

# APEX FOODS LIMITED

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

UN-AUDITED HALF YEARLY (Q2) FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON 31ST DECEMBER 2017

## STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31ST DECEMBER, 2017

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2017

Value in Taka '000'

Value in Taka '000'

	As on 31.12.2017	As on 30.06.2017	Growth %
<b>ASSETS</b>			
<b>Non-Current Assets:</b>	<b>393,145</b>	<b>385,534</b>	<b>2</b>
Property, Plant and Equipment	110,773	113,077	(2)
Investments	277,253	267,338	4
Security Deposits	5,119	5,119	0
<b>Current Assets:</b>	<b>1,375,739</b>	<b>1,372,968</b>	<b>0</b>
Inventories	926,657	879,430	5
Trade Receivables	27,082	62,374	(57)
Advances, Deposits & Prepayments	54,689	39,859	37
Other Receivables	152,265	161,028	(5)
Short Term Investments	208,714	224,138	(7)
Cash & Cash Equivalents	6,332	6,139	3
<b>TOTAL ASSETS</b>	<b>1,768,884</b>	<b>1,758,502</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>	<b>658,485</b>	<b>656,322</b>	<b>0</b>
Share Capital	57,024	57,024	0
Share Premium	209,088	209,088	0
Reserve and Surplus	183,569	190,331	(4)
Fair Valuation Surplus of Investments	208,804	199,879	4
<b>Non-Current Liabilities:</b>	<b>28,376</b>	<b>24,272</b>	<b>17</b>
Deferred Tax Liabilities	25,727	24,272	6
Long Term Loan	2,649	-	100
<b>Current Liabilities:</b>	<b>1,082,023</b>	<b>1,077,908</b>	<b>0</b>
Working Capital Loan (Secured)	769,887	768,871	0
Long Term Loan-Current Maturity	8,105	22,500	(64)
Short Term Loan	104,000	96,451	8
Trade Payables	90,856	104,522	(13)
Other Payables	35,659	39,356	(9)
Current Tax Liability	54,686	38,760	41
Other Liabilities	18,830	7,448	153
<b>Total Liabilities</b>	<b>1,110,399</b>	<b>1,102,180</b>	<b>1</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,768,884</b>	<b>1,758,502</b>	<b>1</b>
<b>Net Asset Value Per Share</b>	<b>115.48</b>	<b>115.10</b>	

	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016	Growth %	01.10.2017 to 31.12.2017	01.10.2016 to 31.12.2016	Growth %
<b>REVENUE</b>	<b>1,264,005</b>	<b>1,035,060</b>	<b>22</b>	<b>585,796</b>	<b>572,703</b>	<b>2</b>
Cost of Goods Sold	(1,159,822)	(937,954)	24	(540,558)	(524,382)	3
<b>GROSS PROFIT</b>	<b>104,183</b>	<b>97,106</b>	<b>7</b>	<b>45,238</b>	<b>48,321</b>	<b>(6)</b>
<b>OPERATING EXPENSES:</b>	<b>(94,179)</b>	<b>(97,807)</b>	<b>(4)</b>	<b>(43,160)</b>	<b>(49,516)</b>	<b>(13)</b>
Administrative & Selling Overhead	(58,451)	(48,378)	21	(28,121)	(24,349)	15
Financial Expenses	(35,728)	(49,429)	(28)	(15,039)	(25,167)	(40)
<b>OPERATING PROFIT/(LOSS)</b>	<b>10,004</b>	<b>(701)</b>	<b>1,527</b>	<b>2,078</b>	<b>(1,195)</b>	<b>274</b>
Other Income	12,134	16,954	(28)	9,340	10,655	(12)
<b>PROFIT BEFORE PPF &amp; WF</b>	<b>22,138</b>	<b>16,253</b>	<b>36</b>	<b>11,418</b>	<b>9,460</b>	<b>21</b>
Provision for Contribution to PPF & WF	(1,107)	(813)	36	(571)	(473)	21
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>21,031</b>	<b>15,440</b>	<b>36</b>	<b>10,847</b>	<b>8,987</b>	<b>21</b>
<b>Tax Expenses:</b>	<b>(16,388)</b>	<b>(11,817)</b>	<b>39</b>	<b>(8,617)</b>	<b>(6,952)</b>	<b>24</b>
Current tax	(15,926)	(13,243)	20	(7,422)	(7,532)	(1)
Deferred tax (expenses) / Income	(462)	1,426	(132)	(1,195)	580	(306)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>4,643</b>	<b>3,623</b>	<b>28</b>	<b>2,230</b>	<b>2,035</b>	<b>10</b>
<b>Other comprehensive income</b>	<b>8,925</b>	<b>31,990</b>	<b>(72)</b>	<b>(35,261)</b>	<b>(38,022)</b>	<b>(7)</b>
Fair valuation surplus/(deficit) of investments	9,917	35,544	(72)	(39,179)	(42,247)	(7)
Deferred tax (expenses)/income on share valuation surplus	(992)	(3,554)	(72)	3,918	4,225	(7)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>13,568</b>	<b>35,613</b>	<b>(62)</b>	<b>(33,031)</b>	<b>(35,987)</b>	<b>(8)</b>
<b>Earning Per Share (EPS)</b>	<b>0.81</b>	<b>0.64</b>	<b>28</b>	<b>0.39</b>	<b>0.36</b>	<b>10</b>

