

ACI Limited

Half Yearly Report 2010

ADVANCED CHEMICAL INDUSTRIES LIMITED

Balance Sheet as at 30 June 2010

Unaudited

Figures in '000'

	<u>30-Jun-2010</u>	<u>31-Dec-2009</u>
	Taka	Taka
Assets		
Property, plant and equipment:		
At Cost / Revaluation	1,889,265	1,829,791
Accumulated depreciation	(712,721)	(654,030)
	1,176,544	1,175,761
Capital work-in-progress	192,245	106,131
Intangible assets	2,595	-
Investment	907,983	877,288
Total non-current assets	2,279,367	2,159,180
Current assets:		
Inventories	1,520,679	1,596,525
Trade debtors	1,189,266	1,161,296
Other debtors	166,226	69,510
Advance, deposits & prepayments	423,809	368,144
Advance income tax	346,283	283,104
Inter-company receivable	1,965,088	1,169,264
Cash and bank balances	211,213	717,864
	5,822,564	5,365,707
Total assets	8,101,931	7,524,887
Equity and liabilities		
Shareowners' equity:		
Share capital	194,040	194,040
Share premium	250,022	250,022
Capital reserve	1,671	1,671
Revaluation reserve	300,272	300,272
Retained earnings	2,364,872	2,284,195
	3,110,877	3,030,200
Current liabilities:		
Bank overdraft	706,387	319,341
Bank term loan	1,658,346	1,917,691
Trade creditors	177,932	377,165
Other creditors	825,264	1,149,121
Inter company liabilities	88,083	57,749
Current portion of lease obligation	1,010	1,840
Provision for taxation	459,163	353,967
	3,916,185	4,176,874
Long term liabilities	1,074,869	317,813
Total equity and liabilities	8,101,931	7,524,887



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited

Consolidated Balance Sheet as at 30 June 2010
Unaudited

	Figures in '000'	
	30-Jun-2010	31-Dec-2009
	Taka	Taka
Non- current assets:		
Property, plant and equipment		
At Cost / revaluation	4,572,682	4,393,880
Accumulated depreciation	(1,239,042)	(1,092,721)
	3,333,640	3,301,159
Capital work-in-progress	598,516	453,323
Investment	312,980	186,353
Intangible assets	118,276	116,314
	1,029,772	755,990
Current assets:		
Inventories	2,876,992	2,773,719
Trade debtors	2,638,797	2,635,023
Other debtors	141,186	76,803
Advance, deposits & prepayments	851,384	901,792
Advance income tax	499,814	387,575
Inter-company debt	15,190	13,298
Cash and bank balance	307,770	847,873
	7,331,133	7,636,083
Total assets	11,694,545	11,693,232
Equity and liabilities:		
Share holders' equity		
Share capital	194,040	194,040
Share premium	250,022	250,022
Capital reserve	1,671	1,671
Revaluation reserve	589,529	589,529
Retained profit	1,748,299	1,906,693
	2,783,561	2,941,956
Minority interest	363,632	401,295
	3,147,193	3,343,251
Current liabilities		
Bank overdraft	883,120	709,319
Short term bank loan	3,172,123	3,506,617
Trade creditors	380,038	780,935
Other creditors	1,309,699	1,639,824
Current portion of lease obligation	1,010	1,840
Provision for tax	664,044	523,699
	6,410,034	7,162,234
Long term liabilities	2,137,318	1,187,747
Total equity and liabilities	11,694,545	11,693,232



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Income statement
for the half year ended 30 June 2010
Unaudited

