

ACI Formulations Limited

Half Yearly Report 2013

ACI Formulations Limited
Statement of Financial Position
as at 30 June 2013
Unaudited

<u>Assets</u>	<u>Notes</u>	<u>Figures in '000'</u>	
		<u>30 June 2013</u>	<u>31 Dec 2012</u>
		<u>Taka</u>	<u>Taka</u>
Non-current assets			
Property, plant and equipment			
At cost/revaluation		1,342,616	1,327,776
Less: Accumulated depreciation		121,371	97,075
	2	1,221,245	1,230,701
Capital work-in-progress		24,825	25,978
Investment		2,722	2,600
Total non-current assets		1,248,792	1,259,279
Current assets			
Inventories	3	555,296	669,134
Trade receivables	4	432,614	593,571
Advance income tax	5	68,180	47,849
Advances, deposits and prepayments	6	40,369	37,848
Inter-company receivables	7	343,582	161,977
Cash and cash equivalents		62,759	79,627
Total current assets		1,502,800	1,590,006
Total assets		2,751,592	2,849,285
<u>Equity and liabilities</u>			
Shareholders' equity			
Share capital		450,000	450,000
Revaluation surplus		692,960	692,960
Retained earnings		510,633	570,781
Total equity		1,653,593	1,713,741
Liabilities			
Long term liabilities	8	69,028	74,022
Current liabilities			
Bank overdraft		24,893	72,830
Short term bank loan		655,150	746,553
Long term bank loan- current portion		12,425	24,455
Trade payables		20,811	46,944
Other payables	9	218,045	95,668
Inter company payables	10	9,946	9,247
Current tax liability		87,701	65,825
Total current liabilities		1,028,971	1,061,522
Total equity and liabilities		2,751,592	2,849,285



Shusmita Anis
Managing Director



Muallem A Choudhury
Chief Financial Officer

ACI Formulations Limited
Statement of Comprehensive Income
for the half year ended 30 June 2013
Unaudited

Figures in '000'

	Notes	Half year ended on		Period ended on	
		January to	January to	April to	April to
		June 2013	June 2012	June 2013	June 2012
		Taka	Taka	Taka	Taka
Revenue	11	1,135,991	1,414,172	411,330	504,780
Cost of sales	12	(849,372)	(1,110,730)	(325,773)	(424,533)
Gross profit		<u>286,619</u>	<u>303,442</u>	<u>85,557</u>	<u>80,247</u>
Operating expenses	13	(174,116)	(169,089)	(83,682)	(63,807)
Results from operating activities		<u>112,503</u>	<u>134,353</u>	<u>1,875</u>	<u>16,440</u>
Other income		2,836	5,198	1,357	2,270
Financing costs		(41,660)	(49,316)	(17,939)	(26,584)
		<u>73,679</u>	<u>90,235</u>	<u>(14,707)</u>	<u>(7,874)</u>
Provision for contribution to WPPF		(3,684)	(4,512)	735	394
<i>Profit before taxation</i>		<u>69,995</u>	<u>85,723</u>	<u>(13,972)</u>	<u>(7,480)</u>
Tax expenses		(17,643)	(22,041)	3,434	2,813
Profit after tax		<u>52,352</u>	<u>63,682</u>	<u>(10,538)</u>	<u>(4,667)</u>
Other comprehensive income		-	-	-	-
Total other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income		<u>52,352</u>	<u>63,682</u>	<u>(10,538)</u>	<u>(4,667)</u>
Earnings per share (EPS)		<u>1.16</u>	<u>1.42</u>	<u>(0.23)</u>	<u>(0.10)</u>



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Managing Director



Muallem A Choudhury
Chief Financial Officer

ACI Formulations Limited
Statement of Changes in Equity
for the half year ended 30 June 2013
Unaudited

Figures in '000'