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2017

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
<b>As at 1st July 2017</b>	57,024	209,088	51,163	138,561	607	199,879	656,322
Net Profit for the six months ended on 31st December 2017	-	-	-	4,643	-	-	4,643
Dividend for the year 2016-17	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	8,925	8,925
<b>As at 31st December 2017</b>	57,024	209,088	51,163	131,799	607	208,804	658,485

## STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2017

	01.07.2017 to 31.12.2017	01.07.2016 to 31.12.2016	Growth %
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Collection from revenue	1,299,297	1,021,661	27
Other Income	9,150	16,175	(43)
Interest and other financial charges paid	(35,728)	(49,429)	(28)
Income tax paid	(14,629)	(10,710)	37
Payment for costs and expenses	(1,260,800)	(1,049,048)	20
<b>Net cash used in operating activities (a)</b>	<b>(2,710)</b>	<b>(71,351)</b>	<b>(96)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Property, Plant and Equipment acquired	(9,317)	(2,388)	290
Short term investments	15,424	33,891	54
<b>Net cash generated from investing activities (b)</b>	<b>6,107</b>	<b>31,503</b>	<b>81</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Working Capital Loan received/(repaid)	1,016	32,209	(97)
Long Term loan received/(repaid)	(11,746)	(15,000)	(22)
Short Term Loan received/(repaid)	7,549	21,993	(66)
Dividend paid	(23)	(29)	(22)
<b>Net cash used in financing activities (c)</b>	<b>(3,204)</b>	<b>39,173</b>	<b>(108)</b>
<b>Net increase/(decrease) in cash and cash equivalents(a+b+c)</b>	<b>193</b>	<b>(675)</b>	<b>129</b>
Cash & cash equivalents on opening	6,139	10,876	(44)
<b>Cash &amp; cash equivalents on closing</b>	<b>6,332</b>	<b>10,201</b>	<b>(38)</b>
<b>Net Operating Cash Flow Per Share</b>	<b>(0.48)</b>	<b>(12.51)</b>	<b>(96)</b>

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2016

Particulars	Value in Taka '000'						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation surplus of Investment	Total
<b>As at 1st July 2016</b>	57,024	209,088	51,163	141,046	607	160,431	619,359
Net Profit for the six months ended on 31st December 2016	-	-	-	3,623	-	-	3,623
Dividend for the year 2015-16	-	-	-	(11,405)	-	-	(11,405)
Fair valuation surplus/(deficit) of investments	-	-	-	-	-	31,990	31,990
<b>As at 31st December 2016</b>	57,024	209,088	51,163	133,264	607	192,421	643,567

### 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 2017.
- (3) No diluted EPS is required to be calculated as there was no dilution during this period.
- (4) Last year's half yearly figures have been re-arranged where considered necessary to conform to current half year's presentation.
- (5) Figures were rounded-off to the nearest thousand Taka.

