

Matin Spinning Mills Ltd
BGMEA Complex
23/1 (12th floor) Panthapath Link Road
Kawran Bazar, Dhaka 1215

Matin Spinning Mills Ltd

Auditors' report and financial statements
for the year ended 30 June 2010

S. F. AHMED & CO
Chartered Accountants
House 25, Road 13A, Block D, Banani, Dhaka 1213, Bangladesh
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Auditors' Report to the Shareholders of Matin Spinning Mills Ltd

We have audited the accompanying financial statements of Matin Spinning Mills Ltd (the Company), namely, Balance Sheet as of 30 June 2010 and the related Income Statement, Cash Flow Statement, Statement of Changes in Equity and notes thereto for the year then ended. Preparation of these financial statements and notes thereto, in due conformance with generally accepted accounting principles and procedures is the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in due conformance with International Standards on Auditing as applicable in Bangladesh. Those standards required that we plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion that follows.

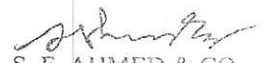
Accordingly, we report that, in our opinion, the said financial statements exhibit a true and fair view of the state of the Company's affairs as at 30 June 2010 and of the results of its operations and its cash flows for the year ended on that date and have been drawn up in accordance with the requirements of Companies Act 1994 and other applicable laws and rules and the said International Accounting Standards.

We also report that :

- (i) we have obtained all the documents, information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, and made due verification thereof;
- (ii) our examination and checking of relevant financial statements, books of account, registers, schedules and records were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the said financial statements;
- (iii) proper books of account and other requisite records were properly maintained by the Company;
- (iv) the Balance Sheet and Income Statement are in agreement with the said books of account maintained by the Company and examined by us; and
- (v) the expenditure incurred and payments made for the year were for the purpose of the Company's business .



House 25, Road 13A, Block D
Banani, Dhaka 1213, Bangladesh
Dated, 26 September 2010


S. F. AHMED & CO
Chartered Accountants

Matin Spinning Mills Ltd
Balance Sheet at 30 June 2010

		Amounts in Taka	
		At	At
		30 June 2010	30 June 2009
Assets			
Current assets			
Cash and bank balances	3	10,842,413	60,337,858
Accounts receivable	4	564,187,430	417,215,210
Inventories	5	293,838,106	348,914,967
Advances, deposits and prepayments	6	85,272,445	53,221,760
Current account with sister concerns	7	293,965,103	(104,597,700)
		1,248,105,497	775,092,095
Less: Current liabilities			
Accounts payable	8	403,424,206	250,583,534
Short term bank loan	9	377,461,357	229,030,353
Provision for workers' profit participation and welfare funds		6,254,727	-
		787,140,290	479,613,887
Net current assets		460,965,207	295,478,208
Property, plant and equipment	10	1,749,428,698	932,640,230
Investment	11	1,250,000	-
Deferred financing cost, net	12	37,697,574	67,855,631
		2,249,341,479	1,295,974,069
Liabilities and Shareholders' Equity			
Term loans			
Bank	13	787,999,523	887,288,683
Directors	14	48,267,150	52,267,150
		836,266,673	939,555,833
Shareholders' fund			
Share capital	15	255,000,000	150,000,000
Share money deposit	16	91,100,000	-
Proposed bonus share		-	105,000,000
Retained earnings	17	93,907,666	18,850,941
Tax holiday reserves	18	132,605,111	82,567,295
Revaluation reserve	19	840,462,029	-
		1,413,074,806	356,418,236
		2,249,341,479	1,295,974,069

See annexed notes

for and on behalf of the Board of Directors of Matin Spinning Mills Ltd

Managing Director

Director

Head of Finance

Signed in terms of our report of even date annexed

House 25, Road 13A, Block D
 Banani, Dhaka 1213, Bangladesh
 Dated, 26 September 2010



