

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2017

COMPANY STATEMENT OF FINANCIAL POSITION

	As at	
	30 June 2017	31 December 2016
	Shs	Shs
CAPITAL EMPLOYED		
Share capital	177,018,950	177,018,950
Share premium	10,501,719	10,501,719
Revaluation reserve	112,787,846	122,654,966
Retained (deficit)	(303,775,476)	(286,818,995)
Shareholders' funds	(3,466,961)	23,356,640
Non-current liabilities		
Borrowings	168,422,734	140,806,953
Deferred tax	73,226,269	83,851,526
Trade and other payables	24,854,901	17,000,000
	<u>266,503,904</u>	<u>241,658,479</u>
	<u>263,036,943</u>	<u>265,015,119</u>
REPRESENTED BY		
Non-current assets		
Property, plant and equipment	272,265,952	281,605,046
Investment in subsidiaries	2,557,160	2,557,160
Intangible assets	122,400	183,600
	<u>274,945,512</u>	<u>284,345,806</u>
Current assets		
Inventories	40,631,082	40,631,082
Trade and other receivables	25,471,791	22,476,858
Cash and cash equivalents	2,683,168	2,362,398
Tax recoverable	31,300,900	31,298,500
	<u>100,086,941</u>	<u>96,768,838</u>
Current liabilities		
Trade and other payables	36,169,413	41,539,304
Borrowings	61,426,097	60,160,221
Provision for legal claims	14,400,000	14,400,000
	<u>111,995,510</u>	<u>116,099,525</u>
Net current (liabilities)	(11,908,569)	(19,330,687)
	<u>263,036,943</u>	<u>265,015,119</u>

COMPANY STATEMENT OF PROFIT OR LOSS

	Unaudited 6 months to 30 June 2017	Audited 12 months to 31 December 2016
	Shs	Shs
Revenue	35,079,275	62,816,765
Direct costs	(29,122,886)	(48,266,715)
Gross profit	5,956,389	14,550,050
Other operating income	4,323,652	1,856,308
Impairment provisions	-	(39,182,934)
Administrative expenses	(22,275,986)	(42,357,055)
Other operating expenses	(18,360,776)	(29,892,070)
Operating (loss)	(30,356,721)	(95,025,701)
Finance costs	(7,092,137)	(16,850,001)
(Loss) before tax	(37,448,858)	(111,875,702)
Tax credit	10,625,257	15,068,265
(Loss) for the period/year	(26,823,601)	(96,807,437)
Basic and diluted (loss) per share	(0.76)	(2.73)

COMPANY STATEMENT OF CASH FLOWS

	Unaudited 6 months to 30 June 2017	Audited 12 months to 31 December 2016
	Shs	Shs
Operating activities		
Cash (used in)/from operations	(23,160,725)	5,440,194
Interest paid	(7,111,697)	(16,762,077)
Tax paid	(2,400)	-
Net cash (used in) operating activities	(30,274,822)	(11,321,883)
Investing activities		
Purchase of property, plant and equipment	(90,495)	(954,595)
Proceeds from disposal of property, plant and equipment	1,784,871	6,568,963
Net cash from investing activities	1,694,376	5,614,368
Financing activities		
Net (repayment of) bank borrowings	(4,964,607)	(8,622,866)
Net proceeds from borrowings from related parties	32,650,000	13,500,000
Net cash from financing activities	27,685,393	4,877,134
(Decrease) in cash and cash equivalents	(895,053)	(830,381)
Movement in cash and cash equivalents		
At start of period/year	(47,938,223)	(47,019,918)
(Decrease)	(895,053)	(830,381)
Effect of exchange rate changes	19,560	(87,924)
At end of period/year	<u>(48,813,716)</u>	<u>(47,938,223)</u>

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital Shs	Share premium Shs	Revaluation reserve Shs	Retained (deficit) Shs	Total Shs
Year ended 31 December 2016					
At start of year	177,018,950	10,501,719	132,522,086	(199,878,678)	120,164,077
(Loss) for the year	-	-	-	(96,807,437)	(96,807,437)
Transfer of excess depreciation	-	-	(14,095,886)	14,095,886	-
Deferred tax on excess depreciation transfer	-	-	4,228,766	(4,228,766)	-
At end of year	<u>177,018,950</u>	<u>10,501,719</u>	<u>122,654,966</u>	<u>(286,818,995)</u>	<u>23,356,640</u>
Period ended 30 June 2017					
At start of period	177,018,950	10,501,719	122,654,966	(286,818,995)	23,356,640
(Loss) for the period	-	-	-	(26,823,601)	(26,823,601)
Transfer of excess depreciation	-	-	(14,095,886)	14,095,886	-
Deferred tax on excess depreciation transfer	-	-	4,228,766	(4,228,766)	-
At end of period	<u>177,018,950</u>	<u>10,501,719</u>	<u>112,787,846</u>	<u>(303,775,476)</u>	<u>(3,466,961)</u>