	Figures in '000'			
	January to June 2010	January to June 2009	April to June 2010	April to June 2009
	Taka	Taka	Taka	Taka
Sales	4,152,083	3,290,846	1,950,520	1,564,679
Cost of goods sold	(2,748,697)	(2,246,795)	(1,264,004)	(987,108)
Gross profit	1,403,386	1,044,051	686,516	577,571
Administrative, selling & distribution expenses	(950,345)	(821,887)	(489,959)	(406,063)
	453,041	222,164	196,557	171,509
Other income	47,958	29,596	46,742	26,039
Operating Profit	500,999	251,760	243,299	197,547
Profit from sale of shares	-	438,112	-	438,112
Financing cost	(90,877)	(145,596)	(34,081)	(62,881)
Profit before WPPF and Tax	410,122	544,276	209,218	572,779
Provision for contribution to WPPF	(20,506)	(5,308)	(10,461)	(6,733)
Profit before tax	389,616	538,968	198,757	566,046
Tax expenses	(105,196)	(26,389)	(55,117)	(33,617)
Profit after tax	284,420	512,579	143,640	532,428
Earnings per share-from continuing operations	14.66	3.84	7.40	4.86
Earnings per share-from one-off gain	-	22.58	-	22.58
Total Earnings Per Share	14.66	26.42	7.40	27.44



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Consolidated Income Statement
for the half year ended 30 June 2010
Unaudited

	Figures in '000'			
	January to June 2010	January to June 2009	April to June 2010	April to June 2009
	Taka	Taka	Taka	Taka
Sales	7,030,840	5,703,314	3,144,741	2,512,066
Cost of goods sold	<u>(5,018,259)</u>	<u>(4,033,328)</u>	<u>(2,269,324)</u>	<u>(1,725,652)</u>
Gross profit	2,012,581	1,669,986	875,417	786,414
Administration, selling & distribution expenses	<u>(1,610,815)</u>	<u>(1,255,764)</u>	<u>(794,172)</u>	<u>(626,861)</u>
	401,766	414,222	81,245	159,553
Other income	<u>27,238</u>	<u>21,067</u>	<u>20,417</u>	<u>16,433</u>
Operating Profit	429,004	435,289	101,662	175,986
Profit from sale of shares	-	373,888	-	373,888
Profit/ (loss) from Associates and Joint Ventures	<u>44,218</u>	<u>5,663</u>	<u>33,797</u>	<u>(4,405)</u>
	473,222	814,840	135,459	545,469
Financing cost	<u>(303,783)</u>	<u>(313,088)</u>	<u>(144,689)</u>	<u>(146,988)</u>
Profit before WPPF and Tax	169,439	501,752	(9,230)	398,481
Provision for contribution to WPPF	<u>(23,401)</u>	<u>(11,492)</u>	<u>(5,681)</u>	<u>(6,172)</u>
Profit before tax	146,038	490,260	(14,911)	392,309
Tax expenses	<u>(144,874)</u>	<u>(64,499)</u>	<u>(60,358)</u>	<u>(35,036)</u>
Profit after tax	1,164	425,761	(75,269)	357,273
Minority interest	<u>44,183</u>	<u>(2,658)</u>	<u>54,192</u>	<u>23,259</u>
Profit after tax and minority interest	<u>45,347</u>	<u>423,103</u>	<u>(21,077)</u>	<u>380,532</u>
Earnings per share	2.34	21.80	(1.09)	19.61
<hr/>				
Earnings per share-from continuing operations	2.34	2.54	(1.09)	0.34
Earnings per share-from one-off gain	-	19.27	-	19.27
Total Earnings Per Share	2.34	21.80	(1.09)	19.61



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited

Statement of changes in equity
for the half year ended 30 June 2010

Figures in '000'

<u>Particulars</u>	Share capital	Share premium	Capital reserve	Revaluation reserve	Retained earnings	Total
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance at 31 December 2009	194,040	250,022	1,671	300,272	2,284,195	3,030,200
Net profit after tax for the period	-	-	-	-	284,420	284,420
Dividend payable	-	-	-	-	(203,742)	(203,742)
Balance at 30 June 2010	194,040	250,022	1,671	300,272	2,364,873	3,110,878
Balance at 30 June 2009	194,040	250,022	1,671	303,148	1,806,653	2,555,534



Dr. Arif Dowla
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Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Consolidated Statement of Changes in Equity
for the half year ended 30 June 2010
Unaudited