S. F. AHMED & CO
 Chartered Accountants

Matin Spinning Mills Ltd

Income Statement for the year ended 30 June 2010

		Amounts in Taka	
		Year ended 30 June 2010	Year ended 30 June 2009
	<u>Notes</u>		
Turnover	20	1,604,864,758	1,687,834,198
Cost of goods sold	21	1,290,204,194	1,384,787,735
Gross profit		314,660,564	303,046,463
Operating expenses			
General and administrative expenses	22	67,494,493	72,546,628
Selling and distribution expenses	23	172,500	431,800
		67,666,993	72,978,428
Operating income		246,993,571	230,068,035
Financial expenses	24	(116,100,595)	(142,695,242)
		130,892,976	87,372,793
Non-operating income			
Interest on bank deposits		307,564	706,277
Profit on sale of used vehicle		148,728	-
		456,292	706,277
		131,349,268	88,079,070
Contribution to workers' profit participation and welfare funds	2.8	6,254,727	-
Net profit before appropriation		125,094,541	88,079,070
Transfer to tax holiday reserve	2.6	50,037,816	35,231,628
Net profit after appropriation		75,056,725	52,847,442
Retained earnings, brought forward		18,850,941	33,996,501
Retained earnings, carried forward to Balance Sheet		93,907,666	18,850,941
Earnings Per Share (EPS)	25	29.43	20.72

See annexed notes

for and on behalf of the Board of Directors of Matin Spinning Mills Ltd

Managing Director

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Matin Spinning Mills Ltd

Cash Flow Statement for the year ended 30 June 2010

	Amounts in Taka	
	Year ended 30 June 2009	Year ended 30 June 2010
A. Cash Flows from Operating Activities		
Collection from customers	1,483,947,929	1,720,918,815
Received from other income	456,292	706,277
Cash paid to suppliers and employees	(987,117,186)	(1,464,777,178)
Cash generated from operations	497,287,035	256,847,914
Interest/share of profit paid on loans	(115,793,030)	(142,695,242)
Net cash from operating activities	381,494,005	114,152,672
B. Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(19,965,816)	(11,275,419)
Purchase of share from DBL Ceramic Ltd	(1,250,000)	-
Net cash used in investing activities	(21,215,816)	(11,275,419)
C. Cash Flows from Financing Activities		
Long term loan	(111,468,568)	(119,739,705)
Short term loan from/(repaid to) bank	50,000,000	21,536,960
Current account with related company	(439,405,066)	-
Share money deposit	91,100,000	-
Net cash from/(used in) financing activities	(409,773,634)	(98,202,745)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	(49,495,445)	4,674,508
E. Opening cash and cash equivalents	60,337,858	55,663,350
F. Closing cash and cash equivalents (D+E)	10,842,413	60,337,858

for and on behalf of the Board of Directors of Matin Spinning Mills Ltd

Managing Director



Director


Head of Finance



House 25, Road 13A, Block D
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Dated, 26 September 2010

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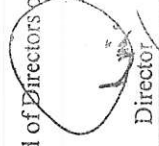
Statement of Changes in Equity for the year ended 30 June 2010

	Amounts in Taka						
	Share capital	Share money deposit	Tax holiday reserve	Retained earnings	Revaluation reserve	Proposed dividend	Total
Year 2010							
Balance at 01 July	150,000,000	-	82,567,295	18,850,941	-	105,000,000	356,418,236
Net profit for the year	-	-	-	125,094,541	-	-	125,094,541
Transfer to tax holiday reserve	-	-	50,037,816	(50,037,816)	-	-	-
Proposed dividend (bonus shares)	105,000,000	-	-	-	-	(105,000,000)	-
Share money deposit	-	91,100,000	-	-	-	-	91,100,000
Revaluation reserve	-	-	-	-	849,462,029	-	849,462,029
Balance at 30 June	255,000,000	91,100,000	132,605,111	93,907,666	849,462,029	-	1,422,074,806