**Note:** The details with selected notes 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](http://www.apexfoods.com)

Sd/-  
Zafar Ahmed  
Chairman

Sd/-  
Shahriar Ahmed  
Managing Director

Sd/-  
Ashim Kumar Barua  
Director

Sd/-  
S. K. Halder  
Chief Financial Officer

Sd/-  
Kamrul Islam  
Assistant Company Secretary

# SELECTIVE NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED ON 31.12.2017

	Value in Taka '000'			Value in Taka '000'	
	As on 31.12.2017	As on 30.06.2017		As on 31.12.2017	As on 30.06.2017
<b>1. PROPERTY, PLANT &amp; EQUIPMENT:</b>	<u>110,773</u>	<u>113,077</u>			
During the period an amount of Tk. 89,22,813/- has been added in Property, Plant & Equipments and depreciation has been charged as per BAS 16.					
<b>2. SECURITY DEPOSITS:</b>	<u>5,119</u>	<u>5,119</u>			
Security deposits are made to statutory bodies and hence secured.					
<b>3. INVENTORIES:</b>					
Shrimps	912,013	864,730			
Stock of Packing Materials	10,424	10,135			
Stock of Chemicals & Ingredients	<u>4,220</u>	<u>4,565</u>			
	<u>926,657</u>	<u>879,430</u>			
<b>4. TRADE RECEIVABLES:</b>	<u>27,082</u>	<u>62,374</u>			
Trade receivables are considered good.					
<b>5. ADVANCES, DEPOSITS AND PREPAYMENTS:</b>					
Advance against Expenses	28	380			
Staff Advance	-	4			
Prepayments	3,286	2,488			
Advance Income Tax	50,946	36,317			
Bank Guarantee margin	429	429			
L/C margin with Agrani Bank Limited	<u>-</u>	<u>241</u>			
	<u>54,689</u>	<u>39,859</u>			
The growth of 37% in advances, deposits and prepayments mainly due to tax deduction at source on export realization.					
<b>6. OTHER RECEIVABLES:</b>					
Insurance Claim Receivable	16,255	16,255			
Dividend receivable	5,954	-			
Cash incentive Receivable	126,219	137,966			
FDR's Interest Receivable	<u>3,837</u>	<u>6,807</u>			
	<u>152,265</u>	<u>161,028</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.					
<b>7. SHORT TERM INVESTMENTS:</b>					
FDR with Dhaka Bank Limited	187,114	202,538			
FDR with Agrani Bank Limited	<u>21,600</u>	<u>21,600</u>			
	<u>208,714</u>	<u>224,138</u>			
<b>8. CASH AND CASH EQUIVALENTS:</b>					
<b>Cash in Hand:</b>					
Head Office	21	23			
Factory Office	18	14			
	<u>39</u>	<u>37</u>			
<b>Cash at Bank with:</b>					
Agrani Bank Ltd., Agrabad Corporate Br. Chittagong.	527	1,129			
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	613	615			
Eastern Bank Ltd., Principal Branch, Dhaka	31	31			
The Hongkong & Shanghai Banking Corporation, Dhaka	5,122	4,325			
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	-	2			
	<u>6,293</u>	<u>6,102</u>			
	<u>6,332</u>	<u>6,139</u>			
<b>9. FAIR VALUATION SURPLUS OF INVESTMENTS:</b>	<u>208,804</u>	<u>199,879</u>			
Opening Balance	199,879	160,431			
Adjustment for fair valuation surplus/(deficit) in this period	9,917	43,831			
Less: Deferred tax @10%	(992)	(4,383)			
Fair valuation surplus/(deficit) during this period	<u>8,925</u>	<u>39,448</u>			
	<u>208,804</u>	<u>199,879</u>			
<b>10. DEFERRED TAX LIABILITIES:</b>	<u>25,727</u>	<u>24,272</u>			
6% increased in deferred tax liabilities due to implementation of BAS 12 on fair valuation surplus of investments.					