Particulars	Figures in '000'						
	Share capital Taka	Share premium Taka	Capital reserve Taka	Revaluation reserve Taka	Retained earnings Taka	Minority interest Taka	Total Taka
Balance at 31 December 2009	194,040	250,022	1,671	589,529	1,906,694	401,295	3,343,251
Net profit after tax for the period	-	-	-	-	45,347	(44,184)	1,163
Dividend payable	-	-	-	-	(203,742)	-	(203,742)
Adjustment for minority interest	-	-	-	-	-	6,521	6,521
Balance at 30 June 2010	194,040	250,022	1,671	589,529	1,748,299	363,632	3,147,193
Balance at 30 June 2009	194,040	250,022	1,671	590,732	1,728,919	409,172	3,174,556



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

ADVANCED CHEMICAL INDUSTRIES LIMITED
Cash flow statement
for the half year ended 30 June 2010
Unaudited

	Figures in '000'	
	Half year ended 30 June 2010	Half year ended 30 June 2009
	Taka	Taka
A. Cash flows from operating activities		
Cash receipts from customers	4,124,113	3,216,058
Cash receipts from other income	7,286	29,596
Receipts from / (paid) to others	(35,029)	(80,349)
	4,096,370	3,165,305
Cash paid for:		
Purchase of inventory	(2,653,904)	(1,851,088)
Operating expenses	(885,586)	(869,661)
Receipts from/ (payments to) other creditors	7,039	118,717
Financing cost	(111,892)	(145,596)
Payments for advances, deposits and prepayments	(55,665)	(99,322)
Income tax	(63,179)	(41,915)
(Paid) to/ received from WPPF	13,716	(5,619)
	(3,749,471)	(2,894,484)
	346,899	270,821
B. Cash flows from investing activities		
Purchases of fixed assets	(30,833)	(24,137)
Payments for capital work in progress	(120,911)	(17,427)
Proceeds from sale of shares of subsidiary	-	448,880
Investments	(30,695)	(168,340)
	(182,439)	238,976
C. Cash flows from financing activities		
Inter company debts (paid)/ received	(765,490)	(78,037)
Dividend paid	(18,787)	(71)
Short term loan (paid)/ received	(430,095)	(142,867)
Long term loan (paid)/received	156,216	17,013
	(1,058,156)	(203,962)
D. Net cash inflows/(outflows) from total activities (A+B+C)	(893,696)	305,835
E. Opening cash and bank balances	398,522	(520,264)
F. Closing cash and bank balances (D+E)	(495,174)	(214,429)
Closing balance represents:		
Cash and bank	211,213	105,813
Bank overdraft	(706,387)	(320,242)
	(495,174)	(214,429)



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited

Consolidated Cash Flow Statement
for the half year ended 30 June 2010
Unaudited

	Figures in '000'	
	Half year ended 30 June 2010	Half year ended 30 June 2009
	Taka	Taka
A Cash flows from operating activities:		
Cash received from customers	7,064,751	5,518,254
Cash received as other income	36,319	37,542
Payments to other debtors	(35,235)	(78,767)
	<u>7,065,835</u>	<u>5,477,029</u>
Cash paid for:		
Inventories	(5,192,100)	(3,681,016)
Operating expenses	(1,443,274)	(1,250,521)
Payments to other creditors	(68,957)	131,527
Financing cost	(323,433)	(300,569)
Payments for advances, deposits and prepayments	(90,640)	(483,389)
Income tax paid	(125,537)	(70,398)
(Paid) to/ received from WPPF	13,053	(5,619)
	<u>(7,230,888)</u>	<u>(5,659,985)</u>
Net cash provided by operating activities	<u>(165,053)</u>	<u>(182,956)</u>
B Cash flows from investing activities :		
Purchase of fixed assets	(152,414)	(131,504)
Purchase of intangible assets	(2,595)	(5,323)
Payments for capital work in progress	(135,497)	(175,353)
Proceeds from sale of fixed assets	6,989	-
Proceeds from sale of shares of subsidiary	-	448,880
Investments	(82,408)	(4,000)
Net cash used in investing activities	<u>(365,925)</u>	<u>132,700</u>
C Cash flows from financing activities :		
Issue of shares	-	32,000
Inter-company debts received/(paid)	(8,861)	78,153
Dividend paid	(18,825)	(71)
Short term loan received/(paid)	(388,073)	(115,477)
Long term loan received/(paid)	232,834	509,206
Net cash flows from financing activities	<u>(182,925)</u>	<u>503,811</u>
D Net cash inflow/(outflow) from total activities (A+B+C)	(713,903)	453,555
E Opening balance	138,553	(975,803)
F Closing balance (D+E)	<u>(575,350)</u>	<u>(522,248)</u>
Cash in hand and at bank	307,770	167,495
Bank overdraft	(883,120)	(689,743)
	<u>(575,350)</u>	<u>(522,248)</u>



