APEX TANNERY LIMITED

STATEMENT OF FINANCIAL POSITION (Un-audited)
AS OF SEPTEMBER 30, 2018

Tk in '000'

	Notes	As of Sept. 30, 2018	As of June 30, 2018
Assets			
Non Current Assets			
Property, plant and equipment	5	1,187,612	1,218,727
Advance for Land of Savar Factory		57,431	57,431
Investments	7	46,572	55,047
		1,291,615	**1,331,205**
Current Assets			
Inventories	8	1,035,166	791,006
Trade and other receivables	9	65,973	109,689
Advance, deposits and prepayments	10	177,124	168,350
Cash & cash equivalents	11	75,669	72,520
		1,353,932	**1,141,565**
Total Assets		**2,645,547**	**2,472,770**
Equity and Liabilities			
Shareholders' equity			
Issued, subscribed & paid-up capital			
1,52,40,000 ordinary shares @ Tk. 10 each		152,400	152,400
Share premium		425,333	425,333
Dividend equalization fund		28,888	28,888
Retained earnings		454,198	446,828
Fair valuation surplus of investment	12	39,016	47,491
		1,099,835	**1,100,940**
Non current liabilities			
Retirement benefit obligation		123,592	120,964
Deferred tax liabilities	22	20,323	20,529
		143,915	**141,493**
Current Liabilities			
Short term loan	13	201,790	1,763
Working capital loan	14	798,417	696,884
Time loan	15	306,500	306,105
Trade payables	16	5,000	116,018
Other payables	17	8,851	30,410
Provision for income-tax		81,239	79,157
		1,401,797	**1,230,337**
Total Equity and Liabilities		**2,645,547**	**2,472,770**
Net Asset Value Per Share (NAVPS) Tk.		72.17	72.24

Syed Manzur Elahi
Chairman

Md. Rahmatullah
Managing Director

Faruq Ahmad Siddiqi
Independent Director

Ansarul Islam
Executive Director & CFO (C.C)

Sushanta Kumar Paul
Company Secretary

Dated: 13 November 2018

AMARSTOCK

APEX TANNERY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

Tk in '000'

	Notes	First Qtr. Ended Sept. 30, 2018	First Qtr. Ended Sept. 30, 2017
Sales		**472,391**	**432,965**
Cost of sales		(415,704)	(379,475)
Gross Profit	19	**56,687**	**53,490**
Operating expenses		(32,563)	(37,295)
Operating Profit		**24,124**	**16,195**
Financial expenses	20	(23,526)	(20,030)
Non operating income			
Other income	21	9,111	7,793
Profit for the period		**9,709**	**3,958**
Provision for contribution to WPP & WF		(462)	(188)
Profit before income tax		**9,247**	**3,770**
Income tax			
Current tax expenses		(2,082)	(1,469)
Deferred tax (expenses) / income	22	205	(1,148)
		(1,877)	**(2,617)**
Net profit after tax		**7,370**	**1,153**
Other comprehensive income			
Fair valuation surplus of investment (unrealized)		(8,475)	(1,982)
Total comprehensive income		**(1,105)**	**(829)**
EPS without fair valuation surplus (Tk.)	23	0.48	0.08

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Managing Director

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Independent Director

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Company Secretary

Dated: 13 November 2018

AMARSTOCK

APEX TANNERY LIMITED

STATEMENT OF CHANGES IN EQUITY (Un-audited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

Tk in '000'

	Share Capital	Share Premium	Dividend Equalization Fund	Fair Valuation Surplus	Retained Earnings	Total
As at June 30, 2018	152,400	425,333	28,888	47,491	446,828	1,100,940
Net profit (July'18 to Sept.'18)					7,370	7,370
Fair valuation surplus				(8,475)		(8,475)
As at September 30, 2018	**152,400**	**425,333**	**28,888**	**39,016**	**454,198**	**1,099,835**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

Tk in '000'

	Share Capital	Share Premium	Dividend Equalization Fund	Fair Valuation Surplus	Retained Earnings	Total
As at June 30, 2017	152,400	425,333	44,888	45,208	453,188	1,121,017
Net profit (July'17 to Sept.'17)					1,153	1,153
Cash dividend (2016-2017)			(16,000)		(44,960)	(60,960)
Fair valuation surplus				(1,982)		(1,982)
As at September 30, 2017	**152,400**	**425,333**	**28,888**	**43,226**	**409,381**	**1,059,228**

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Ansarul Islam
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Sushanta Kumar Paul
Company Secretary