<b>11. LONG TERM LOAN:</b>	<u>2,649</u>	<u>-</u>			
This represents the term loan from Dhaka Bank Limited for procurement of machinery.					
			<b>12. WORKING CAPITAL LOAN:</b>		
			Against Hypothecation	162,083	153,578
			Against Pledge of Finished Goods	<u>607,804</u>	<u>615,293</u>
				<u>769,887</u>	<u>768,871</u>
			The Working Capital loan was taken from Agrani Bank Ltd., Agrabad Corporate Br., Chittagong.		
			<b>13. LONG TERM LOAN-CURRENT MATURITY:</b>	<u>8,105</u>	<u>22,500</u>
			This represents the term loan payable in next twelve months as per schedule of re-payment.		
			<b>14. SHORT TERM LOAN:</b>		
			Dhaka Bank Limited	56,535	96,451
			Loan against cash incentive from Agrani Bank Limited	<u>47,465</u>	<u>-</u>
				<u>104,000</u>	<u>96,451</u>
			The increase of 8% mainly for Loan against Cash Incentive for more procurement of shrimps.		
			<b>15. TRADE PAYABLES:</b>	<u>90,856</u>	<u>104,522</u>
			The decrease of 13% in Trade Payables due to more payment have made during the period.		
			<b>16. OTHER PAYABLES:</b>	<u>35,659</u>	<u>39,356</u>
			The decrease of 9% is mainly due to more payments to the parties during this period.		
			<b>17. OTHER LIABILITIES:</b>		
			Unclaimed Dividend	18,830	7,448
				<u>18,830</u>	<u>7,448</u>
			The increase of 153% due to dividend payable for 2016-17 which was approved in the AGM on 21.12.2017 but not distributed within 31.12.17.		
				<u>1,264,005</u>	<u>1,035,060</u>
			<b>18. REVENUE:</b>		
			Turnover has been increased 22% (i.e. from 1,035.06 million to 1,264.00 million) as compared to the turnover of same period of 2016-17 because of higher quantity sold at higher price.		
			<b>19. COST OF GOODS SOLD:</b>		
			Opening Stock of Finished Goods	864,730	645,763
			Add: Cost of Production-Note-20	<u>1,207,105</u>	<u>996,377</u>
				<u>2,071,835</u>	<u>1,642,140</u>
			Less: Closing Stock of Finished Goods	912,013	704,186
				<u>1,159,822</u>	<u>937,954</u>
			<b>20. COST OF PRODUCTION:</b>		
			Raw Materials	1,115,730	919,265
			Packing Materials, Chemicals & Ice -Note-21	32,076	21,869
			Direct Labour	18,284	13,790
			Factory Overhead-Note-22	<u>41,015</u>	<u>41,453</u>
				<u>1,207,105</u>	<u>996,377</u>
			The increase of 21% cost of production is mainly due to the more procurement of raw materials.		
			<b>21. PACKING MATERIALS, CHEMICALS &amp; ICE CONSUMED:</b>		
			Opening balance (Packing Materials)	10,135	9,251
			Add: Packing Materials Purchase	<u>23,504</u>	<u>19,106</u>
				<u>33,639</u>	<u>28,357</u>
			Less: Packing Materials in hand	10,424	10,834
				<u>23,215</u>	<u>17,523</u>
			Opening balance (Chemicals & Ingredients)	4,565	3,149
			Add: Chemicals, Ingredients & Ice Purchase	<u>8,516</u>	<u>4,586</u>
				<u>36,296</u>	<u>25,258</u>
			Less: Chemicals & Ingredients in hand	4,220	3,389
				<u>32,076</u>	<u>21,869</u>
			<b>22. FACTORY OVERHEAD:</b>		
			Wages & Salaries	12,005	12,818
			Bonus to Workers'	255	239
			Power, Fuel & Water	10,626	9,770
			Consumable Stores & Spares	831	617
			Insurance Premium	2,076	2,295
			Repair & Maintenance	4,529	3,604
			Carriage Inward	24	29
			Depreciation	<u>10,669</u>	<u>12,081</u>
				<u>41,015</u>	<u>41,453</u>