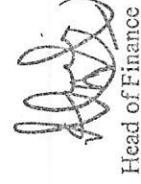
Year 2009

Balance at 01 July	150,000,000	-	47,335,667	71,003,499	-	-	268,339,166
Net profit for the year	-	-	-	88,079,070	-	-	88,079,070
Transfer to tax holiday reserve	-	-	35,231,628	(35,231,628)	-	-	-
Proposed dividend (bonus shares)	-	-	-	(105,000,000)	-	105,000,000	-
Balance at 30 June	150,000,000	-	82,567,295	18,350,941	-	105,000,000	356,418,236

for and on behalf of the Board of Directors of Matin Spinning Mills Ltd


Director

Managing Director


Head of Finance

Signed in terms of our report of even date annexed



House 25, Road 13A, Block D
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Dated. 26 September 2010


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Chartered Accountants

Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

General

1. Background and nature of business

Matin Spinning Mills Limited (the company) was incorporated in Bangladesh on 15 September 2002 vide certificate of incorporation no. C-47083 (3562) of 2002 as a private limited company under the companies Act 1994 having its registered office in Dhaka.

The company is a 100% export oriented backward linkage industry established to cater the requirements of supply all types of cotton, viscose, polyester and cvc yarn to export oriented knit garments. The factory of the company is situated at Sardaganj, Kashimpur, Gazipur, Dhaka. The company commenced commercial production on 01 October 2006.

2. Accounting policies

2.1. Basis of accounting

The financial statements of the company have been prepared on an accrual basis, under historical cost convention, and in accordance with generally accepted accounting principles. Wherever appropriate, such principles are explained in the succeeding notes.

2.2. Revenue recognition

The revenue is recognised as and when goods are delivered.

2.3. Cash flow statement

Cash flow statement is prepared in accordance with BAS 7 "Cash Flow Statement". The statement shows the structure of changes in cash and equivalents during the financial year.

2.4. Statement of changes in equity

Statement of changes in equity is prepared in accordance with BAS 1 "Presentation of Financial Statements". This statement reflects informatin about the increase or decrease in net assets or wealth.

2.5. Pre-production and preliminary expenses

Pre-production expenses, preliminary expenses and interest during construction period are treated as deferred revenue expenditure. This is being amortised over a period of 5 years.

2.6. Tax holidays reserve

The company has been granted tax holiday for a period of four years with effect from 01 October 2006 by the National Board of Revenue vide its memo no. 11(87) Anu-1/2006/1097 dated 2 september 2008.

Tax holiday reserve has been created @ 40% on the operating net profit for the year under review.

2.7. Inventories

Physical inventory has been taken at yearend by the management which are valued at cost or net realisable value which ever is lower.

2.8. Workers' profit participation and welfare funds

Allocation for workers' profit participation and welfare funds has been made @ 5% on net profit before tax as per provisions of Bangladesh Labour Act 2006.

2.9. Borrowing cost

Borrowing cost relating to project already in commercial production/operation are charged as expenses for the year under review. In respect of pre-production period, borrowing costs are debited to "Interest During Construction Period" and is being written off equally over the period of five years.



Matin Spinning Mills Ltd**Notes to financial statements for the year ended 30 June 2010****2.10 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation thereon. Depreciation is charged applying diminishing balance method on all fixed assets other than land and land development. Depreciation on current year's addition is charged for the full year irrespective of the date(s) of acquisition. No depreciation is charged on disposal made during the year.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Itemised depreciation rates are as follows:

<u>Asset category</u>	<u>Rate of depreciation (%)</u>
Land and land development	0
Factory building	5
Godown	10
Plant and machinery	10
Furniture and fixtures	10
Gas equipment	15
Generator	15
Office equipment	15
Electric installation	15
Deep tubewell	20
Vehicles	20

2.11 Related party disclosure

As per BAS 24 "Related Party Disclosure", parties are considered to be related if one has the ability to control or exercise significant influence over other in making financial and operating decisions.

