



Uganda Clays Ltd

**JANUARY TO JUNE 2015 UNAUDITED**

**FINANCIAL STATEMENTS**

### Statement of Comprehensive Income for the period

	<b>Jun-15</b> <b>UShs'000</b>	<b>Jun-14</b> <b>UShs'000</b>
Revenue	11,370,199	9,883,547
Cost of sales	(8,018,996)	(8,666,578)
	<i>71%</i>	<i>88%</i>
<b>Gross Profit</b>	<b>3,351,203</b>	<b>1,216,969</b>
<i>Gross profit margin</i>	<i>29%</i>	<i>12%</i>
Other operating income	40,902	45,999
<b>Overhead costs</b>		
Administrative costs	(1,241,618)	(537,439)
Distribution costs	(415,768)	(365,952)
Other operating costs	(1,531,662)	(1,452,113)
	<b>(3,189,048)</b>	<b>(2,355,504)</b>
<b>Operating (loss)/ profit</b>	<b>203,057</b>	<b>(1,092,536)</b>
<i>Operating profit / loss margin</i>	<i>2%</i>	<i>-11%</i>
Finance costs	(2,068,704)	(2,325,390)
<b>Profit/(Loss) before income tax</b>	<b>(1,865,647)</b>	<b>(3,417,926)</b>
Income tax credit/(expense)	559,694	1,025,378
<b>Profit/(Loss) for the period net of tax</b>	<b>(1,305,953)</b>	<b>(2,392,548)</b>
<i>Net Profit / (loss) Margin</i>	<i>-11%</i>	<i>-24%</i>

## SEGMENT INFORMATION

### Statement of Comprehensive income:

	<b>Kajjansi UShs'000</b>	<b>Kamonkoli UShs'000</b>	<b>Total UShs'000</b>
Revenue	8,429,718	2,940,481	11,370,199
Cost of sales	(4,255,699)	(3,763,297)	(8,018,996)
	50%	128%	71%
<b>Gross Profit</b>	<b>4,174,019</b>	<b>(822,816)</b>	<b>3,351,203</b>
<i>Gross profit/(loss) margin</i>	50%	(28%)	29%
Other operating income	40,741	161	40,902
<b>Overhead costs</b>			
Administrative costs	(1,147,161)	(94,457)	(1,241,618)
Distribution costs	(400,172)	(15,596)	(415,768)
Other operating costs	(1,338,386)	(193,276)	(1,531,662)
	<b>(2,885,719)</b>	<b>(303,329)</b>	<b>(3,189,048)</b>
<b>Operating (loss) / profit</b>	<b>1,329,041</b>	<b>(1,125,984)</b>	<b>203,057</b>
Finance costs	(120,436)	(1,948,268)	(2,068,704)
<b>Profit before income tax</b>	<b>1,208,605</b>	<b>(3,074,252)</b>	<b>(1,865,647)</b>
Income tax credit/(expense)	(362,582)	922,276	559,694
<b>Profit for the period, net of tax</b>	<b>846,024</b>	<b>(2,151,976)</b>	<b>(1,305,953)</b>

**COSTS OF SALE:**

	<b>Jan- June 2015</b>	<b>Jan- June 2014</b>
	<b>UShs '000</b>	<b>UShs '000</b>
Clay processing & product moulding	378,552	129,916
Machinery depreciation	2,113,083	2,117,585
Drying process	31,094	33,687
Electricity and generator costs	876,292	564,151
Factory general maintenance	124,565	49,298
Kilns (baking process)	1,409,086	1,052,462
Other production overheads	776,368	655,127
Quarry and Silo	393,257	225,551
Salaries and allowances - pdn staff	364,462	370,999
Sales outlet Expenses	380,019	260,391
Wages and allowances - pdn staff	<u>981,399</u>	<u>931,272</u>
	<b>7,828,177</b>	<b>6,390,439</b>
Stock adjustment	<u>190,819</u>	<u>2,276,140</u>
	<b>8,018,996</b>	<b>8,666,579</b>

