

ABRIDGED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors of Sameer Africa PLC announces the audited financial results of the group for the year ended 31st December 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 KShs '000'	2018 KShs '000'
Revenue	1,757,353	2,067,928
Cost of sales	(1,487,004)	(1,725,872)
Gross profit	270,349	342,056
Other operating income	15,691	30,846
Operating expenses	(876,137)	(785,919)
Operating loss	(590,097)	(413,017)
Net Finance costs	(85,561)	(69,124)
Share of profit of equity accounted investees (net of income tax)	15,135	4,027
Loss before income tax	(660,523)	(478,114)
Income expense	(401,424)	(51,206)
Loss for the year	(1,061,947)	(529,320)
Other comprehensive income (net of tax)		
Items that are or may be reclassified to profit and loss		
Foreign currency translation differences from foreign operations	1,480	(10,802)
Total other comprehensive income for the year	1,480	(10,802)
Total comprehensive income for the year	(1,060,467)	(540,122)
Earnings per share:		
Basic and diluted (KShs)	(3.82)	(1.90)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	2019 KShs '000'	2018 KShs '000'
ASSETS		
Non-current assets		
Property, plant and equipment	60,508	356,388
Intangible assets	-	1,052
Investment properties	450,289	422,836
Prepaid operating lease rentals	342	345
Investment in subsidiaries	-	-
Investment in associate	152,610	137,475
Deferred income tax	-	369,556
Total non-current assets	663,749	1,287,652
Current assets		
Inventories	419,779	617,406
Trade and other receivables	374,359	590,750
Current income tax	33,557	44,727
Cash and bank balances	39,403	47,289
Total current assets	867,098	1,300,172
TOTAL ASSETS	1,530,847	2,587,824
EQUITY		
Share capital	1,391,712	1,391,712
Retained earnings	(1,148,370)	(86,423)
Translation reserve	(174,231)	(175,711)
Total equity	69,111	1,129,578
LIABILITIES		
Non-current liabilities		
Borrowings	455,218	14,585
Deferred income tax	5,263	5,064
Total non-current liabilities	460,481	19,649
Current liabilities		
Trade and other payables	586,576	477,946
Borrowings	414,679	960,651
Total current liabilities	1,001,255	1,438,597
Total liabilities	1,461,736	1,458,246
TOTAL EQUITY AND LIABILITIES	1,530,847	2,587,824

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share Capital KShs '000'	Retained Earnings KShs '000'	Translation Reserve KShs '000'	Total KShs '000'
2019				
At start of year	1,391,712	(86,423)	(175,711)	1,129,578
Total comprehensive income	-	(1,061,947)	1,480	(1,060,467)
At end of year	1,391,712	(1,148,370)	(174,231)	69,111
2018				
At start of year	1,391,712	611,051	(164,909)	1,837,854
Adjustment on initial application of IFRS 9, net of tax	-	(168,154)	-	(168,154)
Total comprehensive income	-	(529,320)	(10,802)	(540,122)
At end of year	1,391,712	(86,423)	(175,711)	1,129,578

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 KShs '000'	2018 KShs '000'
Cash generated from/(used in) operating activities	222,529	(243,678)
Interest paid	(73,358)	(69,413)
Income tax paid	(20,499)	(11,967)
Net cash generated from/(used in) operating activities	128,672	(325,058)
Net cash used in investing activities	(37,266)	(130,246)
Net cash generated/ (absorbed) by financing activities	440,633	(16,441)
Increase/(decrease) in cash and cash equivalents	532,039	(471,745)
Movement in cash and cash equivalents:		
At start of year	(913,362)	(442,735)
Increase/(decrease) in cash and cash equivalents	532,039	(471,745)
Effects of exchange movements on cash held	6,047	1,118
At end of year	(375,276)	(913,362)

MESSAGE FROM DIRECTORS

The abridged consolidated and separate statement of Financial Position, Consolidated Statement of profit or loss and Other Comprehensive Income, Consolidated Statements of change in Equity and statement of Cash Flows are extracts from the Group and Separate Financial Statements which have been audited by RSM Eastern Africa LLP Certified Public Accountants and received an unqualified opinion.