<u>Name of related party</u>	<u>Nature of transactions</u>	<u>Value of transactions (Taka)</u>
Flamingo Fashions Ltd	Sales of Yarn	168,256,850
	Share Money Deposit	29,400,000
	Repayment of Loan	90,577,341
	Advance and Others	69,422,659
		<u>357,656,850</u>
Jinnat Apparels Ltd	Sales of Yarn	1,292,552
	Share Money Deposit	16,700,000
	Repayment of Loan	15,342,325
	Advance and Others	15,342,325
		<u>48,677,202</u>
Directors	Unsecured Loan	4,000,000



Matin Spinning Mills Ltd**Notes to financial statements for the year ended 30 June 2010****2.12 Current account with sister concerns**

All the transactions with sister concerns have been properly accounted for.

2.13 Foreign currency transactions

Transactions in foreign currencies are translated into BDT at the rates of exchange ruling on the dates when the transactions took place. Exchange currency differences, if any, arising on transactions are recognised in the income statement.

2.14 Stock dividend

The Board of Directors proposes a stock dividend @ 30% for the year 2010 subject to approval from the shareholders in Annual General Meeting.

2.15 Provisions

A provision is recognised in the balance sheet when the company has a present obligation (legal or constructive) of a past event and when it is probable that a outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.16 Functional and presentational currency

The financial statements are prepared in Bangladeshi (Taka), which is the company's functional currency. The figures of financial statements have been rounded off to the nearest integer.

2.17 Reporting period

Financial statements of the company covered one year from 01 July 2009 to 30 June 2010 and is followed consistently.

2.18 Going concern

The company has adequate resources to continue in operation for foreseeable future and hence, the financial statements has been prepared on going concern basis. As assessed by the management, there are no material uncertainties relating to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances which are held available for use by the company without any restrictions.

Balance Sheet

	Amounts in Taka	
	At 30 June 2010	At 30 June 2009
3. Cash and bank balances		
Cash in hand	200,497	421,116
Bank balances with		
Islami Bank Bangladesh Ltd		
Current account	4,018,028	25,082,444
Marginal deposit against bill discounted	3,449,845	2,099,118
Foreign currency account	1,369,504	16,297,661
Exim Bank Ltd, STD account	206,422	15,591,590
Mercentile Bank Ltd		
STD account	1,573,776	821,588
Foreign currency account	24,341	24,341
	<u>10,842,413</u>	<u>60,337,858</u>



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

	Amounts in Taka	
	At	At
	30 June 2010	30 June 2009
4. Accounts Receivables	564,187,430	417,215,210
This represents invoice value of goods delivered to customers. This is considered good and collectable.		
5. Inventory		
Raw cotton	234,807,093	174,435,531
Finished yarns	17,643,426	87,924,204
Packing materials	3,589,878	4,249,612
Work-in-process	25,731,060	69,490,700
	281,771,457	336,100,047
Spare parts	12,066,649	12,814,920
	293,838,106	348,914,967
6. Advances, deposits and prepayments		
Advance to/for		
Salary	477,888	158,550
Prepayments	1,190,618	687,503
Expenses	27,170,280	20,617,391
Capital work-in-progress	4,168,386	-
	33,007,172	21,463,444
Security deposits		
Margin and deposit	46,523,403	26,126,446
Security deposit	5,741,870	5,631,870
	52,265,273	31,758,316
	85,272,445	53,221,760
7. Current account with sister concerns		
DBL Ceramics Ltd	58,848,339	-
DB Tex Ltd	27,548,747	12,786,134
Dulal Brothers Ltd	7,647,091	4,036,250
Flamingo Fashions Ltd	53,699,647	(90,577,341)
Hamza Textiles Ltd	75,295,338	46,487,118
Jinnat Fashions Ltd	187,938,516	60,794,737
Jinnat Knitwears Ltd	13,356,308	14,352,056
Mymun Textiles Ltd	(5,585,205)	(12,350,650)
Jinnat Apparels Ltd	(124,783,678)	(140,126,003)
	293,965,103	(104,597,700)
8. Accounts payable for		
Supplies (note 8.1)	392,818,793	245,377,460
Expenses (note 8.2)	10,538,646	7,182,836
Other finance (note 8.3)	66,767	23,238
	403,424,206	250,583,534



