Hoda Vasi
Chowdhury & Co

AUDITED FINANCIAL STATEMENTS

OF

APEX FOOTWEAR LIMITED

FOR THE PERIOD ENDED 30 JUNE 2017

AMAR STOCK

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

Apex Footwear Limited

We have audited the accompanying financial statements of Apex Footwear Limited (here-in-after referred to as "the Company") which comprise the statement of financial position as at 30 June 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the eighteen months period then ended, and a summary of significant accounting policies and other relevant explanatory notes thereon.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements prepared in accordance with the Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of Apex Footwear Limited as at 30 June 2017, and the results of its financial performance and its cash flows for the eighteen months period then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) the Company's statement of financial position and statement of profit or loss and other comprehensive income along with the annexed notes 1 to 41 dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred and payments made were for the purposes of the Company's business.

Dhaka, 24 SEP 2017

Hoda Vasi Chowdhury & Co
Chartered Accountants

AMARSTOCK

Hoda Vasi Chowdhury & Co

APEX FOOTWEAR LIMITED
Statement of Financial Position
As at 30 June 2017

ASSETS	Notes	30-Jun-17 Taka	30-Jun-16 Taka	31-Dec-15 Taka
Non-Current Assets		**3,160,066,980**	**2,889,809,662**	**2,724,331,602**
Property, Plant & Equipment	7.00	2,941,870,731	2,365,126,339	2,413,983,453
Capital Work-in-Progress	8.00	216,626,799	523,113,873	308,778,699
Investment in CDBL	9.00	1,569,450	1,569,450	1,569,450
Current Assets		**10,602,991,827**	**10,375,166,067**	**10,150,053,972**
Inventories	10.00	7,221,720,188	7,068,187,872	6,835,049,107
Accounts Receivable & Others	11.00	1,654,211,723	1,796,612,014	1,411,780,886
Advances, Deposits & Prepayments	12.00	1,359,954,198	1,219,422,646	1,799,682,373
Cash & Cash Equivalents	13.00	367,105,718	290,943,535	103,541,606
Total Assets		**13,763,058,807**	**13,264,975,729**	**12,874,385,574**
EQUITY AND LIABILITIES				
Shareholders' Equity		**2,559,559,287**	**2,477,498,441**	**2,627,799,481**
Share Capital	14.00	112,500,000	112,500,000	112,500,000
Share Premium	15.00	68,804,919	68,804,919	68,804,919
Dividend Equalization Fund	16.00	11,250,000	11,250,000	22,500,000
Revaluation Surplus	17.00	1,091,423,710	1,091,423,710	1,091,423,710
Retained Earnings		1,275,580,658	1,193,519,812	1,332,570,852
Non-Current Liabilities		**924,767,011**	**1,101,413,315**	**825,677,387**
Long Term Borrowings - Net off Current Maturity	18.00	619,768,538	820,443,205	562,974,607
Retirement Benefit Obligations - Gratuity		304,998,473	280,970,110	262,702,780
Current Liabilities and Provisions		**10,278,732,510**	**9,686,063,974**	**9,420,908,706**
Short Term Borrowings	19.00	8,190,372,869	7,755,780,111	7,275,817,825
Long Term Borrowings - Current Maturity	18.00	413,931,612	197,290,440	278,070,255
Creditor for Goods	20.00	441,513,181	377,744,468	374,387,168
Creditor for Services	21.00	403,211,500	669,166,388	724,243,325
Accrued Expenses		241,728,366	79,817,918	195,022,470
Interest Payables		8,188,221	147,816,286	142,247,587
Provision for Taxation	22.00	565,645,271	443,686,757	418,297,572
Unclaimed Dividend	23.00	14,141,490	14,761,606	12,822,504
Total Equity and Liabilities		**13,763,058,807**	**13,264,975,729**	**12,874,385,574**

The accompanying Notes 1 to 41 form an integral part of these financial statements.