Sd/- <b>Zafar Ahmed</b> Chairman	Sd/- <b>Shahriar Ahmed</b> Managing Director	Sd/- <b>Ashim Kumar Barua</b> Director	Sd/- <b>S. K. Halder</b> Chief Financial Officer	Sd/- <b>Kamrul Islam</b> Assistant Company Secretary
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**Value in Taka '000'**  
**01.07.2017**      **01.07.2016**  
**to**                      **to**  
**31.12.2017**      **31.12.2016**

**23. ADMINISTRATIVE AND SELLING OVERHEAD:**

Advertisement	96	291
AGM Expenses	132	36
Board meeting fees	10	8
Bonus to Staff	1,119	1,285
Contribution to Provident Fund	718	681
Depreciation	559	563
Directors Remuneration	4,500	4,500
Donation & Subscription	12	8
Electricity & WASA Charges	175	219
Entertainment	305	252
Freight & Forwarding	21,001	14,733
General Fees & Charges	100	14
Guest House Expenses	330	319
Laboratory Expenses	57	26
Laboratory Testing Fees	3,651	2,357
Legal & Professional Fees	121	61
License & renewals	844	171
Medical Expenses	157	7
Membership Subscription	2	1
Newspaper & Periodicals	28	24
Office Maintenance	147	141
Postage & Stamp	202	286
Printing & Stationery	514	456
Rejection Insurance Premium	87	995
Rent, Rates & Taxes	1,596	1,461
Repairs & Maintenances	47	118
Salary & Allowances	13,193	12,811
Sales Commission	737	-
Sales Promotion Expenses	4,775	3,929
Sanitation Expenses	104	86
Staff fooding	399	318
Staff Welfare Expenses	565	458
T.A & Conveyance	712	666
Telephone, Telex & Fax	266	239
Uniform & Liveries	349	213
Vehicles Maintenance	841	646
	<u>58,451</u>	<u>48,378</u>

**24. FINANCIAL EXPENSES:**

Interest	31,693	45,574
Charges	4,035	3,855
	<u>35,728</u>	<u>49,429</u>

**25. OTHER INCOME:**

Dividend income	5,954	6,407
Interest earned	6,180	10,547
	<u>12,134</u>	<u>16,954</u>

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

**26. CURRENT TAX:**

	<u>15,926</u>	<u>13,243</u>
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The increase of 20% in current tax is mainly due to tax deduction at source on export realization value.

**27. RELATED PARTY TRANSACTIONS:**

There was no related party (Inter Company) transactions during the period.

The Company is paying remuneration to the Directors for full time service (Note-23).

The Company has Group Insurance Scheme for which the Company pays Premium once a year and has no further liability. The Company also operates a contributory provident fund for which the Company pays monthly contribution for the key management and has no further liability. In addition to that there is nothing paid to them except salary and allowances.

**28. EARNINGS PER SHARE (EPS):**

0.81                      0.64

28% EPS during the period increased as the revenue has been increased during the period and the management efficiently running the Company with minimization of cost as a result the Company earns net profit and the EPS was Tk. 0.81 for the 2nd quarter ended on 31st December 2017 as compared to same period of previous year of EPS Tk. 0.64.

**29. NET OPERATING CASH FLOWS PER SHARE:**

(0.48)                      (12.51)

Net operating cash flow is Tk. (0.48) per share for the 2nd quarter ended on 31st December 2017 but it was Tk. (12.51) for the same period of last year, this is mainly due to more revenue earned and less trade receivable during the period as a result the more cash inflows have been generated, however the scenario is changeable time to time depending on different issues.

Sd/-  
Zafar Ahmed  
Chairman

Sd/-  
Shahriar Ahmed  
Managing Director

Sd/-  
Ashim Kumar Barua  
Director

Sd/-  
S. K. Halder  
Chief Financial Officer

Sd/-  
Kamrul Islam  
Assistant Company Secretary