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

	Amounts in Taka	
	At 30 June 2010	At 30 June 2009
8.1 Payable for supplies	392,818,793	243,377,460
This represents amount payable for supplies of raw materials, deferred L/Cs, packing materials, utilities and other services.		
8.2 Payable for expenses		
Salary	6,470,518	4,231,861
Gas bill	2,954,385	2,667,670
Overtime	1,018,743	273,305
Audit fees	50,000	10,000
Upazila Parishad tax	45,000	-
	<u>10,538,646</u>	<u>7,182,836</u>
8.3 Payable for other finance		
Tax deducted at source	66,767	23,238
	<u>66,767</u>	<u>23,238</u>
9. Short term bank loan		
Margin mudabaha post import	326,299,248	229,030,353
Bai salam	51,162,109	-
	<u>377,461,357</u>	<u>229,030,353</u>
The above loans were taken from Islami Bank Bangladesh Ltd for the purpose of raw cotton purchase for six (6) months bearing rate of return @ 13% per annum.		
10. Property, plant and equipment		
Cost	1,661,505,340	1,650,068,741
Opening balance	82,278,371	11,436,599
<u>Add</u> : Additions	840,462,029	-
<u>Add</u> : Revaluation reserve	2,584,245,740	1,661,505,340
	(9,925,848)	-
<u>Less</u> : Disposal/Adjustment	2,574,319,892	1,661,505,340
Closing balance (A)		
Depreciation	728,865,111	506,356,983
Opening balance	96,709,811	222,508,127
<u>Add</u> : Charge for the year	825,574,922	728,865,110
	683,728	-
<u>Less</u> : Disposal/Adjustment	824,891,194	728,865,110
Closing balance (B)		
	<u>1,749,428,698</u>	<u>932,640,230</u>
Written Down Value (A-B)		
Details of are shown in <u>Annex 1.</u>		



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

	Amounts in Taka	
	At	At
	30 June 2010	30 June 2009
11. Investment		
Investment in shares	1,250,000	-
	<u>1,250,000</u>	<u>-</u>
This represents investment in shares of DBL Ceramics Ltd, a sister concern of the company out of tax holidays reserve of Taka 132,605,111.		
12. Deferred financing cost - net		
Preliminary expenses (note12.1)	21,787	39,216
Unallocated revenue expenditure (note12.2)	9,302,403	16,744,326
Interest during construction period (note12.3)	28,373,384	51,072,089
	<u>37,697,574</u>	<u>67,855,631</u>
12.1 Preliminary expenses		
Cost	87,146	87,146
<u>Less: Amount written off</u>		
Opening balance	47,930	30,501
<u>Add : Written off during the year</u>	17,429	17,429
	<u>65,359</u>	<u>47,930</u>
Closing balance	21,787	39,216
12.2 Unallocated revenue expenditure		
Cost	37,209,614	37,209,614
<u>Less: Amount written off</u>		
Opening balance	20,465,288	13,023,365
<u>Add : Written off during the year</u>	7,441,923	7,441,923
	<u>27,907,211</u>	<u>20,465,288</u>
Closing balance	9,302,403	16,744,326
12.3 Interest during construction period		
Cost	113,493,528	113,493,528
<u>Less: Amount written off</u>		
Opening balance	62,421,438	39,722,732
<u>Add : Written off during the year</u>	22,698,706	22,698,706
	<u>85,120,144</u>	<u>62,421,438</u>
Closing balance	28,373,384	51,072,089
13. Term loan-bank		
Hire purchase of shirkalur mills - 24300087718	754,150,259	877,198,913
Hire purchase of shirkalur mills - 24300108712	8,951,376	10,089,770
Hire purchase of shirkalur mills - 24300133710	15,613,115	-
Hire purchase of shirkalur mills - 24300139514	9,284,773	-
	<u>787,999,523</u>	<u>887,288,683</u>

The above loans have been taken from Islami Bank Bangladesh Ltd for the purpose of import of machinery for (8) eight years bearing share of profit @ 13% per annum.