<u>Particulars</u>	<u>Paid up capital Taka</u>	<u>Revaluation surplus Taka</u>	<u>Retained earnings Taka</u>	<u>Total Taka</u>
Balance as at 31 December 2011	300,000	693,376	645,402	1,638,778
Comprehensive income for the period				
Profit for the period	-	-	63,682	63,682
Total other comprehensive income net of tax	-	-	-	-
Total Comprehensive income for the period	-	-	63,682	63,682
Contribution by and distributions to owners of the Company				
Issue of bonus share	150,000	-	(150,000)	-
Dividends to owners of the Company	-	-	(75,000)	(75,000)
Total contributions by and distributions to owners of the Company	150,000	-	(225,000)	(75,000)
Balance as at 30 June 2012	450,000	693,376	484,084	1,627,460
Balance as at 31 December 2012	450,000	692,960	570,781	1,713,741
Comprehensive income for the period				
Profit for the period	-	-	52,352	52,352
Total other comprehensive income net of tax	-	-	-	-
Total Comprehensive income for the period	-	-	52,352	52,352
Contribution by and distributions to owners of the Company				
Dividends to owners of the Company	-	-	(112,500)	(112,500)
Total contributions by and distributions to owners of the Company	-	-	(112,500)	(112,500)
Balance as at 30 June 2013	450,000	692,960	510,633	1,653,593



Shusmita Anis
Managing Director



Muallem A Choudhury
Chief Financial Officer

ACI Formulations Limited
Statement of cash flows
for the half year ended 30 June 2013
Unaudited

Figures in '000'

	<u>Half year ended on</u>	
	<u>30 June 2013</u>	<u>30 June 2012</u>
	<u>Taka</u>	<u>Taka</u>
A) Cash flows from operating activities		
Cash received from customers	1,311,630	1,470,975
Cash received from other income	2,837	5,197
	<u>1,314,467</u>	<u>1,476,172</u>
Cash received/(paid) from/(for):		
Purchase of inventory	(738,850)	(1,085,171)
Operating expenses	(154,760)	(141,606)
Other payables	875	(1,432)
Advances, deposits and prepayments	(2,521)	(6,740)
	<u>(895,256)</u>	<u>(1,234,949)</u>
Cash generated from operating activities	<u>419,211</u>	<u>241,223</u>
Financing cost	(41,660)	(49,316)
Income tax	(20,330)	(35,662)
	<u>(61,990)</u>	<u>(84,978)</u>
<i>Net cash inflows/(outflows) from operating activities</i>	<u>357,221</u>	<u>156,245</u>
B) Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,154)	(18,365)
Investment	(122)	-
Payments for capital work-in-progress	(11,533)	(19,432)
<i>Net cash used in investing activities</i>	<u>(13,809)</u>	<u>(37,797)</u>
C) Cash flows from financing activities		
Inter-company receivable/payable received/(paid)	(208,107)	(78,383)
Dividend paid	(41)	(73)
Short term bank loan received/(paid)	(103,434)	(24,506)
Long term bank loan received/(paid)	(761)	(9,096)
<i>Net cash from/(used in) financing activities</i>	<u>(312,343)</u>	<u>(112,058)</u>
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	31,069	6,390
E) Cash and cash equivalents at 1 January	6,797	25,068
F) Cash and cash equivalents at 30 June (D+E)	<u>37,866</u>	<u>31,458</u>
Closing balance represents		
Cash in hand and at bank	62,759	68,300
Bank overdraft	(24,893)	(36,842)
	<u>37,866</u>	<u>31,458</u>



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Chief Financial Officer

ACI Formulations Limited

**Notes to the financial statements
for the half year ended 30 June 2013
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 2012. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements.

	Figures in '000'	
	30 June 2013	31 December 2012
	Taka	Taka
2. Fixed asset at cost/ revaluation:		
Opening balance	1,327,776	1,229,783
Addition during the period/year	14,840	97,993
	1,342,616	1,327,776
Accumulated depreciation at the end of period/year	(121,371)	(97,075)
Closing balance	1,221,245	1,230,701
3. Inventories		
Raw materials	222,963	216,354
Packing materials	58,028	47,740
Finished goods	214,755	334,213
Work-in-process	7,653	3,664
Stock in transit	37,500	54,295
Other inventories	24,112	22,502
	565,011	678,768
Provision for slow moving Inventory	(9,715)	(9,634)
	555,296	669,134
4. Trade receivables		
Receivables due over six months	211,510	163,166
Receivables due below six months	294,327	491,109
	505,837	654,275
Provision for doubtful debts	(73,223)	(60,704)
	432,614	593,571
5. Advance income tax		
Balance as at 1 January	47,849	43,608
Paid during the period/year	20,331	60,673
	68,180	104,281
Adjustment during the period/year	-	(56,432)
	68,180	47,849
6. Advance, deposits & prepayments		
Advance to suppliers	27,735	24,745
Staff advances	3,199	2,121
Bank guarantee margin	1,019	-
Security money and tender deposits	4,773	5,029
Prepayments	3,643	5,953
	40,369	37,848