Dated: 13 November 2018

APEX TANNERY LIMITED

STATEMENT OF CASH FLOWS (Un-audited)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2018

Tk in '000'

	Notes	First Qtr. Ended Sept. 30, 2018	First Qtr. Ended Sept. 30, 2017
Cash flow from operating activities		**(298,492)**	**(293,042)**
Collections from turnover and other income		525,218	445,164
Payments for purchase of leather, chemicals, spare parts, creditors and other expenses		(821,891)	(735,175)
Income-tax paid and/or deducted		(1,819)	(3,031)
Cash flow from investing activities		**(312)**	**(42,000)**
Acquisition of fixed assets		(312)	(11,701)
Capital work-in-progress		-	(30,299)
Cash flow from financing activities		**301,953**	**323,312**
Loans received/(paid)		301,953	323,312
Net cash inflows/(outflows) for the period		**3,149**	**(11,730)**
Opening cash and bank balances		72,520	72,671
Closing cash and bank balances		**75,669**	**60,941**
Net Operating Cash Flows Per Share (NOCFPS) Tk.	24	**(19.59)**	**(19.23)**

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Managing Director

Faruk Ahmad Siddiqi
Independent Director

Ansarul Islam
Executive Director & CFO (C.C)

Sushanta Kumar Paul
Company Secretary

Dated: 13 November 2018

AMARSTOCK

APEX TANNERY LIMITED

SELECTED NOTES TO THE FINANCIAL STATEMENTS

For the 1st Quarter ended September 30, 2018

1. Company and its activities

a) The Company

Apex Tannery Limited was incorporated as a private limited company on 26th day of July 1976 under Companies Act 1913 and was converted into a public limited company in 1986. The shares of the Company are publicly traded at Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The address of the registered office is Plot No.: XA1, XA2, XA3 & XS8, Bangladesh Small & Cottage Industries Corporation (BSCIC) Chamra Shilpa Nagari, Harindhara, Hemayetpur, Savar, Dhaka-1340.

b) Nature of business

The main activities of Apex Tannery are to produce high quality leather, by using Italian chemicals, technology, complying with world fashion standards and specifications. Its annual capacity is about 32 million Sft. of finished goat and cow leather. Apex exports to Europe, China, South America and all major leather market of the world.

2. Basis of preparation of financial statements

These financial statements have been prepared in accordance with the requirements of Bangladesh Accounting Standard 34-Interim Financial Reporting, Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

3. Same Accounting Policies and Methods are used for preparation and presentation of 1st Quarter Financial Statements

The same accounting policies and methods of computation are followed for preparation and presentation of 1st Quarter Financial Statements of the Company for the period from July 01, 2018 to September 30, 2018 as compared to the most recent annual Financial Statements for the year ended June 30, 2018.

4. Seasonality/Cyclicality of interim Operation

The Company exports crust and finished leather to Europe, China, India, Japan and other major leather markets of the World. No significant seasonality/Cyclicality effect in export of finished leather.

5. Property, Plant and Equipment

	As of Sept. 30, 2018 Taka	As of June 30, 2018 Taka
Property, Plant and Equipment at cost	**1,996,997,671**	**1,996,685,247**
Less: Accumulated Depreciation	809,385,413	777,958,675
Written Down Value	**1,187,612,258**	**1,218,726,572**

Amount in Tk.

		As of Sept. 30, 2018	As of June 30, 2018
7	**Investments**		
	Apex Footwear Ltd. (1,36,700 shares @ 298.90)	40,859,630	49,335,030
	CDBL (5,71,181 shares @ 10.00)	5,711,810	5,711,810
		46,571,440	**55,046,840**
8	**Inventories**		
	Goatskins	137,134,879	100,202,766
	Cowhides	522,959,874	382,124,185
	Chemicals	341,859,514	284,411,728
	Spare-parts	33,211,733	24,267,649
		1,035,166,000	**791,006,328**

Inventories increased due to purchase large quantity of raw hides and skins after Eid-ul-Azha .