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

	Amounts in Taka	
	At	At
	30 June 2010	30 June 2009
14. Term loan-directors		
Parveen Wahed	13,760,000	14,760,000
Salina Parveen	11,706,000	12,706,000
Tanzin Rahim	11,451,150	12,451,150
Taslima Begum	11,350,000	12,350,000
	<u>48,267,150</u>	<u>52,267,150</u>
15. Share capital		
Authorised		
150,000,000 ordinary shares of Taka 100 each	1,500,000,000	200,000,000
Issued and paid-up		
2,550,000 ordinary shares of Taka 100 each	255,000,000	150,000,000
Shareholding position is as follows :		
<u>Name of shareholder</u>	<u>Number of shares</u>	
M.A. Wahed	211,500	125,000
M.A. Jabbar	211,500	125,000
M.A. Rahim	211,500	125,000
M.A. Quader	211,500	125,000
Md. Hassan Imam	1,000	-
Selina Parvin	1,000	-
Tanzeen Rahim	1,000	-
Taslima Begum	1,000	-
Flamingo Fashions Ltd	340,000	200,000
Jinnat Apparels Ltd	1,360,000	800,000
	<u>2,550,000</u>	<u>1,500,000</u>
16. Share money deposit		
Flamingo Fashions Ltd	29,400,000	-
Jinnat Apparels Ltd	16,700,000	-
Mymun Textiles Ltd	45,000,000	-
	<u>91,100,000</u>	<u>-</u>
17. Retained earnings		
Opening balance	18,850,941	71,003,499
<u>Add: Profit made during the year</u>	75,056,725	52,847,442
<u>Less: Proposed bonus shares</u>	-	(105,000,000)
Closing balance	<u>93,907,666</u>	<u>18,850,941</u>
18. Tax holiday reserve		
Opening balance	82,567,295	47,335,667
<u>Add: Transfer during the year</u>	50,037,816	35,231,628
Closing balance	<u>132,605,111</u>	<u>82,567,295</u>



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

Amounts in Taka	
At	At
30 June 2010	30 June 2009
840,462,029	-

19. Revaluation Reserve

In 2010, land and civil constructions under the ownership of Matin Spinning Mills Ltd were professionally revalued by Sarwar Salamat & Co, Chartered Accountants, along with their associates, M. S. Civil Engineering Consultant and other technical professionals. Fair market value was estimated at Taka 999,440,725 as against net book value of Taka 158,978,696 resulting in a revaluation surplus of Taka 840,462,029 which was accounted for and transferred to revaluation reserve.