	<u>30 June 2013</u>	<u>31 December 2012</u>
	<u>Taka</u>	<u>Taka</u>
7. Inter-company receivables		
Advanced Chemical Industries Limited	323,789	143,567
Premiaflex Plastics Limited	19,793	18,410
	<u>343,582</u>	<u>161,977</u>
8. Long term liabilities		
Staff gratuity provision	7,009	7,770
Other long term liabilities	5,863	5,863
Deferred tax liabilities	56,156	60,389
	<u>69,028</u>	<u>74,022</u>
9. Other payables		
Creditor for expenses	70,220	63,962
Interest payable	6,358	7,257
Unpaid dividend	118,598	6,139
Security money payable	683	683
Withholding tax and VAT	3,079	2,204
Workers' profit participation fund	19,107	15,423
	<u>218,045</u>	<u>95,668</u>
10. Inter-company payables		
ACI Salt Limited	9,946	9,247
	<u>9,946</u>	<u>9,247</u>
	<u>Jan to Jun 13</u>	<u>Jan to Jun 12</u>
	<u>Taka</u>	<u>Taka</u>
11. Revenue		
Crop Care & Public Health	559,411	666,144
Mosquito Coil	329,755	415,766
Aerosol	246,825	332,262
	<u>1,135,991</u>	<u>1,414,172</u>
12. Cost of sales		
Opening stock	601,970	643,052
Purchase	665,600	1,042,529
	1,267,570	1,685,581
Closing stock	(503,399)	(671,084)
	764,171	1,014,497
Manufacturing expenses	85,201	96,233
	<u>849,372</u>	<u>1,110,730</u>
13. Operating expenses		
Administrative expenses	52,835	49,557
Distribution expenses	16,587	14,876
Selling expenses	104,694	104,656
	<u>174,116</u>	<u>169,089</u>
14. Operating segment		
Please see at next page		

15. Figures have been rounded off to nearest '000' Taka and previous period's figures have been rearranged to conform to current period's presentation.

14. Segment reporting

The Company has three reportable segments, as described below, which are the Company's strategic divisions. The strategic division offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Company's CEO reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

Crop Care and Public Health (CC & PH) To manufacture and sell crop care and public health products.

Mosquito Coil (M Coil) To manufacture and sell mosquito coil products

Aerosol To manufacture and sell aerosol and air freshener products.

Figures in '000'

Particulars	CC & PH		M Coil		Aerosol		Unallocated		Total	
	Half year ended on		Half year ended on		Half year ended on		Half year ended on		Half year ended on	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Segment revenue:										
External revenues	559,411	666,144	-	-	-	-	-	-	559,411	666,144
Inter-segment revenues	-	-	329,755	415,766	246,825	332,262	-	-	576,580	748,028
Total revenue	559,411	666,144	329,755	415,766	246,825	332,262	-	-	1,135,991	1,414,172
Finance costs	(37,410)	(41,173)	(2,024)	(3,998)	(2,227)	(4,145)	-	-	(41,661)	(49,316)
Depreciation	(11,556)	(11,592)	(10,435)	(9,558)	(2,304)	(2,252)	-	-	(24,295)	(23,402)
Manufacturing expenses excluding depreciation	(315,914)	(416,743)	(287,265)	(368,981)	(223,377)	(301,603)	-	-	(826,556)	(1,087,327)
Operating expenses excluding depreciation	(143,492)	(143,952)	(16,417)	(14,542)	(12,727)	(10,596)	-	-	(172,636)	(169,090)
Other income /(expense)	1,425	3,623	7	15	1,404	1,560	-	-	2,836	5,198
Segment result	49,841	53,492	12,940	17,767	7,214	14,465	-	-	69,995	85,723
Reportable segment assets	1,594,694	1,760,226	878,403	863,023	237,780	278,191	40,715	15,128	2,751,592	2,916,568
Reportable segment liabilities	263,627	490,189	104,473	125,363	146,680	154,292	583,219	519,263	1,097,999	1,289,107



Shusmita Anis
Managing Director



Muallem A Choudhury
Chief Financial Officer