: Closing Stock of Finished Goods	814,305	821,597
	<u>408,158</u>	<u>1,016,068</u>

The decrease of 60% in Cost of Goods Sold mainly due to the decrease of Turnover.

15. COST OF PRODUCTION:

Raw Materials	292,317	979,624
Packing Material & Chemicals	11,765	30,141
Direct Labour	4,620	11,896
Factory Overhead-Note 16	11,099	12,698
Depreciation	7,135	8,117
	<u>326,936</u>	<u>1,042,476</u>

The decrease of 69% in Cost of production mainly due to decrease of turnover in this period.

16. FACTORY OVERHEAD:

Wages & Salaries	5,825	6,613
Bonus to Workers'	543	551
Power, Fuel & Water	3,213	3,064
Consumable Stores & Spares	167	485
Repair & Maintenance	1,338	1,945
Carriage Inward	13	40
	<u>11,099</u>	<u>12,698</u>

17. ADMINISTRATIVE AND SELLING OVERHEAD:

Advertisement	83	84
AGM Expenses	103	110
Board meeting fees	5	5
Bonus to Staff	2,459	2,814
Contribution to Provident Fund	314	232
Depreciation	312	345
Directors Remuneration	2,250	2,250
Donation & Subscription	6	9
Electricity & WASA Charges	94	24
Entertainment	135	104
Freight & Forwarding	8,406	19,179
General Fees & Charges	5	4
Guest House Expenses	152	154
Laboratory Expenses	4	23
Laboratory Testing Fees	875	2,941
Legal & Professional Fees	14	14
License & renewals	97	85
Medical Expenses	1	2
Membership Subscription	1	1
Newspaper & Periodicals	16	15
Office Maintenance	75	146
Postage & Stamp	67	130
Printing & Stationery	133	315
Rejection Insurance Premium	698	2,897
Rent, Rates & Taxes	150	853
Salary & Allowances	6,300	6,533
Sales Commission	1,100	10,315
Sales Promotion Expenses	2,544	9,284
Sanitation Expenses	36	113
Staff fooding	140	105
Staff Welfare Expenses	215	353
T.A & Conveyance	409	364
Telephone, Telex & Fax	161	135
Uniform & Liveries	32	168
Vehicles Maintenance	341	522
	<u>27,733</u>	<u>60,628</u>

The decrease of 54% in administrative and selling overhead mainly due to decrease of turnover during this period.

18. FINANCIAL EXPENSES:

Interest	23,171	24,955
Charges	1,319	3,088
	<u>24,490</u>	<u>28,043</u>

19. OTHER INCOME:

	<u>11,308</u>	<u>20,236</u>
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Other income decreased 44% mainly due to lower rate of interest on FDRs.

20. PROVISION FOR TAX: 6,585 16,211

The decrease of 59% in provision for tax mainly due to the tax deduction at source on export proceeds as the turnover was lower in this period.

21. RELATED PARTY TRANSACTIONS:

There was no related party transaction during the period.

<p>Sd/- Zafar Ahmed Chairman</p>	<p>Sd/- Shahriar Ahmed Managing Director</p>	<p>Sd/- Ashim Kumar Barua Director</p>	<p>Sd/- S. K. Halder Chief Financial Officer</p>	<p>Sd/- Jesmin Sultana Assistant Company Secretary</p>
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