

EXTRACT OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE 2020

1. STATEMENT OF COMPREHENSIVE INCOME:

	June 2020	June 2019
	US\$' Millions	US\$' Millions
Revenue	13,033	14,965
Cost of Sales	(10,821)	(10,617)
Gross Profit	2,212	4,348
Profit/(Loss) before income tax	(2,043)	(183)
Income tax credit (Expense)	613	55
Profit/(Loss) during the Period	(1,430)	(128)
Basic and diluted gain/(Loss) per share	(1.59)	(0.14)

2. STATEMENT OF FINANCIAL POSITION:

	Unaudited six months ended 30 June 2020	Audited 31 December 2019
	US\$' Millions	US\$' Millions
Equity	30,988	31,080
Non-Current Liabilities	26,799	26,801
Non-Current Assets	39,934	41,461
Current Assets	22,967	20,776
Current Liabilities	5,115	4,356
Net Current (Liabilities)/Assets	17,852	16,420

3. STATEMENT OF CHANGES IN EQUITY:

	Issued Capital	Share Premium	Revaluation Reserves	Retained Earnings	Proposed Dividends	Total
	US\$ Million	US\$ Million	US\$ Million	US\$ Million	US\$ Million	US\$ Million
Period ended 30th June 2020						
At 01 January 2020	900	9,766	4,931	15,484	-	31,081
Prior year adjustment				1,337		
Income tax recoverable						
Transfer of excess depreciation						
Deferred income tax on transfer of excess depreciation						
Loss for the period				(1,430)		
At 30 June 2020	900	9,766	4,931	15,391	-	30,988

4. STATEMENT OF CASHFLOWS:

	June 2020	June 2019
	US\$' Millions	US\$' Millions
Operating activities		
Net cash flows from / used in operating activities	4,494	4,881
Investing activities		
Net cash flows from / used in investing activities	(5,351)	(3,539)
Financing activities		
Net cash flows from / used in financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	(857)	1,342
Movement in cash and cash equivalents:		
At start of the period	3,335	1,993
Increase/(decrease)	(857)	1,342
At end of the period	2,478	3,335

Overview:

The Directors of Uganda Clays Ltd are pleased to announce the interim condensed financial statements (un-audited) for the six months ended 30th June 2020.

The first half of 2020 has been unprecedented for most businesses world over. Despite the tough times, UCL's business continues to show resilience but not immune to the impact of the pandemic on the operating environment in the country.

Our focus has been on employee safety, continued engagement with stakeholders and maintaining business continuity.

PERFORMANCE HIGHLIGHTS:

Revenue:

Revenue decreased by 13% to Ushs 13.0 Billion for the period compared to Ushs 15 Billion in the same period in 2019, notably due to business disruptions impacted by the COVID-19 pandemic.

Cost of sales:

Cost of sales increased by 2% to Ushs 10.8 Billion for the period from Ushs 10.6 Billion for the same period in 2019 mainly driven by a 10% increase in the kiln firing costs.

Gross Profit:

Gross profit for the period reduced by 49% to Ushs 2.1 Billion from Ushs 4.3 Billion in the same period in 2019, driven by a fall in product sales volume.

Operating Profit/ (loss):

Operating loss for the period increased to Ushs 2 Billion from a loss of Ushs 182 Million in the same period in 2019. However, the operating costs reduced by 6% to Ushs 4.5 Billion from Ushs 4.8 Billion in June 2019 mainly as a result of cost management initiatives rolled out by management during the period.

Balance Sheet Analysis

Total assets declined by 7% to Ushs 62.9 Billion from Ushs 70.3 Billion in June 2019, mainly attributable to depreciation of machinery. Shareholder Equity reduced by 12% to Ushs 31 Billion from Ushs 35 Billion in June 2019.

Cash flows analysis:

Cash generated for the period from operating activities was Ushs 4.5 Billion compared to Ushs 4.9 Billion over the same period in 2019 and mainly driven by a decline in sales.

Outlook

Due to the pandemic, the road ahead is presented with uncertainty on the business and the economy. We are however committed to building a sustainable business. Our primary focus is to ensure continued safety of staff, seek avenues to boost business growth and continue to implement cost management initiatives.

Message from the Directors

The interim condensed financial statements have been prepared in accordance with IAS 34 (Interim Financial Reporting) and the accounting policies used are consistent with those used in the annual financial statements for the year ended 31st December 2019. The statements should be read in conjunction with the company's audited annual financial statements for the year ended 31st December 2019.

A copy of the interim financial statements can be obtained from our website www.ugandaclays.co.ug with effect from 3rd September 2020.

The financial statements were approved for issue by the Board of Directors on **26th August 2020** and signed on their behalf by:



Jaqueline Kiwanuka
Ag. Managing Director



Eng. Martin Kasekende
Chairman, Board of Directors