



UGANDA CLAYS LIMITED

EXTRACT OF THE UNAUDITED FINANCIAL STATEMENT FOR THE SIX MONTHS ENDED 30TH JUNE 2023.

1. STATEMENT OF PROFIT OR LOSS		
	2023 (Ushs 'M)	2022 (Ushs 'M)
Revenue	13,299	18,032
Cost of sales	(9,644)	(10,142)
Gross profit	3,655	7,890
Other Income	599	562
Overhead costs	(5,233)	(6,645)
Profit before income tax	(979)	1,807
Income tax credit/(expense)	293	(542)
Profit after tax for the period	(686)	1,265
Basic earnings per share	(0.76)	1.41

2. STATEMENT OF FINANCIAL POSITION		
	2023 (Ushs 'M)	2022 (Ushs 'M)
Non - Current Assets	53,689	49,594
Current assets	23,923	27,515
Total assets	77,612	77,109
Equity	41,062	41,921
Non - Current Liabilities	24,799	25,145
Current Liabilities	11,751	10,043
Total Equity and liability	77,612	77,109

3. STATEMENT OF CHANGES IN EQUITY						
	Ordinary share capital (UShs 'M)	share premium (UShs 'M)	Revaluation reserve (UShs 'M)	Retained earnings (UShs 'M)	Proposed dividends (UShs 'M)	Total (UShs 'M)
At start of the year	900	9,766	852	29,780	450	41,748
Transfer of excess depreciation	-	-	-	-	-	-
Deferred tax on excess transfer of excess depreciation	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-
Profit for the year	-	-	-	(686)	-	(686)
At end of year	900	9,766	852	29,094	450	41,062

4. STATEMENT OF CASHFLOWS		
	2023 (Ushs 'M)	2022 (Ushs 'M)
Operating activities		
Cash from operations	2,412	4,203
Taxes paid	(716)	(894)
Net cash generated from operating activities	1,696	3,309
Investing activities		
Cash paid for purchase of property, plant and equipment	(3,226)	(10,060)
Proceeds from bonds	257	2,300
Net cash used in investing activities	(2,970)	(7,760)
Financing activities		
Short term loan	1,000	-
Net cash used in financing activities	1,000	-
Movement in cash and cash equivalents		
At start of the year	1,371	5,952
Increase/(decrease) in cash and cash equivalent	(274)	(4,451)
At end of year	1,098	1,501

Overview

The Board of Directors of Uganda Clays Ltd is pleased to release the interim condensed financial statements (un-audited) for the six months ended June 30th, 2023. The first half of the year has been challenging due to unfavorable macroeconomic conditions, characterized by high inflation and the depreciation of the Ugandan shilling against the Euro, which impacts the company's equipment purchases. Though there are signs of cost inflation cooling down, it remains a concern that will persist throughout the year. The company's revenue has declined, primarily due to frequent machinery breakdowns. Despite the current market slowdown, the company is committed to investing in its capacity expansion project, which is expected to boost growth prospects once the volumes increase. The company is dedicated to implementing measures to protect the environment and ensure the health, safety, and well-being of its employees.

Performance Highlights

Revenue from sales was UGX 13 billion, 26% lower than UGX 18 billion in June 2022 due to low sales volumes caused by frequent machinery breakdown. **Gross profit** decreased by 54% to UGX 3.7 billion compared to UGX 7.8 billion in June 2022, driven by low production volumes resulting in lower revenues being generated.

Overhead costs decreased by 21% to UGX 5.2 billion from UGX 6.6 billion in June 2022 driven by management cost management initiatives.

As a result, the company made a **loss before tax** for the period of 686 million compared to the profit before tax of UGX 1.3 billion in June 2022.

Balance sheet - The total assets increased by 1% to UGX 77.6 billion from UGX 77.1 billion in June 2022, attributed to continued capital investment in the capacity enhancement project.

Cash-flows - The total cash and cash equivalents reduced by 27% to UGX 1.1 billion from UGX 1.5 billion in June 2022. This is largely due to the decrease in sales revenue for the period in addition to the capital investment for the capacity expansion project.

Current trading and outlook

Inflation has been consistently dropping, and this trend is expected to lower production costs. As the company continues to invest more in repairing existing machinery, we anticipate a steady increase in the company's revenue during the second half of the year.

Message from the Directors

The interim condensed statements have been prepared in accordance with IAS 34 (Interim Financial Reporting) and the accounting policies used are consistent with those used in annual financial statements for the year ended **December 31st, 2022**. The statements should be read in conjunction with the company's audited financial statements for the year ended **December 31st, 2022**.

The audited financial statements for the year ended December 31st, 2022 are available on the company's website www.ugandaclays.co.ug.

The financial statements were approved for issue by the Board of Directors on **29th August 2023**, and signed on their behalf by:

Eng. Martin Kasekende
CHAIRMAN OF THE BOARD

Reuben Tumwabwe
MANAGING DIRECTOR