Income Statement

Amounts in Taka		
Year ended	Year ended	
30 June 2010	30 June 2009	
Export sale of yarns	1,598,503,714	1,682,835,588
Local sale of yarns	2,053,505	-
Sale of wastage	4,307,539	4,998,610
	<u>1,604,864,758</u>	<u>1,687,834,198</u>
21. Cost of goods sold		
Raw cotton consumption (note 21.1)	899,452,958	1,048,970,042
Packing material consumption (note 21.2)	13,334,329	13,678,686
Manufacturing verhead (note 21.3)	263,376,489	310,332,837
Cost of goods manufactured	1,176,163,776	1,372,981,565
Opening work-in-process	69,490,700	18,602,274
Closing work-in-process	(25,731,060)	(69,490,700)
Cost of production	1,219,923,416	1,322,093,139
Opening stock of finished yarns	87,924,204	150,618,800
Closing stock of finished yarns	(17,643,426)	(87,924,204)
	<u>1,290,204,194</u>	<u>1,384,787,735</u>
21.1 Raw cotton consumption		
Opening balance	174,435,531	233,539,161
Purchase during the year	975,803,870	989,866,412
Raw cotton available for consumption	1,150,239,401	1,223,405,573
Sale of cotton- local	(15,979,350)	-
Closing balance	(234,807,093)	(174,435,531)
	<u>899,452,958</u>	<u>1,048,970,042</u>
21.2 Packing material consumption		
Opening balance	4,249,612	3,904,839
Purchase during the year	12,674,595	14,023,459
Packing material available for consumption	16,924,207	17,928,298
Closing balance	(3,589,878)	(4,249,612)
	<u>13,334,329</u>	<u>13,678,686</u>



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

	Amounts in Taka	
	Year ended 30 June 2010	Year ended 30 June 2009
21.3 Manufacturing overhead		
Medicine and medical expenses	-	2,400
Depreciation	87,038,830	200,257,315
Fuel and lubricants- Generator	53,079,089	7,784,932
Pay and allowances	40,958,947	37,157,991
Gas bill	37,734,958	34,645,690
Repair and maintenance	16,026,691	10,561,855
Store and spare parts	11,676,036	13,648,348
Generator rental charge	8,128,000	-
Insurance premium	3,719,422	2,766,130
Clearing and forwarding charge	1,516,137	-
Fuel and lubricants- for lift	1,466,174	1,343,318
BTMA certification charges	494,400	401,075
Workshop expenses	408,141	211,595
Fuel and lubricants- vehicles	389,826	771,573
Conveyance	208,366	173,625
Inspection charges	150,780	28,110
Carrying charges	110,634	123,541
Fire fighting- expense	88,375	164,500
Plastic triple	77,900	-
Loading and unloading charges	38,835	179,359
Factory supplies	33,574	63,795
Sample development charge	12,590	-
Crockerries	8,724	5,016
Testing fee	4,000	34,250
Electric charges	3,284	3,030
Courier charges	1,996	3,130
Mask and scurf	780	2,260
	<u>263,376,489</u>	<u>310,332,837</u>
22. General and administrative expenses		
Salary and allowances	18,052,570	15,043,809
Bank charges and commission	3,398,289	1,324,433
Business development expenses	753,147	185,865
Certificate and membership fees	500,902	-
Entertainment	470,838	382,406
Power and fuel - vehicles	445,196	319,371
Income tax	316,273	-
Credit rating expenses	300,000	-
Office maintenance	187,887	299,807
Miscellaneous expenses	148,487	76,977
Advertisement	88,700	109,495
Photocopy and type expenses	80,973	58,981
Power generation tender expenses	78,500	-
Internet charges	68,418	55,350



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

	Amounts in Taka	
	Year ended 30 June 2010	Year ended 30 June 2009
Sports and games	-	7,610
Staff welfare	-	19,184
Write Off Expenses	30,158,057	30,158,057
Depreciation	9,670,981	22,250,813
Rates and rates	749,846	-
Registration and renewal	720,680	178,160
Stationery	499,170	366,045
Travelling expenses	305,586	31,403
Telephone bill	141,673	165,808
Uniform and liveries	112,941	117,006
Audit fees	50,000	10,000
Computer repair maintenance	47,985	1,246,219
Road toll	40,138	42,981
Religious expenses	30,255	15,000
Consultancy fees	30,000	-
Donation and subscription	21,000	55,000
Proximity ID card	10,000	-
Medicine and medical expenses	7,187	21,053
News paper and periodicals	2,745	2,945
Return submit fee	2,500	-
Ceremonial expense	1,650	2,850
Legal expenses	1,320	-
Books and periodicals	600	-
	<u>67,494,493</u>	<u>72,546,628</u>
23. Selling and distribution expenses		
Sales commission	164,800	-
Carriage outward	7,700	431,800
	<u>172,500</u>	<u>431,800</u>
24. Interest expenses		
Bank interest on hire purchase loan	75,057,730	103,646,295
Bank interest on MPI	41,042,865	39,048,947
	<u>116,100,595</u>	<u>142,695,242</u>
25. Earnings per share (EPS)		
Net profit attributable to ordinary shareholders	75,056,725	52,847,442
Weighted average number of ordinary shares outstanding during the year	2,550,000	2,550,000
Earnings per share	<u>29.43</u>	<u>20.72</u>