S. M. Shahjahan	**Dr. Mohammed Farashuddin**	**Syed Nasim Manzur**
Company Secretary	**Independent Director**	**Managing Director**

As per our report of same date

Chartered Accountants

Dhaka, 24 SEP 2017

APEX FOOTWEAR LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For 18 Months Period ended 30 June 2017

	Notes	January 2016 - June 2017 (18 Months)	January 2016 - June 2016 (6 Months)	July 2016 - June 2017 (12 Months)			July 2015 - June 2016 (12 Months)
		Aggregated Taka	Aggregated Taka	Unit 1 (Export) Taka	Unit 2 (Local) Taka	Aggregated Taka	Aggregated Taka
Revenue (Net)	24.00	**19,673,004,830**	**5,463,686,020**	**7,985,626,212**	**6,223,692,598**	**14,209,318,810**	**12,247,511,188**
Cost of Goods Sold	25.00	(15,885,273,435)	(4,508,475,406)	(7,202,535,236)	(4,174,262,793)	(11,376,798,029)	(9,779,634,515)
Gross Profit		**3,787,731,395**	**955,210,614**	**783,090,976**	**2,049,429,805**	**2,832,520,781**	**2,467,876,673**
Operating Expenses		**(2,911,666,985)**	**(813,467,460)**	**(520,880,540)**	**(1,577,318,985)**	**(2,098,199,525)**	**(1,724,979,990)**
Administration	26.00	(347,637,254)	(100,522,101)	(137,911,267)	(109,203,886)	(247,115,153)	(194,497,342)
Marketing, Selling & Distribution	27.00	(2,560,270,056)	(711,656,334)	(382,024,898)	(1,466,588,824)	(1,848,613,722)	(1,527,937,727)
Audit Fee		(900,000)	(300,000)	(300,000)	(300,000)	(600,000)	(475,000)
Other Professional Fees		(2,859,675)	(989,025)	(644,375)	(1,226,275)	(1,870,650)	(2,069,921)
Profit from Operations		**876,064,410**	**141,743,154**	**262,210,436**	**472,110,820**	**734,321,256**	**742,896,683**
Other Income	28.00	2,694,252	139,382	1,210,623	1,344,247	2,554,870	2,191,482
Finance Cost		(733,200,189)	(210,544,391)	(140,146,641)	(382,509,157)	(522,655,798)	(549,486,489)
Profit before WPPF & Tax		**145,558,473**	**(68,661,855)**	**123,274,418**	**90,945,910**	**214,220,328**	**195,601,676**
Contribution to WPPF		(10,200,968)	-	(5,870,210)	(4,330,758)	(10,200,968)	(9,314,366)
Profit before Tax		**135,357,505**	**(68,661,855)**	**117,404,208**	**86,615,152**	**204,019,360**	**186,287,310**
Income Tax Expense for current year		(147,347,699)	(25,389,185)	(87,564,396)	(34,394,118)	(121,958,514)	(108,818,674)
Net Profit after Tax-Transferred to Changes in Equity		**(11,990,194)**	**(94,051,040)**	**29,839,812**	**52,221,034**	**82,060,846**	**77,468,637**
Other Comprehensive Income		-	-	-	-	-	-
Total Comprehensive Income		**(11,990,194)**	**(94,051,040)**	**29,839,812**	**52,221,034**	**82,060,846**	**77,468,637**
Basic Earnings per Share (per value Tk.10)	29.00	(1.07)	(8.36)	2.65	4.64	7.29	6.89

The accompanying Notes 1 to 41 form an integral part of these financial statements.