The financial statements were approved at a meeting of the Directors held on 29 April 2019 and were signed.

Signed on its behalf by:

ENG. E.K. MWONGERA - FIEK, RCE, CBS
Chairman

MR. PETER GITONGA
Ag. Managing Director

GROUP RESULTS

The Group's revenue reduced by 15% from Kshs 2.07 billion in 2018 to Kshs 1.76 billion in 2019 following the closure of several retail outlets in Kenya and the East African region.

The loss for the year significantly increased from the loss reported for the year 2018 following the decision to exit from the tyre business leading to the impairment of the tyre business assets and accrual of staff redundancy costs.

Due to this, the earnings for the year ended 31 December 2019 are lower by more than 25% of the earnings reported for the same period in 2018.

OUTLOOK 2020

Following the decision to exit from the tyre business, Group revenues are forecast to reduce by Ksh 1.49 billion, however, the profitability of the Group is expected to increase due to the elimination of losses that were generated by the tyre business.

DIVIDEND

The Board of Directors do not recommend the payment of a dividend for the year ended 31 December 2019.

NOTICE AND AGENDA OF THE 51ST ANNUAL GENERAL MEETING

The Annual General Meeting of the Company shall be held on a date to be notified to shareholders.

By Order of the Board

Edgar Imbamba
Company Secretary





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Certified Public Accountants

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REPORT OF THE INDEPENDENT AUDITORS ON THE SUMMARY FINANCIAL STATEMENTS AND THE SUMMARY DIRECTORS' REMUNERATION REPORT TO THE MEMBERS OF SAMEER AFRICA PLC

Opinion

The summary financial statements, which comprise the summary consolidated and company statement of financial position as at 31 December 2019, the summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended are derived from the audited financial statements of Sameer Africa PLC for the year ended 31 December 2019.

The summary directors' remuneration report is derived from the auditable part of the directors' remuneration report for the year ended 31 December 2019.

In our opinion, the accompanying summary financial statements and the summary directors' remuneration report are consistent, in all material respects, with the audited consolidated financial statements and the auditable part of the directors' remuneration report, in accordance with the Kenyan Companies Act, 2015.

Summary financial statements and summary directors' remuneration report

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. In addition, the summary directors' remuneration report does not contain all the disclosures required by the Kenyan Companies Act, 2015. Reading the summary financial statements, the summary directors' remuneration report and the auditors' report therefore, is not a substitute for reading the audited consolidated financial statements, the directors' remuneration report and the auditors' report thereon.

The audited consolidated financial statements, directors' remuneration report and our report thereon

We expressed an unqualified modified audit opinion on the audited financial statements in our audit report dated 29th April 2020. The audit report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

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Registration number: LLP-3A1VXM

Partners: Ashif Kassam, Lina Ratansi, Nihla Mazrui, Elvis Ogeto

Emphasis of matter

The group's financial statements have been prepared on a going concern basis on the assumption that the shareholders and lenders will continue their support by providing adequate funding and that the business strategy will be achieved.

Directors' responsibility for the summary financial statements and the summary directors' remuneration report

The directors are responsible for the preparation of the summary financial statements and the summary directors' remuneration report in accordance with the Kenyan Companies Act, 2015.

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements and in the manner required by the Kenyan Companies Act, 2015. We are also required to report whether the summary directors' remuneration report is consistent with the auditable part of the directors' remuneration report in accordance with the Kenyan Companies Act, 2015.

RSM Eastern Africa UP

**Certified Public Accountants
Nairobi**

29 April 2020

The signing partner responsible for the independent audit was FCPA Ashif Kassam, Practicing Certificate No. 1126.