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer

Advanced Chemical Industries Limited
Notes to the financial statements
for the half year ended 30 June 2010
Unaudited

1 Selected explanatory notes

These financial statements have been prepared in line with Accounting Policies as adopted in the preparation of financial statements for the year ended 31 December 2009. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

	30-Jun-10	Figures in '000'
	Taka	31-Dec-09
	<u>Taka</u>	<u>Taka</u>
2 Fixed assets at cost/ revaluation		
Fixed assets at cost less accumulated depreciation	833,415	826,777
Fixed assets at revaluation less accumulated depreciation	339,750	343,653
Leased assets at cost less accumulated depreciation	3,379	5,331
	<u>1,176,544</u>	<u>1,175,761</u>
2 (a) Consolidated fixed assets at cost/ revaluation		
Fixed assets at cost less accumulated depreciation	2,718,238	2,677,715
Fixed assets at revaluation less accumulated depreciation	612,023	618,112
Leased assets at cost less accumulated depreciation	3,379	5,332
	<u>3,333,640</u>	<u>3,301,159</u>
3 Inventories		
Finished goods	618,307	575,192
Work-in-process	79,762	67,141
Raw materials	485,458	520,303
Packing materials	158,537	167,786
Stores & spares	11,777	15,220
Stock in transit	166,838	250,883
	<u>1,520,679</u>	<u>1,596,525</u>
3 (a) Consolidated inventories		
Finished goods	1,256,884	1,178,185
Work-in-process	90,635	77,784
Raw materials	980,359	861,326
Packing materials	269,405	269,352
Stores & spares	58,441	46,171
Stock in transit	221,268	340,901
	<u>2,876,992</u>	<u>2,773,719</u>
4 Trade debtors		
Debts due over six months	155,625	93,447
Debts due below six months	1,033,641	1,067,849
	<u>1,189,266</u>	<u>1,161,296</u>
4 (a) Consolidated trade debtors		
Debts due over six months	334,071	180,159
Debts due below six months	2,304,726	2,454,864
	<u>2,638,797</u>	<u>2,635,023</u>

	30-Jun-09 Taka	Figures in '000' 31-Dec-09 Taka
5 Advances, deposits & prepayments		
Loan and advance to staff and others	119,225	99,492
VAT current account.	43,120	50,497
Advance to others	237,396	205,463
Deposits & prepayments	24,068	12,691
	<u>423,809</u>	<u>368,143</u>
5 (a) Consolidated advances, deposits & prepayments		
Loan and advance to staff and others	129,573	118,281
VAT current account.	52,268	53,555
Advance to others	594,878	676,331
Deposits & prepayments	74,665	53,625
	<u>851,384</u>	<u>901,792</u>
6 Long term liabilities		
Long term bank loan	781,947	36,760
Staff gratuity provision	122,823	118,137
Other long term employee benefits	38,459	31,139
Deferred tax liabilities	130,638	130,638
Employees group insurance fund	400	400
Loan from other sources - unsecured	215	215
Obligation under finance lease	387	524
	<u>1,074,869</u>	<u>317,813</u>
6 (a) Consolidated long term liabilities		
Long term bank loan	1,757,515	818,539
Staff gratuity provision	128,267	123,080
Other long term employee benefits	38,459	31,138
Deferred tax liabilities	156,658	158,434
Employees group insurance fund	400	400
Loan from other sources - unsecured	55,632	55,632
Obligation under finance lease	387	524
	<u>2,137,318</u>	<u>1,187,747</u>

7 Figures have been rounded off to the nearest Taka and previous period's figures have been rearranged to conform to current period's presentation.



Dr. Arif Dowla
Managing Director



Muallem A Choudhury
Chief Financial Officer