S. M. Shahjahan
Company Secretary

Dr. Mohammed Farashuddin
Independent Director

Syed Nasim Manzur
Managing Director

As per our report of same date

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 24 SEP 2017

Hoda Vasi Chowdhury & Co

ANNUAL REPORT

APEX FOOTWEAR LIMITED
Statement of Changes in Equity
For 18 Months Period ended 30 June 2017

Amount in Taka

	Share Capital	Share Premium	Dividend Equalization Fund	Revaluation Surplus	Retained Earnings	Total
Balance as on 01 July 2015	**112,500,000**	**68,804,919**	**22,500,000**	**1,091,423,710**	**1,161,051,175**	**2,456,279,804**
Cash Dividend for the Year 2015	-	-	(11,250,000)	-	(45,000,000)	(56,250,000)
Net Profit for the Year after Tax	-	-	-	-	77,468,637	77,468,637
Balance as on 30 June 2016	**112,500,000**	**68,804,919**	**11,250,000**	**1,091,423,710**	**1,193,519,812**	**2,477,498,441**
Balance as on 01 July 2016	**112,500,000**	**68,804,919**	**11,250,000**	**1,091,423,710**	**1,193,519,812**	**2,477,498,441**
Net Profit for the Year after Tax	-	-	-	-	82,060,846	82,060,846
Balance as on 30 June 2017	**112,500,000**	**68,804,919**	**11,250,000**	**1,091,423,710**	**1,275,580,658**	**2,559,559,287**
Balance as on 31 December 2015	**112,500,000**	**68,804,919**	**22,500,000**	**1,091,423,710**	**1,332,570,852**	**2,627,799,481**

The accompanying Notes 1 to 41 form an integral part of these financial statements.

S. M. Shahjahan
Company Secretary

Dr. Mohammed Farashuddin
Independent Director

Syed Nasim Manzur
Managing Director

AMARSTOCK

Hoda Vasi Chowdhury & Co

APEX FOOTWEAR LIMITED
Statement of Cash Flows
For the year ended 30 June 2017

	January 2016 - June 2017 (18 Months)	January 2016 - June 2016 (6 Months)	July 2016 - June 2017 (12 Months)	July 2015 - June 2016 (12 Months)
	Taka	Taka	Taka	Taka
A) Cash Flow from Operating Activities				
Cash Receipts from Customers and Others	19,313,067,148	4,958,793,177	14,354,273,971	12,324,110,028
Cash Paid to Suppliers, Employees and Others	(18,208,766,504)	(4,836,368,620)	(13,372,397,884)	(11,623,632,086)
Income Tax Paid	(148,525,865)	(25,389,185)	(123,136,680)	(78,652,365)
Net Cash Generated from Operating Activities	**955,774,779**	**97,035,372**	**858,739,407**	**621,825,577**
B) Cash Flow from Investing Activities				
Acquisition of Property, Plant & Equipment	(877,230,430)	(306,997,922)	(570,232,508)	(518,632,328)
Net Cash Used in Investing Activities	**(877,230,430)**	**(306,997,922)**	**(570,232,508)**	**(518,632,328)**
C) Cash Flow from Financing Activities				
Loan Taken	5,298,842,046	2,447,627,806	2,851,214,240	937,286,870
Loan Repaid	(4,191,631,714)	(1,790,976,737)	(2,400,654,977)	(376,115,605)
Interest Paid	(867,259,555)	(204,975,692)	(662,283,863)	(515,358,664)
Dividend Paid	(54,931,014)	(54,310,898)	(620,116)	(54,852,953)
Net Cash Used in Financing Activities	**185,019,763**	**397,364,479**	**(212,344,716)**	**(9,040,352)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**263,564,112**	**187,401,929**	**76,162,183**	**94,152,897**
Cash and Cash Equivalents at 1 Jan	103,541,606	103,541,606		
Cash and Cash Equivalents at 1 July			290,943,535	196,790,638
Cash and Cash Equivalents at 30 June	**367,105,718**	**290,943,535**	**367,105,718**	**290,943,535**

The accompanying Notes 1 to 41 form an integral part of these financial statements.

S. M. Shahjahan	Dr. Mohammed Farashuddin	Syed Nasim Manzur
Company Secretary	Independent Director	Managing Director

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