

## EXTRACT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2015

1. STATEMENT OF COMPREHENSIVE INCOME		
	2017	2016
	UShs '000	UShs '000
Revenue	27,201,533	26,037,358
Cost of sales	(16,510,791)	(15,580,167)
<b>Gross profit</b>	<b>10,690,742</b>	<b>10,457,191</b>
Rent and other Incomes	308,535	141,508
<b>Total Income</b>	<b>10,999,277</b>	<b>10,598,699</b>
Administrative expenses	(2,561,473)	(1,734,927)
Distribution expenses	(1,285,843)	(1,021,523)
Other operating expenses	(3,984,637)	(3,690,846)
	(7,831,953)	(6,447,296)
<b>Operating profit/(loss)</b>	<b>3,167,324</b>	<b>4,151,403</b>
Finance costs	(2,976)	(121,162)
<b>Profit/(loss) before tax</b>	<b>3,164,348</b>	<b>4,030,241</b>
Income tax expense/(credit)	(769,131)	(1,656,866)
<b>Profit/(loss) for the year</b>	<b>2,395,217</b>	<b>2,373,375</b>
	UShs/share	UShs/share
Basic and diluted (loss)/ earnings per share	2.66	2.64

2. STATEMENT OF FINANCIAL POSITION		
	2017	2016
	UShs '000	UShs '000
<b>Capital and Reserves</b>		
Issued capital	900,000	900,000
Share premium	9,766,028	9,766,028
Retained earnings	12,051,185	7,459,594
Revaluation reserves	7,649,457	9,008,881
<b>Proposed dividends</b>	<b>900,000</b>	<b>900,000</b>
Total Equity	31,266,670	28,034,503
<b>Non-Current Liabilities</b>		
Deferred income tax liability	8,159,925	9,350,180
<b>Borrowings: non-current portion</b>	<b>23,211,380</b>	<b>23,211,380</b>
Total Non-Current Liabilities	31,371,305	32,561,560
<b>Total Equity &amp; Non-Current Liabilities</b>	<b>62,637,975</b>	<b>60,596,063</b>
<b>REPRESENTED BY:</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	45,879,510	46,974,425
Prepaid operating lease rentals	701,447	759,129
	<b>46,580,957</b>	<b>47,733,554</b>
<b>Current Assets</b>		
Inventories	9,597,613	9,375,090
Trade and other receivables	3,794,182	3,382,237
Staff loans	120,928	94,159
Current income tax recoverable	342,080	508,989
Cash and cash equivalents	1,778,955	4,169,826
<b>Fixed deposits</b>	<b>3,975,366</b>	-
	<b>19,609,124</b>	<b>17,530,301</b>
<b>Current Liabilities</b>		
Retirement benefit obligation	83,316	124,811
Trade and other payables	3,467,554	4,542,981
Rent tax payable	1,236	-
	3,552,106	4,667,792
Net Current Assets	<b>16,057,018</b>	<b>12,862,509</b>
<b>Total</b>	<b>62,637,975</b>	<b>60,596,063</b>

4. STATEMENT OF CASH FLOWS		
	2017	2016
	UShs '000	UShs '000
<b>Operating activities</b>		
Net cash (used in)/ generated from operating activities	4,227,220	2,927,369
<b>Investing activities</b>		
Net cash flows (used in) / generated from investing activities	(6,618,091)	(160,311)
<b>Financing activities</b>		
Net cash flows from/(used in) financing activities	-	-
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>(2,390,871)</b>	<b>2,767,058</b>
Movement in cash and cash equivalents		
Cash and cash equivalents at 1 January	4,169,826	1,402,768
<b>Net (decrease)/increase in cash &amp; cash equivalents for the year</b>	<b>(2,390,871)</b>	<b>2,767,058</b>
<b>Cash and cash equivalents at 31 December</b>	<b>1,778,955</b>	<b>4,169,826</b>

### SUMMARY PERFORMANCE:

A 4.5% growth in revenue was realised during the year from UShs 26bn to 27.2bn in 2017. A 4.5% growth in revenue was realised during the year from UShs 26bn in 2016 to UShs 27.2 bn in 2017.

The gross margin was relatively the same when compared to the prior year (2017: 39%, 2016: 40%). This is attributed to the general increase in prices in the economy and specifically major factory inputs such as steel, fuels and lubricants and imported spares.

There was a 21% increase in the total overheads. The company has continued to intensify marketing activities to grow revenue as well as to improve staff motivation and thereby improve productivity.

### Message from the Directors

These results are extracted from the audited financial statements of Uganda Clays Limited for the year ended 31 December 2017. The financial statements were audited by Jim Roberts & Associates Certified Public Accountants and have received an unmodified opinion. A copy of the full audited financial statements will be available on our website, [www.ugandaclays.co.ug](http://www.ugandaclays.co.ug) with effect from 4<sup>th</sup> May 2018. Alternatively detailed financial statements can be picked from our Head Office Entebbe Road Kajjansi P.O Box 3188 Kampala or Lex Uganda Advocates, Communication House P.O Box 216 Kampala.

### Dividend

The Board of Directors recommended a dividend for the year ended 31 December 2017 of UShs 1 per share subject to withholding tax. The payment date shall be 01<sup>st</sup> August 2018 and book closure date is 28<sup>th</sup> June 2018.

The Annual General Meeting shall be held on 28<sup>th</sup> June 2018 at the Sheraton Kampala Hotel starting at 2:00pm.

The financial statements were approved by the Board of Directors on 24<sup>th</sup> April 2018 and signed on its behalf by:

  
Dr Martin Alikor  
BOARD CHAIRMAN

  
Joseph Tukuratiire  
DIRECTOR

  
George Inholo  
MANAGING DIRECTOR

3. STATEMENT OF CHANGES IN EQUITY						
	Issued capital	Share Premium	Revaluation reserves	Retained earnings	Proposed dividends	Total equity
	UShs '000	UShs '000	UShs '000	UShs '000	UShs '000	UShs '000
<b>At 31 December 2016</b>	<b>900,000</b>	<b>9,766,028</b>	<b>9,008,881</b>	<b>7,459,594</b>	<b>900,000</b>	<b>28,034,503</b>
<b>At 1 January 2017</b>	<b>900,000</b>	<b>9,766,028</b>	<b>9,008,881</b>	<b>7,459,594</b>	<b>900,000</b>	<b>28,034,503</b>
Proposed dividends	-	-	-	-	(900,000)	(900,000)
Prior year adjustments:	-	-	-	-	-	-
Property, plant & equipment	-	-	-	895,260	-	895,260
Deferred tax	-	-	-	841,690	-	841,690
As at 31 December 2017	900,000	9,766,028	9,008,881	9,196,544	-	28,871,453
Profit for the year	-	-	-	2,395,217	-	2,395,217
Proposed dividends	-	-	-	(900,000)	900,000	-
Transfer of excess depreciation	-	-	(1,942,034)	1,942,034	-	-
Deferred income tax on transfer of excess depreciation	-	-	582,610	(582,610)	-	-
<b>At 31 December 2017</b>	<b>900,000</b>	<b>9,766,028</b>	<b>7,649,457</b>	<b>12,051,185</b>	<b>900,000</b>	<b>31,266,670</b>