UCHUMI

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UCHUMI SUPERMARKETS PLC AUDITED FULL YEAR RESULTS, 30 JUNE 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2017	2016
	Ksh'000	Ksh'000
Net Sales	2,587,239	6,427,143
Cost of Sales	(2,138,082)	(5,450,199)
Gross Profit	449,157	976,944
Administration expenses,selling expenses and other expenses	(2,112,854)	(3,648,441)
Loss Before Taxation	(1,663,697)	(2,671,497)
Income Tax Expense	(17,231)	(165,235)
Loss After Taxation	(1,680,928)	(2,836,732)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2017

ASSETS	Ksh'000	Ksh'000
Non-current Assets	3,771,235	3,338,177
Current Assets	556,046	1,664,039
TOTAL ASSETS	4,327,281	5,002,216
EQUITY AND LIABILITIES		
Share Capital	1,824,808	1,824,808
Retained earnings and other reserves	(5,209,486)	(3,922,185)
Non-current liabilities	991,072	667,421
Current liabilities	6,720,887	6,432,172
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES	4,327,281	5,002,216

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30TH JUNE 2017

	Ksh'000	Ksh'000
Net cash generated (used in)/from operating activities	(1,114,947)	8,630
Net cash used in investing activities	706,819	432,975
Net cash(used in)/generated in finacing activities	218,112	(465,252)
Net (decrease)in cash and cash equivalents	(190,016)	(23,647)
Cash and cash equivalents at the beginning of the year	(328,276)	(304,629)
	(518,292)	(328,276)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2017

	Share capital KShs'000	Share premium KShs'000	Revaluation reserve KShs'000	Revaluation reserve KShs'000	Retained earnings KShs'000	Total KShs'000
At 1 July 2016	1,824,808	1,371,057	872,154	(34,259)	(3,294,405)	739,355
Loss for the year	-			34,259	(2,870,991)	(2,836,732)
At 30 June 2016	1,824,808	1,371,057	872,154	-	(6,165,396)	(2,097,377)
At 1 July 2017	1,824,808	1,371,057	872,154		(6,165,396)	(2,097,377)
Loss for the year	-	-	-	-	(1,680,928)	(1,680,928)
Transfer of Revaluation reserve	-	-	(510,212)		510,212	-
Other comprehensive income for the year	-	-	393,627	-	-	393,627
At 30 June 2017	1,824,808	1,371,057	755,569	-	(7,336,112)	(3,384,678)

Headlines on Performance

- Improved cost management implementation resulted in significantly improved loss position for the year by 39% from KES 2.8BN in 2016 to KES 1.7 BN.
- Despite the suppressed business in the current and past financial year, the Company recorded improved margins.
- The Board and Management continued to implement initiatives aimed at recovery and turnaround in performance including streamlining operations, strengthening management and implementing improved operational processes.
- Discussions are ongoing with a potential strategic investor and government shareholder loan is imminent with the expected release of KES 700m.
- New fund deployment plans are being established to re-stock stores, secure locations of all our 20 branches, ERP system enhancements, and management of the old supplier debt among other initiatives.

Auditors Opinion

The Auditors have given a qualified opinion due to the possible effect on the comparability of corresponding and current year figures for the consolidated and separate financial performance and cash flows as a result of the following matters:-

- Loss of control of business in the Uganda and Tanzania subsidiaries in the financial year ended June 2016;
- Assets write off in the financial year ended 30th June 2016.

Other than the above, the financial statements give a true and fair view of the consolidated and separate financial position of Uchumi Supermarkets Plc (formerly Uchumi Supermarkets Limited) as at 30th June 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015.

Some of the key audit matters where significant judgment was exercised by Management include impairment loss on trade and other receivables, contingent liabilities in respect of claims and litigations, recognition of deferred tax asset, valuation of investment property and completeness and the existence of trade payables.

Dividend

The Directors do not recommend the payment of a final dividend for the year ended 30th June 2017 (2016: Nil).

Annual General Meeting

The Annual General Meeting will be held on Wednesday, 20th December 2017

BY ORDER OF THE BOARD

Dr Catherine Ngahu
Chair, Board of Directors

Dr Julius Kipngetich
Chief Executive Officer

14 November 2017