**OVERHEAD COSTS:****i. Administrative costs:**

	<b>Jan- June 2015</b>	<b>Jan- June 2014</b>
	<b>UShs '000</b>	<b>UShs '000</b>
Annual general meeting	-	-
Audit expenses	15,024	19,000
Communication	65,721	15,070
Company house maintenance	-	2,220
Compound maintenance	1,933	1,297
Consultancy	22,926	12,985
Depreciation	77,006	73,354
Directors fees and allowances	52,659	44,957
Insurance	53,009	14,218
Lease -Annual rent	25,066	2,959
Legal fees and expenses	95,700	56,000
Local travel	64,997	76,244
Office building maintenance	2,661	1,294
Office equipment maintenance	25,345	17,213
Printing and stationery	15,951	13,287
Registrars fees	16,667	13,730
Property Rates	3,750	60,972
Security	61,502	42,581
Tax consultancy	9,682	20,892
Transport costs /m/v maintenance	36,199	10,125
Travel abroad	57,571	37,860
Uniforms	-	-
Utilities	174	1,181
Software licenses & support	2,484	-
<b>Sub total</b>	<b>706,027</b>	<b>537,439</b>
Other (one off) expenses	535,591	-
<b>Total</b>	<b>1,241,618</b>	<b>537,439</b>

**ii. Distribution costs:**

	<b>Jan- June 2015</b> <b>UShs '000</b>	<b>Jan- June 2014</b> <b>UShs '000</b>
Business promotion	411,538	364,152
Donation	-	-
Public relations & entertainment	4,230	900
Research and development	-	900
	<b>415,768</b>	<b>365,952</b>

**iii. Other Operating costs:**

	<b>Jan- June 2015</b> <b>UShs '000</b>	<b>Jan- June 2014</b> <b>UShs '000</b>
Gratuity & pension	188,390	171,984
Leave allowance	54,963	66,180
Medical expenses	21,219	12,078
NSSF Company contribution	115,282	109,816
Salaries and allowances	968,918	932,070
Bonus & other allowances	12,888	22,952
Sports and recreation	4,172	460
Subscriptions	9,276	6,116
Staff welfare	42,963	30,108
Termination pay	6,767	4,348
Training costs	1,912	14,085
Wages and allowances	104,912	104,868
	<b>1,531,662</b>	<b>1,452,113</b>

**FINANCE COSTS:**

	<b>Jan- June 2015</b> <b>UShs '000</b>	<b>Jan- June 2014</b> <b>UShs '000</b>
Bank charges	23,564	18,111
Finance lease charges	263	17,700
Foreign exchange loss	-	427
Interest on overdraft	3,240	333,624
Interest on loans	1,920,508	1,814,333
Interest on unsubmitted gratuity	121,129	141,195
	<b>2,068,704</b>	<b>2,325,390</b>

## Statement of Financial Position

	<b>Jun-15 UShs'000</b>	<b>Jun-14 UShs'000</b>
<b>Capital Employed</b>		
Share capital	900,000	900,000
Share premium	9,766,028	9,766,028
Revaluation reserves	11,727,729	13,087,153
Retained earnings	3,081,195	5,814,447
<b>Share Holders Funds</b>	<b>25,474,952</b>	<b>29,567,628</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	6,963,560	7,607,469
Finance leases	-	-
Retirement benefit obligation	2,270,273	2,860,160
Borrowings	21,180,681	16,280,423
	<b>30,414,514</b>	<b>26,748,052</b>
<b>Total equity &amp; non - current liabilities</b>	<b>55,889,466</b>	<b>56,315,680</b>
<b>Represented by:</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	52,305,936	56,131,443
Prepaid operating lease rentals	358,777	196,651
	<b>52,664,713</b>	<b>56,328,094</b>
<b>Current Assets</b>		
Inventories	7,754,458	8,331,245
Trade and other receivables	1,279,890	1,663,380
Staff loans	68,604	98,920
Tax recoverable	258,668	213,713
Bank & cash balances	670,600	413,358
	<b>10,032,220</b>	<b>10,720,616</b>
Assets classified as held for sale	-	-
	<b>10,032,220</b>	<b>10,720,616</b>
<b>Current Liabilities</b>		
Creditors	4,528,191	5,203,109
Finance lease	-	158,619
Borrowings	2,279,276	5,371,302
	<b>6,807,467</b>	<b>10,733,030</b>
<b>Net Current Assets</b>	<b>3,224,753</b>	<b>(12,414)</b>
	<b>55,889,466</b>	<b>56,315,680</b>