Matin Spinning Mills Ltd

Notes to financial statements for the year ended 30 June 2010

Others

26. No. of employees who received remuneration throughout the financial year not less than Taka 36,000 was 726 and receiving less than Taka 3,000 per month was 178.
27. Figures are rounded off to the nearest Taka.
28. Previous year's figures have been rearranged, wherever considered necessary, to conform to current year's presentation without causing any impact on the operating results for the year and value of assets and liabilities at the end of that year as shown in
29. These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

for and on behalf of the Board of Directors of Matin Spinning Mills Ltd

Managing Director

Director

Head of Finance

Dhaka, Bangladesh
Dated, 26 September 2010



Matia Spinning Mills Ltd

Annex I

Details of property, plant and equipment for the year ended 30 June 2010

Name of the assets	Cost						Depreciation				Written down value at 30 June 2010	
	At 01 July 2009	Revaluation reserves	Addition during the year	Adjustment/disposal during the year	Total at 30 June 2010	Rate %	To 01 July 2009	Charge for the year	Adjustment during the year	Total to 30 June 2010		
												Amounts in Taka
Land and land development	40,587,448	721,830,743	32,022,657	8,510,848	785,930,000	-	-	-	-	-	-	785,930,000
Factory building	150,573,111	115,066,342	3,561,631	-	269,201,084	5	63,626,974	4,525,388	-	68,152,362	-	201,048,722
Godown	16,262,162	3,564,944	-	-	19,827,106	10	6,376,541	988,562	-	7,365,103	-	12,462,003
Plant and machinery	1,251,528,765	-	18,882,326	-	1,270,411,091	10	567,416,496	70,299,459	-	637,715,956	-	632,695,135
Furniture and fixtures	1,601,865	-	578,167	-	2,180,032	10	387,620	179,241	-	566,861	-	1,613,171
Gas equipment	1,978,958	-	-	-	1,978,958	15	633,267	201,854	-	835,120	-	1,143,838
Generator	108,891,131	-	19,690,836	-	128,581,967	15	49,654,356	11,839,142	-	61,493,497	-	67,088,470
Office equipment	5,840,545	-	424,246	-	6,264,791	15	2,616,727	547,210	-	3,163,936	-	3,100,855
Electric installation	73,798,955	-	7,118,508	-	80,917,463	15	33,594,723	7,098,411	-	40,693,134	-	40,224,329
Deep tubewell	1,100,000	-	-	-	1,100,000	20	501,600	119,680	-	621,280	-	478,720
Vehicles	9,342,400	-	-	1,415,000	7,927,400	20	4,056,806	910,864	683,728	4,283,943	-	3,643,457
Total at 30 June 2010	1,661,505,340	840,462,029	82,278,371	9,925,848	2,574,319,892		728,865,111	96,709,811	683,728	824,891,194	683,728	1,749,428,698
Total at 30 June 2009	1,650,068,741	-	11,436,599	-	1,661,505,340		506,356,983	222,508,127	-	728,865,110	-	932,640,230

Allocation of depreciation:

	Year ended 2010	Year ended 2009
Manufacturing overhead - 90%	87,038,830	200,257,315
Administrative overhead - 10%	9,670,981	22,250,813
	<u>96,709,811</u>	<u>222,508,128</u>