9	**Trade and other receivables**		
	Export bills receivable	60,337,997	104,054,425
	Interest Income receivable	135,033	134,863
	Rental Income receivable	5,500,000	5,500,000
		65,973,030	**109,689,288**
10	**Advance, deposits & prepayments**		
	L/C accounts (Goods in transit)	14,935,783	14,271,703
	Advance income-tax	127,201,667	125,382,102
	Advance rent	49,750	49,750
	Advance to staff and workers	1,267,160	3,463,500
	Advance to Suppliers and Contractors	14,721,519	6,234,947
	Bank guarantee margin	8,273,745	8,273,745
	Security deposit	10,674,824	10,674,824
		177,124,448	**168,350,571**

Advance, deposits & prepayments increased by 5 % due mainly to Tk. 87,73,877 advance was made to suppliers of raw hides and skins

11	**Cash & cash equivalents**		
	Cash in hand		
	- Head Office	484,117	528,365
	- Factory	1,223,621	260,632
	Cash at banks		
	- Agrani Bank Ltd.	21,828,912	17,572,440
	- Rupali Bank Ltd.	-	-
	- Mutual Trust Bank Ltd.	8,932,900	13,452,289
	- Jamuna Bank Ltd.	2,218	2,218
	- Uttara Bank Ltd.	74,839	74,390
	- State Bank of India	2,573,233	486,084
	FDR	40,549,320	40,143,188
		75,669,160	**72,519,606**

			Amount in Tk.
12	**Fair Valuation Surplus of Investments**		
	Investment in share of Apex Footwear Limited:		
	Fair valuation surplus as of 30-06-2018		**47,490,947**
	Fair value of 136,700 shares @ 298.9 as of 30-9-2018	40,859,630	
	Fair value of 136,700 shares @ 360.9 as of 30-6-2018	49,335,030	(8,475,400)
	Fair valuation surplus as of 30-09-2018		**39,015,547**

		As of Sept. 30, 2018	As of June 30, 2018
13	**Short-term Loan**	**201,789,574**	**1,762,981**

The company has taken Short-term loan from Agrani Bank Ltd., Amin Court Branch, Motijheel C/A, Dhaka-1000 as KORBANI ADVANCE for procurement of raw hides and skins after Korbani. This loan was sanctioned by Agrani Bank Ltd. against existing fixed assets and inventory as securities.

14	**Working Capital Loan**	**798,417,259**	**696,884,232**

The company has taken cash-credit (hypothecation) facilities from Agrani Bank Ltd., Amin Court Corp. Branch, Motijheel C/A, Dhaka-1000 against existing fixed assets and inventories as securities. The increased loan amount used to pay Time loan and to meet working capital requirements of the Company.

15	**Time Loan**	**306,500,111**	**306,104,557**

In order to meet further cost of Capital work-in-progress of Savar Factory, the Company has taken Time loan from Uttara Bank Ltd. Corporate Branch, Dhaka against existing inventory as securities.

16	**Trade payables**		
	Goat skin and Cow hides suppliers	**5,000,000**	**116,018,348**
17	**Other payables**		
	Workers' profits participation and welfare fund	3,566,086	3,103,841
	Liabilities for freights, spare parts and other expenses	5,284,600	23,293,945
	Liabilities to Suppliers of Building Materials	-	3,806,195
	Audit fees	-	206,250
		8,850,686	**30,410,231**
18	**Current Liabilities**	**1,401,797,342**	**1,230,337,000**

Current Liabilities increased by 14% due to following reasons:

a) Increased amount of short term and working capital loan amounting Tk. 301,955,000 which was used to meet working capital requirements of the Company.

Amount in Tk.

		First Qtr. Ended Sept. 30, 2018	First Qtr. Ended Sept. 30, 2017
19	**Gross profit**	**56,687,000**	**53,490,000**

Gross profit increased due mainly to low cost of raw hides and skins in the first Quarter 2018 compared to the same period previous year.

20	**Financial expenses**	**23,526,000**	**20,030,150**

Financial expenses increased due mainly for taking short term and working capital loan amounting Tk. 301,955,000 during the Q1 to procure raw hides and skins after Korbani.

21 **Other Income**

Rental Income	8,660,067	7,338,443
Interest on FDR	451,257	454,543
	9,111,324	**7,792,986**

22 **Deferred Tax Expenses / (Income)**

Deferred Tax (Assets) / Liabilities closing	20,323,213	12,089,497
Deferred Tax (Assets) / Liabilities opening	20,528,367	10,941,523
	(205,154)	**1,147,974**

23	**Earnings Per Share**	**0.48**	**0.08**

Earnings Per Share increased by 500% due to increase in sales by 9.11% , decresed operating expenses by12.69% and other income increased by 16.91% compared to same period previous year.

24	**Net Operating Cash Flows Per Share (NOCFPS) Tk.**	**(19.59)**	**(19.23)**

25 **General**

a) Figures appearing in these financial statements have been rounded off to the nearest Taka in thousand.
b) Figures of previous period have been re-arranged/restated wherever considered necessary for the purpose of current period's presentation.

Syed Manzur Elahi
Chairman

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Dated: 13 November 2018